

Capital Group Active-Passive Models Designed for the long term

Quarterly update – Q3 2024



Quarterly models summary

Key takeaways for the quarter ended September 30, 2024

- Equity markets showed signs of broadening, with value-oriented and rate-sensitive sectors leading the way; dividend payers claimed the spotlight.
- Model portfolio asset allocation remains focused on long-term goals and investment opportunities amid geopolitical and economic risks and potentially volatile market shifts.
- The Portfolio Solutions Committee (PSC) and Capital Solutions Group (CSG) introduced new exchange-traded funds (ETFs) to tax-aware models, including the addition of dividend-focused ETFs and municipal bond ETFs.

Featured investment professionals



Samir Mathur

Chair of the Portfolio Solutions Committee



Mario DiVito
Multi-Asset

Investment Director



Liz Yakes

Multi-Asset Investment Product Manager

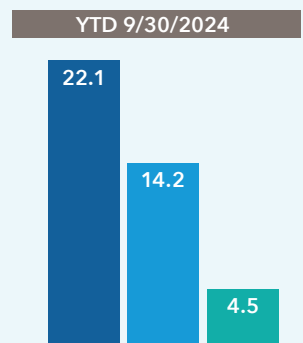
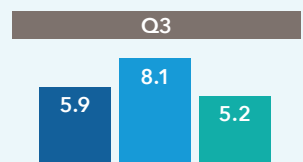
Model portfolios are only available through registered investment advisers. This content is intended for registered investment advisers and their clients.

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

Past results are not predictive of results in future periods.

Broad market results

Cumulative returns (%)



- **U.S. equities**
(S&P 500 Index)
- **International equities**
(MSCI ACWI ex USA Index)
- **U.S. fixed income**
(Bloomberg U.S. Aggregate Index)

Composite net results are calculated by subtracting an annual 3% fee, (which is equal to or higher than the highest actual model portfolio wrap fee charged by a program sponsor) from the gross composite monthly returns, which are net of underlying fund fees and expenses of all accounts in the composite. Past results are not predictive of results in future periods.

Contribution to returns commentary is based on a representative account of the model composites and is net of all fees and expenses applicable to the underlying funds and is gross of any advisory fee charged by model providers. The net of fees composite results shown illustrate the impact of fees on the portfolio. Attribution for underlying ETFs is based on market price.

Market Review

Markets continued to climb as investors absorbed the rate-cut decision by the U.S. Federal Reserve in mid-September, election uncertainty and the potential economic risks. The S&P 500 Index rose 6%, taking year to date gains to 22%. Among U.S. equity sectors, information technology and communication services stocks lagged the market this quarter in a reversal from earlier this year, while real estate and utilities stocks rebounded 19% and 17%, respectively. In another shift from earlier in the year, value stocks, as measured by the Russell 1000 Value Index, rose 9%, compared with a 3% gain for the Russell 1000 Growth Index for the quarter. International equity stocks, as measured by the MSCI All Country World Index (ACWI) ex USA, outpaced the S&P 500, rising 8% for the quarter. The MSCI ACWI ex USA has climbed 14% so far this year.

Bond markets rallied, with the Bloomberg U.S. Aggregate Index and the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index each rising over 5%. The Federal Reserve reduced its benchmark interest rate for the first time since 2020 with a 50-basis-point cut as inflation eased. The Fed indicated that it would remain flexible on the extent and timing of future moves based on economic data.

Model portfolio results for the quarter

(All comments about model composite returns versus the benchmark are true on a gross and net-of-fees basis, unless otherwise noted.)

Growth models

Our active-passive growth models have substantial active and passive allocations to equities, particularly growth equities, given their capital appreciation objective. These models produced positive absolute returns, but lagged their benchmarks over the third quarter.

Capital Group Active-Passive Global Growth Model Portfolio posted positive absolute returns for the quarter but lagged its benchmark.

- Stock selection: U.S. equities was additive; non-U.S. equities was detractive.
- Selection within industrials (construction & engineering) and financials boosted results; selection in information technology (semiconductors) and less exposure to the financials sector weighed on returns.
- Vanguard FTSE All-World ex-U.S. ETF was additive to relative returns; Capital Group Global Growth Equity ETF (CGGO) was a relative detractor.
- Geographic allocations to U.S. equity and non-U.S. equity ended the quarter at 54% and 43%.

Capital Group Active-Passive Growth Model Portfolio posted positive absolute returns for the quarter but lagged its benchmark.

- Stock selection: U.S. equities was additive; non-U.S. equities was detractive.
- Selection within U.S. communication services (interactive media) and U.S. consumer discretionary boosted results; less utilities and financials exposure weighed on returns.
- Capital Group Dividend Growers ETF (CGDG) and Capital Group Core Equity ETF (CGUS) were additive to relative returns; Vanguard Growth Index Fund ETF and Capital Group Growth ETF (CGGR) were relative detractors.

Capital Group Active-Passive Moderate Growth Model Portfolio posted positive absolute returns for the quarter but lagged its benchmark.

- Stock selection: U.S. equities was additive; non-U.S. equities was detractive.
- Selection within industrials (building products) and greater exposure to the sector boosted results; selection in health care (pharmaceutical) and less exposure to financials weighed on returns.
- Within fixed income, U.S. Treasuries and emerging market bonds boosted returns while securitized bonds detracted.
- Capital Group Dividend Growers ETF and Capital Group Core Equity ETF were additive to relative returns; Vanguard Growth Index Fund ETF and Capital Group Global Growth Equity ETF were relative detractors.

Growth-and-income models

Our active-passive growth-and-income models, which generally seek a combination of long-term capital appreciation and income, produced relatively strong absolute results, with mixed results against the benchmarks on both a gross and net-of-fees basis. Allocations to dividend-paying equities are a key component of these strategies; success metrics for these models emphasize lower volatility, strong risk-adjusted returns and yield.

Capital Group Active-Passive Growth and Income Model Portfolio posted positive absolute returns for the quarter but lagged its benchmark.

- Stock selection: U.S. equities was additive; non-U.S. equities was detractive.
- Selection within industrials (aerospace) and less information technology exposure boosted results; selection in energy (oil and natural gas) and less financials exposure weighed on returns.
- Within fixed income, U.S. Treasury positioning was beneficial as the yield curve steepened over the quarter while securitized bonds detracted.
- Active and passive dividend-oriented ETFs were additive to relative returns; Capital Group Global Growth Equity ETF was a relative detractor.

Capital Group Active-Passive Moderate Growth and Income Model Portfolio posted positive absolute returns for the quarter, leading its benchmark on a gross basis, but net returns lagged.

- Stock selection: U.S. equities was additive; non-U.S. equities was detractive.
- Selection within industrials (aerospace) and consumer staples boosted results; selection in utilities (natural gas utility) and materials weighed on returns.
- Within fixed income, U.S. Treasury positioning was beneficial as the yield curve steepened over the quarter while securitized bonds detracted.
- Active and passive dividend-oriented ETFs were additive to relative returns; Capital World Growth and Income Fund® was a relative detractor.

Capital Group Active-Passive Conservative Growth and Income Model Portfolio posted positive absolute returns for the quarter and led its benchmark on both a gross and net-of-fees basis.

- Stock selection: U.S. equities was additive; non-U.S. equities was nominally additive.
- Portfolio construction design of implementing underlying strategies that focus on dividend paying equities was beneficial.
- Selection within healthcare (biopharmaceutical) and less information technology exposure boosted results; selection in utilities (natural gas utility) and greater energy exposure weighed on returns.
- Within fixed income, U.S. Treasuries and emerging market bonds boosted returns while securitized bonds detracted.
- Active and passive dividend-oriented ETFs were additive to relative returns; Capital Group U.S. Multi-Sector Income ETF (CGMS) was a relative detractor.

Capital Group Active-Passive Conservative Income and Growth Model Portfolio posted positive absolute returns for the quarter, leading its benchmark on a gross basis, but net returns lagged.

- Stock selection: U.S. equities was additive; non-U.S. equities was nominally detractive.
- Portfolio construction design of implementing underlying strategies that focus on dividend paying equities was beneficial.
- Selection within consumer staples (tobacco) and health care boosted results; selection in financials (insurance company) and greater energy exposure weighed on returns.
- Within fixed income, U.S. Treasuries and emerging market bonds boosted returns while securitized bonds detracted.
- Capital Group Dividend Value ETF (CGDV) was a relative contributor; Vanguard Short-Term Inflation-Protected Securities ETF was a relative detractor.

Preservation and income models

Capital Group Active-Passive Conservative Income Model Portfolio posted positive absolute returns for the quarter, leading its benchmark on a gross basis, but net returns lagged.

- Stock selection: both U.S. and non-U.S. equities were additive.
- Portfolio construction design of implementing underlying strategies that focus on dividend paying equities was beneficial.
- Selection within energy (energy infrastructure) and greater industrials exposure boosted results; selection in utilities (natural gas utility) and greater energy exposure weighed on returns.
- Within fixed income, U.S. Treasuries boosted returns while securitized bonds detracted.
- Capital Group Core Bond ETF (CGCB) was a relative contributor; Vanguard Short-Term Treasury Index Fund ETF was a relative detractor.

Capital Group Active-Passive Preservation Model Portfolio posted positive absolute returns for the quarter, leading its benchmark on a gross basis, but net returns lagged.

- U.S. Treasuries boosted returns as the yield curve steepened over the quarter while securitized bonds and inflation linked bond detracted.
- Intermediate Bond Fund of America® and iShares MBS ETF were relative contributors; Short-Term Bond Fund of America® and Vanguard Short-Term Treasury Index Fund ETF were relative detractors.

Retirement income models

All three **Capital Group Active-Passive Retirement Income Model Portfolios** posted positive absolute returns and led the benchmark on both a gross and net-of-fees basis.

These models seek to support sustained inflation-adjusted withdrawals, within their guidance ranges, primarily through allocations to income-focused equities and a combination of higher yielding and higher quality fixed income securities.

- Greater exposure to equities and significant exposure to dividend paying equities helped the quarter as dividend paying equities, particularly within the U.S., rallied across the globe. American Mutual Fund™, concentrated in dividend paying equities, boosted returns in all three models, while Capital Group Global Growth ETF was a detractor within Enhanced.
- Greater exposure to utilities boosted returns while greater exposure to energy weighed on returns.
- Within fixed income, less exposure to inflation-linked bonds helped, while greater exposure to asset-backed securities was a detractor, as the sector lagged the broader market for the quarter. Capital Group Core Plus Income ETF (CGCP) aided results while Capital Group Short Duration Income ETF (CGSD) detracted.

Tax-aware portfolios

Capital Group Active-Passive Tax-Aware Moderate Growth Model Portfolio posted positive absolute returns for the quarter but lagged its benchmark.

- Stock selection: U.S. equities was additive; non-U.S. equities was detractive.
- Selection within consumer discretionary and technology boosted results; selection in energy and greater communication services exposure weighed on returns.
- Within municipal fixed income, general obligation municipals boosted returns while transportation municipals nominally detracted.
- Capital Group Core Equity ETF was a relative contributor while Capital Group Growth ETF was a detractor.

The **Capital Group Active-Passive Tax-Aware Growth-and-Income Model Portfolios** posted positive absolute returns for the quarter, leading their respective benchmarks on a gross basis but with mixed results net-of-fees.

- Stock selection: U.S. equities was additive; non-U.S. equities was detractive.
- Selection within industrials and health care boosted results; selection in materials and less financials exposure weighed on returns.
- Within municipal fixed income, housing and health care municipals boosted returns while transportation and escrowed municipals nominally detracted.
- Across most of the models, Capital Group Dividend Value ETF was a relative contributor while Capital World Growth and Income was a detractor.

Capital Group Active-Passive Tax-Aware Moderate Income and Conservative Income Model Portfolios posted positive absolute returns for the quarter and led their respective benchmarks on both a gross and net-of-fees basis.

- Stock selection overall was a positive contributor.
- Selection in information technology and health care boosted results; selection in materials and greater energy exposure weighed on returns.
- Within municipal fixed income, health care municipals boosted returns while escrowed municipals detracted.
- American Mutual Fund and American High-Income Municipal Bond Fund® were relative contributors while iShares Short-Term National Muni Bond ETF and American Funds Short-Term Tax-Exempt Bond Fund® were detractors.

Capital Group Active-Passive Tax-Exempt Preservation Model Portfolio posted positive absolute returns for the quarter but lagged its benchmark.

- Housing municipals modestly boosted returns while general obligation municipals marginally detracted.
- Limited Term Tax-Exempt Bond Fund of America® was a nominal relative contributor; iShares Short-Term National Muni Bond ETF and American Funds Short-Term Tax-Exempt Bond Fund were detractors.



What's different about the Capital Solutions Group's approach to modeling?

- As an integral part of the investment team, the CSG takes an innovative, multi-objective approach to modeling for portfolio construction that combines simulation-based modeling with a robust optimization that considers multiple quantitative variables (success metrics) anchored to specific investor objectives.
- The CSG's process allows for balance between various risks and exposures to help the Portfolio Solutions Committee create an asset allocation that is more finely attuned to the needs of investors.
- Modeling dimensions include capital appreciation, equity income, return-seeking income, income for withdrawal and equity diversification, as well as other metrics specifically tied to portfolio objectives.

What's new in Capital Group Active-Passive models' asset allocation?

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 portfolio allocations utilizing updated capital markets output and model optimization, considering both quantitative and qualitative criteria.

Capital Group's investment team takes an approach to portfolio construction and portfolio optimization that differs from more conventional methods, with the goal of delivering on specific outcomes. This approach leverages a multi-objective optimization framework with the qualitative judgment of seasoned portfolio managers.

Unlike traditional mean variance optimization (MVO), which uses two dimensions of risk and return, our approach aims to enhance MVO by taking a multi-objective approach that includes additional investor objectives such as income and limiting maximum drawdown, among others.

Following the most recent review

- Increased flexible capital appreciation opportunities in equity-focused models to support capital growth objectives.
- Diversified dividend sources in growth-and-income objective models by adding new dividend growth opportunities.
- Refined mix of fixed income exposure to allow for more bottom-up fixed income flexibility.
- New allocations to the following active and passive ETFs were implemented. These ETFs expand investment opportunity sets in various asset classes and strive to promote tax efficiency.*

Asset Class	ETF / Mutual Fund	Role
Equity	Capital Group Dividend Growers ETF (CGDG) iShares Core Dividend Growth ETF (DGRO) - passive	Dividend growth to support income, risk-adjusted returns and potentially lower volatility.
Fixed Income	Capital Group Municipal Income ETF (CGMU) Capital Group Short Duration Municipal ETF (CGSM)	Higher credit quality bonds to support equity diversification, tax-exempt income, and preservation of capital

*ETFs tax advantages stem from mainly two sources of tax efficiency: externalization and in-kind redemptions.

Externalization: ETFs trade in the secondary market, which largely insulates the fund from individual investors' trading activity. In other words, if an ETF investor decides to sell shares of an ETF, a majority of the time, the transaction does not involve any interaction with (or impact to) the fund.

In-kind redemptions and capital gains: In-kind trades commonly used in ETFs do not usually incur capital gains. When selling activity on an exchange results in a redemption from the fund, it is usually tax-free to remaining investors. ETFs generally satisfy redemption requests in the primary market through an in-kind delivery of securities to an intermediary (rather than cash), which means client redemptions from the fund do not generally create taxable events for remaining shareholders.

Q&A with Samir Mathur, Chairman of the Portfolio Solutions Committee

What are the new ETF allocations in the tax-aware models and how does the team think about tradeoffs in portfolio construction?

First of all, let's step back to acknowledge that changes in our models are part of a conscious evolution to expand our offerings and evaluate investments on an ongoing basis to address long-term client goals.

In general, ETFs often end up looking more tax-efficient than their mutual fund counterparts, given their ability to defer capital gains. In tax-aware models, we don't typically use taxable fixed income and multi-asset funds that include taxable bonds. Similarly, we make much less use of higher dividend equities compared to our core models but do invest in more tax-efficient dividend funds in the form of dividend ETFs.

But the Capital Group ETFs are not one-to-one replacements for the mutual fund from an investment perspective. We evaluate the investment differences in the ETF and mutual fund and sometimes need to make other adjustments in the portfolios to continue targeting the appropriate strategic asset allocation. CGDG – Capital Group Dividend Grower ETF has been a higher dividend-paying fund than Capital World Growth and Income Fund and also had slightly less volatility and equity-beta. As a result, we made some other adjustments in portfolios by adding slightly more to growth-oriented equities.

Replacing the Tax-Exempt Bond Fund of America (TEBFA) with CGMU – Capital Group Municipal Income ETF is another example. CGMU has slightly shorter fixed income duration than TEBFA but has higher allocations to high-yielding municipal bonds and more flexibility to allocate to them. This swap slightly changes the duration and credit profile in a way that requires other minor adjustments in portfolios.

How does the team evaluate ETFs relative to mutual funds?

We treat Capital Group (CG) ETFs like any other new funds we consider and do a proper review before using them in our portfolios. CG ETFs may differ from their corresponding mutual funds where applicable.

But if a new CG ETF is based on an existing strategy with a long track record, that really helps with our analysis. CG ETFs that do not have a direct reference strategy often are variations of existing funds with minor differences. For this reason, understanding the similarities and differences between these strategies allows us to better understand their expected behavior in model portfolios. Over time, we monitor all of the funds to make sure we are using the ones that best fit model portfolio objectives and have tended to behave as expected.

How does the PSC and CSG adapt their allocations process for tax-aware models and evaluate tax efficiency?

One major feature of the multi-objective optimization (MOO) process in general is that we are able to tailor optimization to a wide range of investor goals and constraints, beyond risk and return. This includes modifying the MOO process for tax-sensitive models via tax-aware multi-objective optimization (TAMOO, for short.) In TAMOO, we adjust capital market assumptions (CMAs) and success metrics for tax-aware models. Success metrics for tax-aware models include a combination of post-tax returns, standard deviation, maximum drawdowns and yield. The TAMOO process naturally reduces the expected returns of higher income taxable fixed income and higher yielding equities the most.

From there, the CSG and PSC identify which ETFs and mutual funds to use in each model. This is based on ongoing evaluation of portfolio characteristics across American Funds mutual funds and Capital Group ETF offerings. Specifically, the CSG evaluates the tax efficiency of ETFs and mutual funds via metrics such as Morningstar's Tax-Cost Ratio. Our final allocation changes are based on discussions about tradeoffs within CSG and PSC.

Looking forward

We continue to recognize the potential for ongoing volatility, heightened geopolitical risk and uncertainty about the timing and extent of future rate cuts as Fed officials keep a watchful eye on economic data.

At the same time, we think this is a time of market broadening, with the current backdrop offering attractive opportunities for active managers to identify bond and equity opportunities relative to specific investor goals. This includes:

- Focusing on company-specific growth opportunities for long-term capital appreciation in growth models
- Emphasizing dividend payers in growth-and-income models to help dampen volatility
- Finding company-specific opportunities in international markets as the broader global landscape shifts over the next 10 years
- Balancing core allocations with conscious credit allocations to capture income opportunities and manage potential risks according to model objective

The PSC and CSG constantly evaluate strategic asset allocation for models, adjusting as needed, while underlying active fund managers continue to take an active approach to company and security-specific opportunities across regions and sectors.



"I'm excited about active ETFs for a few reasons. We are buying what we have conviction in and able to make conscious decisions about minimizing transaction costs and reducing capital gains taxes in some cases for investors via in-kind trades. These advantages can add up and make a difference for our investors."

David Hoag

Portfolio manager and member of
Fixed Income Management Committee

Model composite results as of September 30, 2024

Past results are not predictive of results in future periods.

Composite net results are calculated by subtracting an annual 3% fee, (which is equal to or higher than the highest actual model portfolio wrap fee charged by a program sponsor) from the gross composite monthly returns, which are net of underlying fund fees and expenses of all accounts in the composite. Composite gross results are net of underlying fund fees and expenses of all accounts in the composite and gross of any advisory fees charged by model providers. Results would have been lower if such fees had been deducted.

Model portfolio	Inception date		Cumulative total returns (%)			Average annual total returns (%)			
			QTD	YTD	1 year	3 years	5 years	10 years	Lifetime
Growth									
Capital Group Active-Passive Global Growth MP Composite	11/30/2022	Gross	5.18	16.75	30.89	–	–	–	19.85
		Net	4.40	14.19	27.08	–	–	–	16.35
MSCI All Country World Index (ACWI)	–		6.61	18.66	31.76	–	–	–	19.82
Capital Group Active-Passive Growth MP Composite	11/30/2022	Gross	5.57	19.96	36.00	–	–	–	23.86
		Net	4.79	17.33	32.06	–	–	–	20.25
Growth Model Portfolio Index Blend	–		6.43	20.11	33.57	–	–	–	20.96
Capital Group Active-Passive Moderate Growth MP Composite	11/30/2022	Gross	5.39	17.16	31.71	–	–	–	20.43
		Net	4.61	14.59	27.89	–	–	–	16.92
Moderate Growth Model Portfolio Index Blend	–		6.33	17.37	29.67	–	–	–	18.27
Growth and income									
Capital Group Active-Passive Growth and Income MP Composite	11/30/2022	Gross	6.20	15.38	28.01	–	–	–	16.86
		Net	5.41	12.85	24.29	–	–	–	13.44
Growth and Income Model Portfolio Index Blend	–		6.26	15.56	27.11	–	–	–	16.50
Capital Group Active-Passive Moderate Growth and Income MP Composite	11/30/2022	Gross	6.25	13.44	24.80	–	–	–	14.02
		Net	5.46	10.95	21.16	–	–	–	10.68
Moderate Growth and Income Model Portfolio Index Blend	–		6.08	14.16	25.13	–	–	–	15.06
Capital Group Active-Passive Conservative Growth and Income MP Composite	11/30/2022	Gross	6.77	11.23	20.73	–	–	–	10.47
		Net	5.98	8.78	17.20	–	–	–	7.22
Conservative Growth and Income Model Portfolio Index Blend	–		5.88	12.45	22.60	–	–	–	13.73
Capital Group Active-Passive Conservative Income and Growth MP Composite	11/30/2022	Gross	6.23	9.66	18.36	–	–	–	9.28
		Net	5.45	7.24	14.89	–	–	–	6.07
Conservative Income and Growth Model Portfolio Index Blend	–		5.66	9.66	18.80	–	–	–	10.50
Preservation and income									
Capital Group Active-Passive Conservative Income MP Composite	11/30/2022	Gross	5.38	7.27	13.64	–	–	–	6.85
		Net	4.60	4.90	10.30	–	–	–	3.70
Conservative Income Model Portfolio Index Blend	–		4.65	7.78	14.83	–	–	–	8.51
Capital Group Active-Passive Preservation MP Composite	11/30/2022	Gross	3.59	4.64	8.16	–	–	–	4.96
		Net	2.82	2.32	4.97	–	–	–	1.86
Bloomberg 1-5 Year U.S. Government/Credit A+ Index	–		3.46	4.35	7.82	–	–	–	4.94

Index lifetime returns are based on composite inception dates.

Model composite results as of September 30, 2024

Model portfolio	Inception date	Cumulative total returns (%)			Average annual total returns (%)				
		QTD	YTD	1 year	3 years	5 years	10 years	Lifetime	
Income									
Capital Group Active-Passive Retirement Income - Enhanced MP Composite	11/30/2022	Gross	6.05	13.27	23.82	–	–	–	12.58
		Net	5.26	10.78	20.21	–	–	–	9.28
S&P Target Date Retirement Income Index	–		5.16	8.81	16.86	–	–	–	9.76
Capital Group Active-Passive Retirement Income - Moderate MP Composite	11/30/2022	Gross	6.46	11.30	20.63	–	–	–	10.31
		Net	5.67	8.84	17.10	–	–	–	7.07
S&P Target Date Retirement Income Index	–		5.16	8.81	16.86	–	–	–	9.76
Capital Group Active-Passive Retirement Income - Conservative MP Composite	11/30/2022	Gross	5.98	9.15	17.34	–	–	–	8.05
		Net	5.19	6.74	13.90	–	–	–	4.87
S&P Target Date Retirement Income Index	–		5.16	8.81	16.86	–	–	–	9.76
Tax-aware growth									
Capital Group Active-Passive Tax-Aware Moderate Growth MP Composite	10/31/2023	Gross	5.53	17.30	–	–	–	–	35.46
		Net	4.74	14.73	–	–	–	–	31.87
Tax-Aware Moderate Growth Model Portfolio Index Blend	–		5.95	17.01	–	–	–	–	32.67
Tax-aware growth and income									
Capital Group Active-Passive Tax-Aware Growth and Income MP Composite	10/31/2023	Gross	5.78	16.44	–	–	–	–	33.04
		Net	5.00	13.88	–	–	–	–	29.52
Tax-Aware Growth and Income Model Portfolio Index Blend	–		5.63	14.97	–	–	–	–	29.76
Capital Group Active-Passive Tax-Aware Moderate Growth and Income MP Composite	10/31/2023	Gross	5.80	14.00	–	–	–	–	28.73
		Net	5.02	11.50	–	–	–	–	25.31
Tax-Aware Moderate Growth and Income Model Portfolio Index Blend	–		5.20	13.34	–	–	–	–	27.29
Capital Group Active-Passive Tax-Aware Conservative Growth and Income MP Composite	10/31/2023	Gross	5.67	11.85	–	–	–	–	24.41
		Net	4.89	9.39	–	–	–	–	21.09
Tax-Aware Conservative Growth and Income Model Portfolio Index Blend	–		4.69	11.56	–	–	–	–	24.76
Tax-aware preservation and income									
Capital Group Active-Passive Tax-Aware Moderate Income MP Composite	10/31/2023	Gross	5.27	10.07	–	–	–	–	21.13
		Net	4.49	7.64	–	–	–	–	17.89
Tax-Aware Moderate Income Model Portfolio Index Blend	–		4.03	8.20	–	–	–	–	19.76
Capital Group Active-Passive Tax-Aware Conservative Income MP Composite	10/31/2023	Gross	4.13	6.83	–	–	–	–	15.17
		Net	3.35	4.46	–	–	–	–	12.07
Tax-Aware Conservative Income Model Portfolio Index Blend	–		3.33	6.04	–	–	–	–	14.71
Capital Group Active-Passive Tax-Exempt Preservation MP Composite	10/31/2023	Gross	2.57	2.87	–	–	–	–	7.29
		Net	1.80	0.58	–	–	–	–	4.39
Bloomberg Municipal Bond 1-7 Year Blend Index	–		2.68	2.27	–	–	–	–	7.00

Index lifetime returns are based on composite inception dates.

Market index results as of September 30, 2024

Index name	Cumulative total returns (%)			Average annual total returns (%)		
	QTD	YTD	1 year	3 years	5 years	10 years
Bloomberg Municipal Bond Index	2.71	2.30	10.37	0.09	1.39	2.52
Bloomberg U.S. Aggregate Index	5.20	4.45	11.57	-1.39	0.33	1.84
Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index	5.28	8.00	15.73	3.09	4.70	5.04
MSCI All Country World Index (ACWI)	6.61	18.66	31.76	8.09	12.19	9.39
MSCI All Country World Index (ACWI) ex USA	8.06	14.21	25.35	4.14	7.59	5.22
Russell 1000 Growth Index	3.19	24.55	42.19	12.02	19.74	16.52
Russell 1000 Index	6.08	21.18	35.68	10.83	15.64	13.10
Russell 1000 Value Index	9.43	16.68	27.76	9.03	10.69	9.23
S&P 500 Index	5.89	22.08	36.35	11.91	15.98	13.38

Investment and index disclosures

Appendix

Pages 9-10

The underlying funds for each model portfolio as of September 30, 2024, are as follows (allocations may not equal 100% due to rounding):

Capital Group Active-Passive Global Growth Model Portfolio: Growth (53%): CGGO - Capital Group Global Growth Equity ETF 24%, SMALLCAP World Fund 12%, CGIE - Capital Group International Focus Equity ETF 10%, CGGR - Capital Group Growth ETF 7%; Growth and income (19%): CGUS - Capital Group Core Equity ETF 7%, CGDG - Capital Group Dividend Growers ETF 6%, Capital World Growth and Income Fund 6%; Index ETFs (28%): Vanguard Total World Stock Index Fund 11%, Vanguard Growth Index Fund 8%, Vanguard FTSE All-World ex-US Index Fund 7%, iShares Core S&P 500 ETF 2%.

Capital Group Active-Passive Growth Model Portfolio: Growth (46%): CGGR - Capital Group Growth ETF 20%, CGGO - Capital Group Global Growth Equity ETF 14%, SMALLCAP World Fund 12%; Growth and income (26%): CGUS - Capital Group Core Equity ETF 20%, CCDG - Capital Group Dividend Growers ETF 6%; Index ETFs (28%): Vanguard Growth Index Fund 10%, iShares Core S&P 500 ETF 10%, Vanguard Total World Stock Index Fund 8%.

Capital Group Active-Passive Moderate Growth Model Portfolio: Growth (37%): CGGR - Capital Group Growth ETF 18%, CGGO - Capital Group Global Growth Equity ETF 11%, SMALLCAP World Fund 8%; Growth and income (20%): CGUS - Capital Group Core Equity ETF 8%, Capital World Growth and Income Fund 7%, CCDG - Capital Group Dividend Growers ETF 5%; Bond (11%): CGBL - Capital Group Core Bond ETF 11%; Bond (4%): CGCB - Capital Group Core Bond ETF 4%; Index ETFs (28%): Vanguard Total World Stock Index Fund 14%, Vanguard Growth Index Fund 8%, iShares Core S&P 500 ETF 4%, Vanguard Total International Bond Index Fund 2%.

Capital Group Active-Passive Growth and Income Model Portfolio: Growth (15%): CGGR - Capital Group Growth ETF 6%, SMALLCAP World Fund 5%, CGGO - Capital Group Global Growth Equity ETF 4%; Growth and income (32%): Capital World Growth and Income Fund 15%, CGUS - Capital Group Core Equity ETF 7%, CCDG - Capital Group Dividend Growers ETF 5%, CGDV - Capital Group Dividend Value ETF

5%; Bond (13%): CGBL - Capital Group Core Bond ETF 13%; Bond (13%): CGCB - Capital Group Core Bond ETF 5%, CGMS - Capital Group U.S. Multi-Sector Income ETF 5%, CGCP - Capital Group Core Plus Income ETF 3%; Index ETFs (27%): Vanguard Total World Stock Index Fund 10%, iShares Core S&P 500 ETF 5%, iShares Core U.S. Aggregate Bond ETF 4%, iShares Core Dividend Growth ETF 2%, Schwab U.S. Dividend Equity ETF 2%, Vanguard High Dividend Yield Index Fund 2%, Vanguard Total International Bond Index Fund 2%.

Capital Group Active-Passive Moderate Growth and Income Model Portfolio: Growth (10%): CGGR - Capital Group Growth ETF 4%, SMALLCAP World Fund 4%, CGGO - Capital Group Global Growth Equity ETF 4%; Growth and income (28%): Capital World Growth and Income Fund 11%, CGDG - Capital Group Dividend Growers ETF 10%, CGDV - Capital Group Dividend Value ETF 5%, CGUS - Capital Group Core Equity ETF 2%; Bond (16%): CGBL - Capital Group Core Bond ETF 16%; Bond (19%): CGCB - Capital Group Core Bond ETF 7%, CGMS - Capital Group U.S. Multi-Sector Income ETF 7%, CGCP - Capital Group Core Plus Income ETF 5%; Index ETFs (27%): Vanguard Total World Stock Index Fund 10%, iShares Core U.S. Aggregate Bond ETF 6%, Vanguard Total International Bond Index Fund 3%, iShares Core Dividend Growth ETF 2%, iShares Core S&P 500 ETF 2%, Schwab U.S. Dividend Equity ETF 2%.

Capital Group Active-Passive Conservative Growth and Income Model Portfolio: Growth and income (25%): CGDG - Capital Group Dividend Growers ETF 19%, CGDV - Capital Group Dividend Value ETF 6%; Income (11%): American High-Income Trust 8%, American Funds Emerging Markets Bond Fund 3%; Bond (3%): CGBL - Capital Group Core Bond ETF 3%; Bond (34%): CGMS - Capital Group U.S. Multi-Sector Income ETF, 20%, CGCB - Capital Group Core Bond ETF 7%, CGCP - Capital Group Core Plus Income ETF 7%; Index ETFs (27%): Vanguard Total World Stock Index Fund 7%, iShares Core U.S. Aggregate Bond ETF 5%, Schwab U.S. Dividend Equity ETF 5%, Vanguard High Dividend Yield Index Fund 5%, iShares Core Dividend Growth ETF 3%, Vanguard Total International Bond Index Fund 2%.

Capital Group Active-Passive Conservative Income and Growth Model Portfolio: Growth and income (19%): CGDG - Capital Group Dividend Growers ETF 8%, CGDV Capital Group Dividend Value ETF 7%, American Mutual Fund 4%; Income (2%): American Funds Emerging Markets Bond Fund 2%; Bond (4%): CGBL - Capital Group Core Bond ETF 4%;

Bond (48%) CGCB - Capital Group Core Bond ETF 19%, CGMS - Capital Group U.S. Multi-Sector Income ETF 16%, CGCP - Capital Group Core Plus Income ETF 13%; Index ETFs (27%): Vanguard Total World Stock Index Fund 9%, iShares Core U.S. Aggregate Bond ETF 4%, Vanguard Short-Term Treasury Index Fund 4%, Schwab U.S. Dividend Equity ETF 3%, Vanguard Total International Bond Index Fund 3%, Vanguard High Dividend Yield Index Fund 2%, Vanguard Short-Term Inflation-Protected Securities Index Fund 2%.

Capital Group Active-Passive Conservative Income Model Portfolio:

Growth and income (14%): American Mutual Fund 7%, CGDG - Capital Group Dividend Growers ETF 4, CGDV - Capital Group Dividend Value ETF 3%; Bond (60%): CGCB - Capital Group Core Bond ETF 25%, CGSD - Capital Group Short Duration Income ETF 15%, CGCP - Capital Group Core Plus Income ETF 12%, CGMS Capital Group U.S. Multi-Sector Income ETF 8%; Index ETFs (26%): Vanguard Short-Term Treasury Index Fund 11%, Vanguard Total International Bond Index Fund 5%, iShares Core Aggregate Bond ETF 2%, Schwab U.S. Dividend Equity ETF 2%, Vanguard High Dividend Yield Index Fund 2%, Vanguard Short-Term Inflation-Protected Securities Index Fund 2%, Vanguard Total World Stock Index Fund 2%.

Capital Group Active-Passive Preservation Model Portfolio:

Income (54%): Intermediate Bond Fund of America 33%, Short-Term Bond Fund of America 21%; Bond (20%): CGSD - Capital Group Short Duration Income ETF 20%; Index ETFs (26%): Vanguard Short-Term Treasury Index Fund 17%, Vanguard Total International Bond Index Fund 4%, iShares MBS ETF 3%, Vanguard Short-Term Inflation-Protected Securities Index Fund 2%.

Capital Group Active-Passive Retirement Income Model – Enhanced:

Growth (8%): CGGO - Capital Group Global Growth Equity ETF 8%; Growth and income (25%): CGDG - Capital Group Dividend Growers ETF 10%, Capital World Growth and Income Fund 10%, American Mutual Fund 5%; Balanced (10%): CGBL - Capital Group Core Balanced ETF 10%; Bond (29%): CGMS - Capital Group U.S. Multi-Sector Income ETF 17%, CGCP - Capital Group Core Plus Income ETF 8%, CGCB - Capital Group Core Bond ETF 5%; Index ETFs (27%): iShares Core Dividend Growth ETF 6%, Schwab U.S. Dividend Equity ETF 4%, Vanguard Growth Index Fund 4%, Vanguard High Dividend Yield Index Field 4%, Vanguard Total World Stock Index Fund 4%, Vanguard Developed Markets Index Fund 3%, Vanguard Total International Bond Index Fund 2%.

Capital Group Active-Passive Retirement Income Model – Moderate:

Growth and income (31%): CGDG - Capital Group Dividend Growers ETF 17%, Capital World Growth and Income Fund 7%, American Mutual Fund 5%, CGDV - Capital Group Dividend Value 2%; Balanced (10%): CGBL - Capital Group Core Balanced ETF 10%; Bond (32%): CGCO - Capital Group Core Plus Income ETF 11%, CGMS - Capital Group U.S. Multi-Sector Income ETF 11%, CGCB - Capital Group Core Bond ETF 7%, CGSD - Capital Group Short Duration Income ETF 3%; Index ETFs (27%): iShares Core Dividend Growth ETF 4%, iShares MBS ETF 4%, Vanguard Developed Markets Index Fund 4%, Schwab U.S. Dividend Equity ETF 3%, Vanguard High Dividend Yield Index Fund 3%, Vanguard Total International Bond Index Fund 3%, iShares Core S&P 500 ETF 2%, iShares U.S. Treasury Bond ETF 2%, Vanguard Short-Term Treasury Index Fund 2%.

Capital Group Active-Passive Retirement Income Model – Conservative:

Growth and income (23%): CGDG - Capital Group Dividend Growers ETF 17%, American Mutual Fund 6%; Balanced (11%): CGBL - Capital Group Core Balanced ETF 11%; Bond (39%): CGCB - Capital Group Core Bond ETF 13%, CGMS - Capital Group U.S. Multi-Sector Income ETF 11%, CGCP - Capital Group Core Plus Income ETF 8%, CGSD - Capital Group Short Duration Income ETF 7%; Index ETFs (27%): Vanguard Short-Term Inflation-Protected Securities Index Fund 5%, iShares MBS ETF 3%, iShares U.S. Treasury Bond ETF 3%, Vanguard High Dividend Yield Index Fund 3%, Vanguard Total International Bond Index Fund 3%, iShares Core Dividend Growth ETF 2%, iShares Core U.S. Aggregate Bond ETF 2%, Schwab U.S. Dividend Equity ETF 2%, Vanguard Developed Markets Index Fund 2%, Vanguard Short-Term Treasury Index Fund 2%.

Capital Group Active-Passive Tax-Aware Moderate Growth:

Growth (44%): CGGR - Capital Group Growth ETF 21%, SMALLCAP World Fund 8%, American Funds Global Insight Fund 6%, CGGO - Capital Group Global Growth Equity ETF 6%; Growth and income (22%): CGUS - Capital Group Core Equity ETF 12%, Capital World Growth and Income Fund 10%;

Tax-exempt (9%): American High-Income Municipal Bond Fund 5%, CGMU - Capital Group Municipal Income ETF 4%; Index ETFs (28%): Vanguard Total World Stock Index Fund 15%, Vanguard Growth Index Fund 7%, iShares Core S&P 500 ETF 3%, iShares National Muni Bond ETF 3%.

Capital Group Active-Passive Tax-Aware Growth and Income:

Growth (20%): CGGR - Capital Group Growth ETF 8%, SMALLCAP World Fund 6%, CGGO - Capital Group Global Growth Equity ETF 6%; Growth and income (38%): CGUS - Capital Group Core Equity ETF 20%, Capital World Growth and Income Fund 13%, CGDV - Capital Group Dividend Value ETF 5%; Tax-exempt (15%): American High-Income Municipal Bond Fund 10%, CGMU - Capital Group Municipal Income ETF 5%; Index ETFs (27%): Vanguard Total World Stock Index Fund 12%, iShares Core S&P 500 ETF 7%, iShares National Muni Bond ETF 3%, Vanguard Tax-Exempt Bond Index Fund 3%, iShares Core Dividend Growth ETF 2%.

Capital Group Active-Passive Tax-Aware Moderate Growth and Income:

Growth (12%): SMALLCAP World Fund 5%, CGGO - Capital Group Global Growth Equity ETF 5%, CGGR - Capital Group Growth ETF 2%; Growth and income (34%): CGUS - Capital Group Core Equity ETF 13%, Capital World Growth and Income Fund 10%, CGDV - Capital Group Dividend Value ETF 8%, CGDV - Capital Group Dividend Growers ETF 3%; Tax-exempt (27%): American High-Income Municipal Bond Fund 17%, CGMU - Capital Group Municipal Income ETF 10%; Index ETFs (27%): Vanguard Total World Stock Index Fund 10%, iShares National Muni Bond ETF 5%, iShares Core S&P 500 ETF 4%, Vanguard Tax-Exempt Bond Index Fund 4%, iShares Core Dividend Growth ETF 2%, Schwab U.S. Dividend Equity ETF™ 2%.

Capital Group Active-Passive Tax-Aware Conservative Growth and Income:

Growth and income (36%): CGDV - Capital Group Dividend Value ETF 13%, Capital World Growth and Income Fund 11%, CGDV - Capital Group Dividend Growers ETF 7%, American Mutual Fund 5%; Tax-exempt (37%) American High-Income Municipal Bond Fund 23%, CGMU - Capital Group Municipal Income ETF 11%, CGSM - Capital Group Short Duration Municipal Income ETF 3%; Index ETFs (27%) Vanguard Total World Stock Index Fund 10%, iShares National Muni Bond ETF 5%, Vanguard Tax-Exempt Bond Index Fund 5%, iShares Short-Term National Muni Bond ETF 3%, Schwab U.S. Dividend Equity ETF™ 2%, Vanguard High Dividend Yield Index Fund 2%.

Capital Group Active-Passive Tax-Aware Moderate Income:

Growth and income (28%): CGDV - Capital Group Dividend Value ETF 12%, Capital World Growth and Income Fund 7%, American Mutual Fund 5%, CGDV - Capital Group Dividend Growers ETF 4%; Tax-exempt (45%): CGMU - Capital Group Municipal Income ETF 18%, American High-Income Municipal Bond Fund 17%, CGSM - Capital Group Short Duration Municipal Income ETF 10%; Index ETFs (27%): Vanguard Total World Stock Index Fund 7%, Vanguard Tax-Exempt Bond Index Fund 6%, iShares National Muni Bond ETF 5%, iShares Short-Term National Muni Bond ETF 3%, Schwab U.S. Dividend Equity ETF™ 2%, Vanguard High Dividend Yield Index Fund 2%.

Capital Group Active-Passive Tax-Aware Conservative Income:

Growth and income (14%): CGDV - Capital Group Dividend Value ETF 6%, American Mutual Fund 5%, CGDV - Capital Group Dividend Growers ETF 3%; Tax-exempt (60%): CGSM - Capital Group Short Duration Municipal Income ETF 25%, CGMU - Capital Group Municipal Income ETF 22%, American High-Income Municipal Bond Fund 13%; Index ETFs (26%): iShares Short-Term National Muni Bond Fund 7%, SPDR® Nuveen Bloomberg Short Term Municipal Bond ETF 5%, Vanguard Tax-Exempt Bond Index Fund 5%, iShares National Muni Bond ETF 4%, Vanguard Total World Stock Index Fund 3%, Schwab U.S. Dividend Equity ETF 2%.

Capital Group Active-Passive Tax-Exempt Preservation:

Tax-exempt (74%) Limited Term Tax-Exempt Bond Fund of America 40%, CGSM - Capital Group Short Duration Municipal Income ETF 34%; Index ETFs (26%): iShares Short-Term National Municipal Bond ETF 14%, SPDR® Nuveen Bloomberg Short Term Municipal Bond ETF 12%.

Pages 9-10

Investment results assume all distributions are reinvested and reflect applicable fees and expenses.

Model portfolio index

Index/Index blends for American Funds Model Portfolios are those that the Portfolio Solutions Committee believes most closely approximate the investment universe of a given model portfolio. The index/index blends do not specifically represent the benchmarks of the underlying funds in the American Funds model portfolio. The index/index blends for the model portfolios are a composite of the cumulative total returns for the indexes and respective weightings listed:

Global Growth – MSCI All Country World Index (ACWI)

Growth – 75% S&P 500 and 25% MSCI ACWI ex USA indexes.

Moderate Growth – 60% S&P 500, 25% MSCI ACWI ex USA and 15% Bloomberg U.S. Aggregate indexes.

Growth and Income – 50% S&P 500, 25% MSCI ACWI ex USA and 25% Bloomberg U.S. Aggregate indexes.

Moderate Growth and Income – 45% S&P 500, 35% Bloomberg U.S. Aggregate and 20% MSCI ACWI ex USA indexes.

Conservative Growth and Income – 35% S&P 500, 35% Bloomberg U.S. Aggregate, 15% MSCI ACWI ex USA and 15% Bloomberg U.S. Corporate High Yield 2% Issuer Capped indexes.

Conservative Income and Growth – 25% S&P 500, 65% Bloomberg U.S. Aggregate and 10% MSCI ACWI ex USA indexes.

Conservative Income – 50% Bloomberg U.S. Aggregate Index, 30% Bloomberg U.S. Government/Credit (1-3 years, ex BBB) Index and 20% S&P 500 indexes.

Preservation – Bloomberg 1-5 Year U.S. Government/Credit A+ Index.

Retirement Income portfolios – S&P Target Date Retirement Income Index.

Tax-Aware Moderate Growth – 60% S&P 500, 25% MSCI ACWI ex USA and 15% Bloomberg Municipal Bond indexes.

Tax-Aware Growth and Income – 50% S&P 500, 25% MSCI ACWI ex USA and 25% Bloomberg Municipal Bond indexes.

Tax-Aware Moderate Growth and Income – 45% S&P 500, 20% MSCI ACWI ex USA and 35% Bloomberg Municipal Bond indexes.

Tax-Aware Conservative Growth and Income – 35% S&P 500, 15% MSCI ACWI ex USA, 35% Bloomberg Municipal Bond and 15% Bloomberg High Yield indexes.

Tax-Aware Moderate Income – 25% S&P 500, 10% MSCI ACWI ex USA and 65% Bloomberg Municipal Bond indexes.

Tax-Aware Conservative Income – 40% Bloomberg Municipal Bond Index, 40% Bloomberg Municipal 1-7 Years Blend Index and 20% S&P 500 Index.

Tax-Exempt Preservation – Bloomberg Municipal Bond 1-7 Year Blend Index.

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.

The index blends are rebalanced monthly. The indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the model portfolio has lagged the index/index blend.

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 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. Smaller-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 the securities of a smaller number of issuers than a diversified fund. As a result, poor results by a single issuer could adversely affect a fund's results more than if the fund were invested in a larger number of issuers. See the applicable prospectus for details.

Indexes are unmanaged, and their results include reinvested dividends and/or distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes. S&P 500 Index is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks.

The S&P Target Date Retirement Income Index, a component of the S&P Target Date Index Series, has an asset allocation and glide path that represent a market consensus across the universe of target date fund managers.

The S&P 500 Index and S&P Target Date Retirement Income Index are products of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Capital Group. Copyright © 2024 S&P Dow Jones Indices LLC, a division of S&P Global, and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part is prohibited without written permission of S&P Dow Jones Indices LLC.

© 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Bond ratings are based on a model portfolio's underlying funds' holdings and investment policies. Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch, as an indication of an issuer's creditworthiness.

MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global developed and emerging markets, consisting of more than 40 developed and emerging market country indexes. Results reflect dividends gross of withholding taxes through December 31, 2000, and dividends net of withholding taxes thereafter.

MSCI All Country World ex USA Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global developed and emerging markets, excluding the United States. The index consists of more than 40 developed and emerging market country indexes. Results reflect dividends gross of withholding taxes through December 31, 2000, and dividends net of withholding taxes thereafter.

MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Bloomberg U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market.

Bloomberg U.S. Corporate Investment Grade Index represents the universe of investment grade, publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity and quality requirements.

Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index covers the universe of fixed-rate, non-investment-grade debt. The index limits the maximum exposure of any one issuer to 2%.

Bloomberg High Yield Municipal Bond Index is a market-value-weighted index composed of municipal bonds rated below BBB/Baa.

Bloomberg Municipal Bond Index is a market-value-weighted index designed to represent the long-term investment-grade tax-exempt bond market.

Bloomberg 1-3 Year U.S. Government/Credit Index is a market-value weighted index that tracks the total return results of fixed-rate, publicly placed, dollar-denominated obligations issued by the U.S. Treasury, U.S. government agencies, quasi-federal corporations, corporate or foreign debt guaranteed by the U.S. government, and U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity and quality requirements, with maturities of one to three years.

Bloomberg Municipal Bond 1-7 Year Blend Index is a market-value-weighted index that includes investment-grade tax-exempt bonds with maturities of one to seven years.

Bloomberg 1-5 Year U.S. Government/Credit A+ Index is a market-value weighted index that tracks the total return results of fixed-rate, publicly placed, dollar-denominated obligations issued by the U.S. Treasury, U.S. government agencies, quasi-federal corporations, corporate or foreign debt guaranteed by the U.S. government, and U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity and quality requirements, with maturities of one to five years, including A-rated securities and above.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg

Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

Russell 1000 Index is a market capitalization-weighted index that represents the top 1,000 stocks in the U.S. equity market by market capitalization.

Russell 1000 Growth Index is a market capitalization-weighted index that represents the large-cap growth segment of the U.S. equity market and includes stocks from the Russell 1000 Index that have higher price-to-book ratios and higher expected growth values.

Russell 1000 Value Index is a market capitalization-weighted index that represents the large-cap value segment of the U.S. equity market and includes stocks from the Russell 1000 Index that have lower price-to-book ratios and lower expected growth values.

The Russell 2000 Index is a small-cap U.S. stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index.

FTSE/Russell indexes: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2024. FTSE Russell is a trading name of certain of the LSE Group companies. FTSE indexes are trademarks of the relevant LSE Group companies and are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

Statements attributed to an individual represent the opinions of that individual as of the date published and do not necessarily reflect the opinions of Capital Group or its affiliates. This information is intended to highlight issues and should not be considered advice, an endorsement or a recommendation.

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.