



American Funds Model Portfolios and Portfolio Series funds rated Gold by Morningstar



Analyst-Driven %
100
Data Coverage %
0

Strong underlying funds and two levels of active management are recognized

Thirteen American Funds active model portfolios have a Morningstar Gold Medalist Rating™ which is 100% analyst-driven. These ratings recognize the model portfolios' ongoing efforts to help investors meet their goals through our objective-based approach. A host of American Funds Model Portfolios were reaffirmed Gold throughout 2024, including eight Core model portfolios and five Tax-Aware model portfolios, along with 10 American Funds Portfolio Series funds.

The Morningstar analyst rating is a forward-looking, qualitative rating assigned by Morningstar's research analysts based on their assessment of the merits of a given investment strategy. According to Morningstar, the highest ratings go to models and strategies that analysts believe will outperform their category benchmarks over a full market cycle on a risk-adjusted basis, net of fees.

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

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The model ratings are based on forward-looking qualitative assessments as well as select quantitative data through June 30, 2024, 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-driven) were reaffirmed as of August 13, 2024, for the following model portfolios: American Funds Global Growth Model Portfolio, American Funds Growth Model Portfolio, American Funds Growth and Income Model Portfolio, American Funds Moderate Growth and Income Model Portfolio and American Funds Conservative Growth and Income Model Portfolio.

Gold medalist ratings (100% analyst-driven) were reaffirmed as of July 19, 2024, 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, American Funds Tax Aware Moderate Income Model Portfolio and American Funds Tax-Aware Conservative Income Model Portfolio.

Gold medalist ratings (100% analyst-driven) were reaffirmed as of January 16, 2024, for the following model portfolios: American Funds Retirement Income Model Portfolio – Enhanced, American Funds Retirement Income Model Portfolio – Moderate and American Funds Retirement Income Model Portfolio – Conservative.

The portfolio series ratings are based on forward-looking qualitative assessments as well as select quantitative data through June 30, 2024, for the core portfolio series and December 31, 2023, for the Retirement Income portfolio series, respectively. Gold medalist ratings (100% analyst-driven) were reaffirmed as of August, 13, 2024, for the following portfolio series (F3 share class): American Funds Global Growth Portfolio, American Funds Growth Portfolio, American Funds Growth and Income Portfolio, American Funds Moderate Growth and Income Portfolio and American Funds Conservative Growth and Income Portfolio.

Gold medalist ratings (100% analyst-driven) were reaffirmed as of July 19, 2024, for the following portfolio series: the American Funds Tax-Aware Conservative Growth and Income Portfolio and the American Funds Tax-Exempt Preservation Portfolio.

Gold medalist ratings (100% analyst-driven) were reaffirmed as of January 16, 2024, for the following portfolio series: the American Funds Retirement Income Portfolio – Enhanced, the American Funds Retirement Income Portfolio – Moderate and the American Funds Retirement Income Portfolio – Conservative.

American Funds Model Portfolios

Name	Rating (100% analyst-driven)
American Funds Global Growth Model Portfolio	Gold
American Funds Growth Model Portfolio	Gold
American Funds Growth and Income Model Portfolio	Gold
American Funds Moderate Growth and Income Model Portfolio	Gold
American Funds Conservative Growth and Income Model Portfolio	Gold
American Funds Retirement Income Model Portfolio – Enhanced	Gold
American Funds Retirement Income Model Portfolio – Moderate	Gold
American Funds Retirement Income Model Portfolio – Conservative	Gold
American Funds Tax-Aware Growth and Income Model Portfolio	Gold
American Funds Tax-Aware Moderate Growth and Income Model Portfolio	Gold
American Funds Tax-Aware Conservative Growth and Income Model Portfolio	Gold
American Funds Tax-Aware Moderate Income Model Portfolio	Gold
American Funds Tax-Aware Conservative Income Model Portfolio	Gold

American Funds Portfolio Series

Name	Rating (100% analyst-driven)
American Funds Global Growth Portfolio	Gold
American Funds Growth Portfolio	Gold
American Funds Growth and Income Portfolio	Gold
American Funds Moderate Growth and Income Portfolio	Gold
American Funds Conservative Growth and Income Portfolio	Gold
American Funds Retirement Income Portfolio – Enhanced	Gold
American Funds Retirement Income Portfolio – Moderate	Gold
American Funds Retirement Income Portfolio – Conservative	Gold
American Funds Tax-Aware Conservative Growth and Income Portfolio	Gold
American Funds Tax-Exempt Preservation Portfolio	Gold

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merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about these ratings, including their methodology, please refer to global.morningstar.com/managerdisclosures/. The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what was expected, (iii) are not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involve the risk that the return target will not be met due to such things as unforeseen changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rates, exchange rate changes, and/or changes in political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product. A change in the fundamental factors underlying the Morningstar Medalist Rating can mean that the rating is subsequently no longer accurate.

Ratings methodology

Morningstar evaluates funds and strategies based on three key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis: People, Parent and Process. Each pillar is evaluated when assessing a managed investment as well as the interaction between the pillars, which Morningstar believes is crucial to understanding a managed investment's overall merit.

People: The overall quality of a managed investment's investment team is a significant key to its ability to deliver superior performance relative to its benchmark and/or peers. Evaluating a managed investment's investment team requires that analysts assess several relevant items including how key decisions are made.

Parent: Morningstar believes the parent organization is important in evaluating managed investment. The managed investment's management set the tone for key elements of our evaluation, including capacity management, risk management, recruitment and retention of talent, and incentive pay. Beyond these operational areas, we prefer firms that have a culture of stewardship and put investors first to those that are too heavily weighted to salesmanship.

Process: Morningstar looks for managed investments with a performance objective and investment process (for both security selection and portfolio construction) that is sensible, clearly defined, and repeatable. In addition, the portfolio should be constructed in a manner that is consistent with the investment process and performance objective.

Performance and Price: Morningstar evaluates a vehicle's performance as part of its overall assessment but considers performance within the context of the other pillar assessments it conducts, notably People and Process. This ensures that performance doesn't play an outsize role in the overall assessment while tying performance analysis to factors that Morningstar's research has found are better predictors of future outcomes. Likewise, Morningstar takes fees into account when assigning ratings to vehicles but does not maintain a separate Price Pillar.

Morningstar aggregates Morningstar Categories that have been assigned a similar Morningstar Category Index. These aggregate peer groups are used solely to assess the alpha opportunity for categories following highly similar indexes. To assess the opportunity to add value within the aggregate peer group, Morningstar runs rolling three-year regressions of each constituent vehicle's gross-of-fee returns against the index chosen for the aggregate peer group concerned. From these regressions, Morningstar derives each vehicle's three-year gross alpha versus the index, repeating this for each rolling period and compiling this series of gross alphas for all other vehicles that are part of the aggregate peer group. (Morningstar runs these regressions on a periodic basis, adding new rolling three-year measurements to the historical series with the passage of time. The start date for the regression series is Jan. 1, 2002, or the first date thereafter in the case of peer groups created subsequently.) Morningstar then uses the resulting range of gross alphas to estimate the potential that funds in the peer group can generate positive gross-of-fee alpha. This alpha-potential estimate, or APE, is the factor used by Morningstar to adjust its estimate of a vehicle's gross alpha up or down based on the pillar ratings that it assigns to the vehicle.

Morningstar assigns scores to the People, Process, and Parent Pillars on a -2 to +2 basis. Those scores correspond to the pillar ratings assigned to a vehicle based on an analyst's qualitative assessment. The pillar ratings take the form of Low, Below Average, Average, Above Average, and High.

Morningstar starts with the assumption that a vehicle will deliver a gross-of-fee alpha of 0. The pillar scores are then used in conjunction with set pillar weights and the APE for the vehicle's assigned category to derive a gross-of-fee expected alpha. The pillars are weighted as follows for actively managed vehicles: People: 45% Process: 45% Parent: 10%. To obtain expected net-of-fee alpha, Morningstar subtracts the relevant cost ratio from its estimate of expected gross-of-fee alpha. Once Morningstar has estimated a vehicle's expected net-of-fee alpha, it compares that vehicle's expected net alpha with that of all other actively managed investments in its Morningstar Category. The vehicle's estimated net alpha must be positive for it to be eligible for a Gold, Silver, or Bronze rating; otherwise, it will be assigned a Neutral or Negative rating.

Gold: Expected to deliver positive net alpha (versus the category index) that ranks among the top 15% of all active investments in the Morningstar Category expected to generate positive net alpha.

Silver: Expected to deliver positive net alpha (versus the category index) that ranks among the next 35% of all active investments in the Morningstar Category expected to generate positive net alpha.

Bronze: Expected to deliver positive net alpha (versus the category index) that ranks in the bottom half of all active investments in the Morningstar Category expected to generate positive net alpha.

Neutral: Expected to deliver negative net alpha (versus the category index) that ranks in the top 70% of all active investments in the Morningstar Category expected to generate no alpha or negative net alpha.

Negative: Expected to deliver negative net alpha (versus the category index) that ranks in the bottom 30% of all active investments in the Morningstar Category expected to generate negative net alpha.

Under Review: Denotes a change at a rated strategy that requires further review to determine its impact on the rating.

Morningstar has combined their two forward-looking managed investment ratings (the Morningstar Analyst Rating and the Morningstar Quantitative Rating) into a single rating: the Morningstar Medalist Rating. They have introduced a new datapoint "Analyst-Driven %." Capital Group focuses on the 100% Analyst-Driven ratings.

For more information about the Morningstar Medalist Rating methodology please refer to https://s21.q4cdn.com/198919461/files/doc_downloads/2024/05/Morningstar-Medalst-Rating-Methodology-Effective-28-May-2024.pdf

For current information about the American Funds Model Portfolios, please refer to:
www.capitalgroup.com/american-funds-model-portfolios

For current information about the American Funds Portfolio Series funds, please refer to:
www.capitalgroup.com/american-funds-portfolio-series

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.

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. 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. Refer to capitalgroup.com for current allocations.

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