

Capital Group Active-Passive Preservation Model

Data as of July 31, 2024



Seeks to provide current income consistent with the preservation of capital using both active and passive investments

Model description

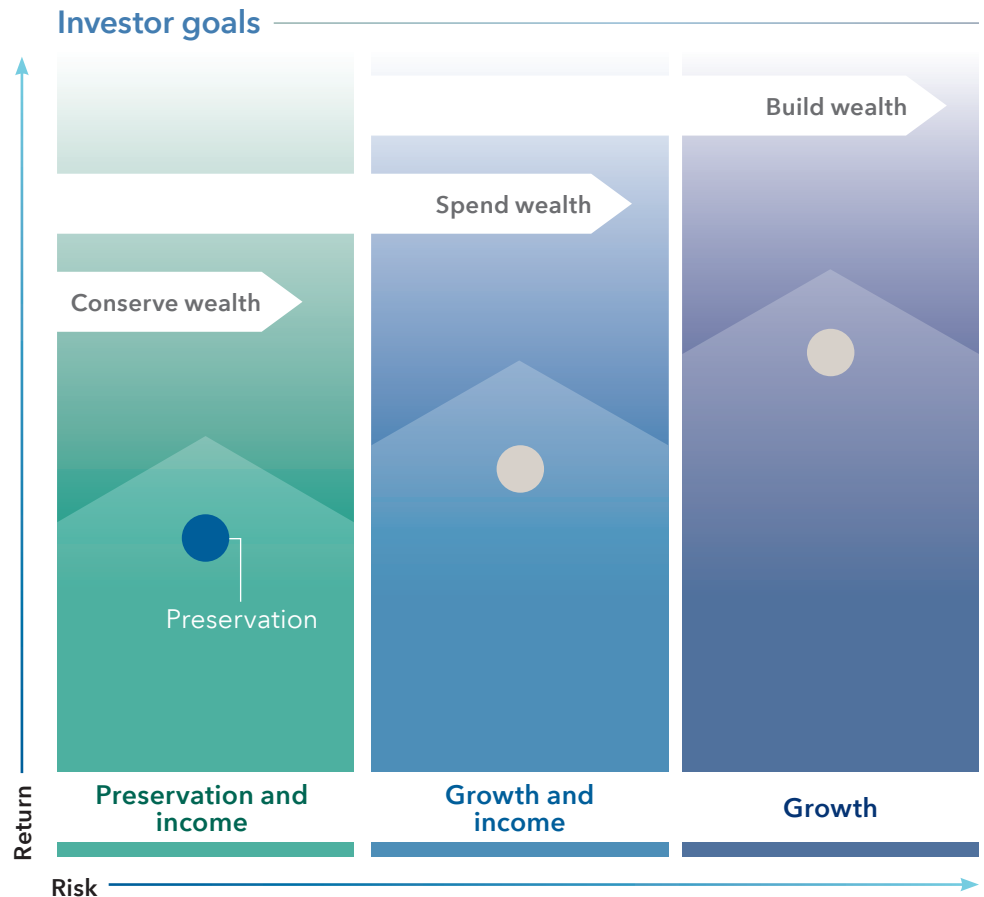
Seeks preservation of capital primarily and current income secondarily that is exempt from regular federal income tax through a diversified portfolio of high quality fixed income investments. Uses active American Funds® mutual funds, Capital Group exchange-traded funds (ETFs) and passive ETFs.

Created by Capital Group

In creating the Capital Group Active-Passive Preservation Model, 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 an all fixed income investment that is managed with a focus on the preservation of principal.
- Are willing to assume some principal risk for relative stability during equity market declines.
- Want some current income through a diversified portfolio of high quality bonds.
- Value a diversified and experienced active investment manager, complemented by passive investment strategies, to help them accomplish their goals.



*As of December 31, 2023

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.

Underlying funds

	Weight (%)
Intermediate Bond Fund of America®	33
Short-Term Bond Fund of America®	21
Capital Group Short Duration Income ETF (CGSD)	20
Vanguard Short-Term Treasury ETF Index Fund (VGSH)	17
Vanguard Total International Bond Index Fund ETF (BNDX)	4
iShares MBS ETF (MBB)	3
Vanguard Short-Term Inflation-Protected Securities Index Fund ETF (VTIP)	2

Bond breakdown

at 7/31/24

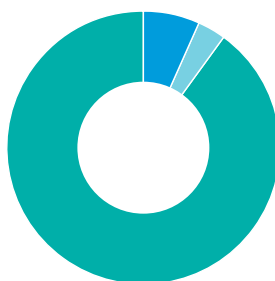
U.S. Government Bonds/Notes	33.7%
Mortgage-backed obligations	29.6
Corporate bonds & notes	17.1
Asset-backed obligations	15.1
Non-U.S. Government/Agency Securities	4.3
Municipal Securities	0.1
Other Bonds/Notes	0.1

Fixed income quality breakdown³

at 7/31/24

Investment grade (BBB/Baa and above)	97.3%
Non-Investment grade (BB/Ba and below)	2.7

Capital Group Active-Passive Preservation Model



as of 7/31/24

Asset mix (%)¹

Total equities	
U.S. equities	–
Non-U.S. developed equities	–
Total fixed income	
U.S. fixed income	89.8
Non-U.S. fixed income	6.7
Cash and equivalents ²	3.5

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.

¹Totals may not reconcile due to rounding.

²For 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.

³Bond 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.

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.

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.