

# Capital Group Active-Passive Retirement Income Model – Conservative

Data as of April 30, 2024



## Seeks current income, long-term growth and conservation of capital, utilizing both active and passive investments

### Model description

Seeks to support sustained, inflation-adjusted withdrawals and the accomplishment of three investment objectives: current income, long-term growth of capital and conservation of capital. Emphasis is placed on income and conservation of capital through allocation to generally higher quality fixed income, as well as income-focused equities. Utilizes active American Funds® mutual funds, Capital Group exchange-traded funds and passive exchange-traded funds.

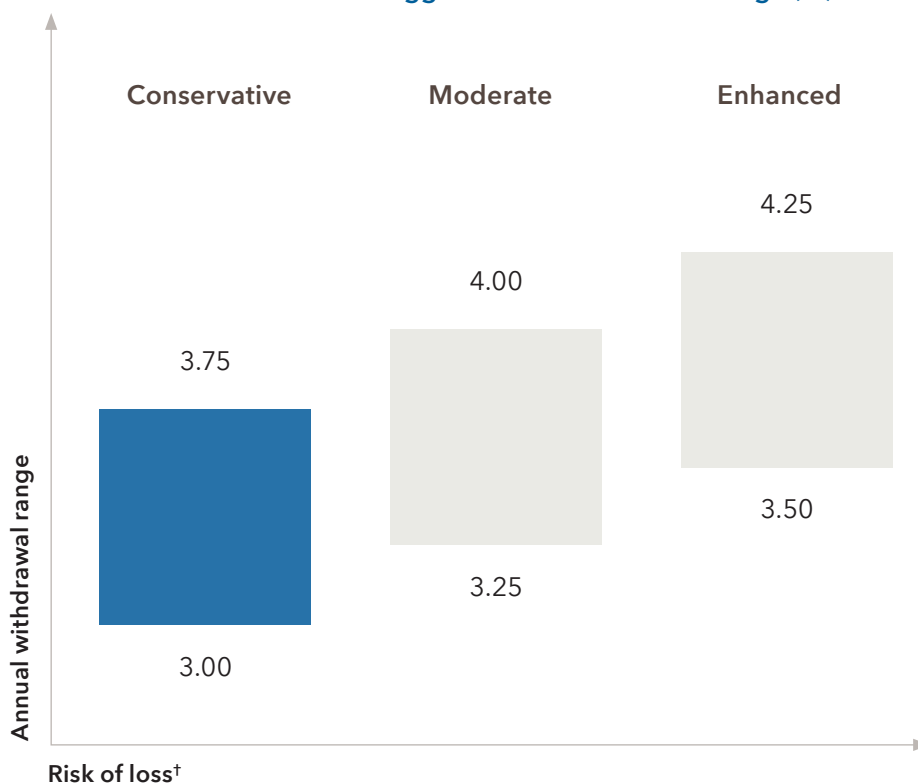
### Created by Capital Group

In creating the Capital Group Active-Passive Retirement Income Model – Conservative, our seasoned portfolio managers relied on their in-depth understanding of the underlying funds. The models are constructed and monitored by the Portfolio Solutions Committee, with support from the Capital Solutions Group, while the underlying funds are managed by their respective portfolio managers. The Portfolio Solutions Committee has an average of 31 years of investment industry experience.\*

### For investors who ...

- Seek a broadly diversified portfolio, with a focus on income, to help them pursue their retirement goals.
- Are in, or near, retirement and want an investment that supports periodic withdrawals while seeking to preserve as much principal as possible.
- Desire a potentially lower level of downside risk in exchange for a potentially lower level of income and growth of capital.
- Value a diversified and experienced active investment manager, complemented by passive investment strategies, to help them accomplish their goal.

### Retirement Income Model suggested withdrawal rate range (%)



\*As of December 31, 2023

†Risk of loss is defined by the Portfolio Solutions Committee as an increased exposure to equities, which can lead to greater volatility in the portfolio and potentially impact both withdrawal rates and whether overall assets invested will decline over time.

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

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.

**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 Retirement Income Model – Conservative

### Underlying funds

Underlying funds	Weight (%)
Capital Group Dividend Growers ETF (CGDG)	17
Capital Group Core Bond ETF (CGCB)	13
Capital Group Core Balanced ETF (CGBL)	11
Capital Group U.S. Multi-Sector Income ETF (CGMS)	11
Capital Group Core Plus Income ETF (CGCP)	8
Capital Group Short Duration Income ETF (CGSD)	7
American Mutual Fund®	6
Vanguard Short-Term Inflation-Protected Securities Index Fund ETF (VTIP)	5
iShares MBS ETF (MBS)	3
iShares U.S. Treasury Bond ETF (GOVT)	3
Vanguard High Dividend Yield Index Fund ETF (VYM)	3
Vanguard Total International Bond Index Fund ETF (BNDX)	3
iShares Core Dividend Growth ETF (DGRO)	2
iShares Core U.S. Aggregate Bond ETF (AGG)	2
Schwab U.S. Dividend Equity ETF™ (SCHD)	2
Vanguard FTSE Developed Markets Index Fund ETF (VEA)	2
Vanguard Short-Term Treasury Index Fund ETF (VGSH)	2

### The Portfolio Solutions Committee

This model is actively monitored by the committee – a group of senior investment professionals with varied backgrounds and approaches, and decades of investment industry experience. They regularly review the model's results and holdings to keep it aligned with its objectives.



Alan Berro  
38 years



Michelle Black  
29 years



Brittain Ezzes  
26 years



Samir Mathur  
31 years



Wesley Phoa  
30 years



John Queen  
34 years



Andrew Suzman  
30 years

Investment industry experience as of December 31, 2023.

Brittain Ezzes joined the Portfolio Solutions Committee effective January 1, 2024.

<sup>1</sup>Totals may not reconcile due to rounding.

<sup>2</sup>For American Funds and Capital Group ETFs, cash and equivalents includes short-term securities, accrued income and other assets less liabilities. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

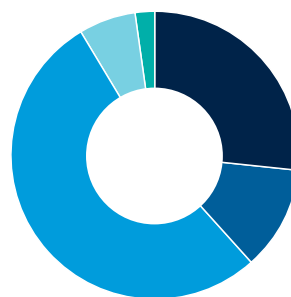
<sup>3</sup>Bond ratings are based on a model portfolio's underlying funds' holdings and investment policies. Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch, as an indication of an issuer's creditworthiness. For most American Funds and Capital Group ETFs, if agency ratings differ, a security will be considered to have received the highest of those ratings; and securities in the Unrated category have not been rated by a rating agency, however, the investment adviser performs its own credit analysis and assigns comparable ratings that are used for compliance with applicable investment policies. Please see each fund's most recent prospectus for details.

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.

Portfolios are managed, so holdings will change. Holdings-based information is based on the weighted average of the underlying funds.

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as of 4/30/24	Asset mix (%) <sup>1</sup>
<b>Total equities</b>	
U.S. equities	26.9
Non-U.S. equities	11.7
<b>Total fixed income</b>	
U.S. fixed income	52.9
Non-U.S. fixed income	6.3
Cash and equivalents <sup>2</sup>	2.2

### Top five industries

at 4/30/24

Semiconductors & semiconductor equipment	8.8%
Oil, gas & consumable fuels	6.5
Banks	6.4
Aerospace & defense	5.8
Capital markets	5.3

### Top five equity holdings

at 4/30/24

Broadcom	1.4%
Microsoft	0.9
TSMC	0.8
Rtx Corp	0.6
Philip Morris International	0.6

### Fixed income quality breakdown<sup>3</sup>

at 4/30/24

Investment grade (BBB/Baa and above)	81.7%
Non-Investment grade (BB/Ba and below)	18.2