

# Capital Group Active-Passive Tax-Aware Growth and Income Model

Data as of December 31, 2023, unless otherwise noted



## Focuses on growth potential with tax-exempt income utilizing active and passive investments

### Model description

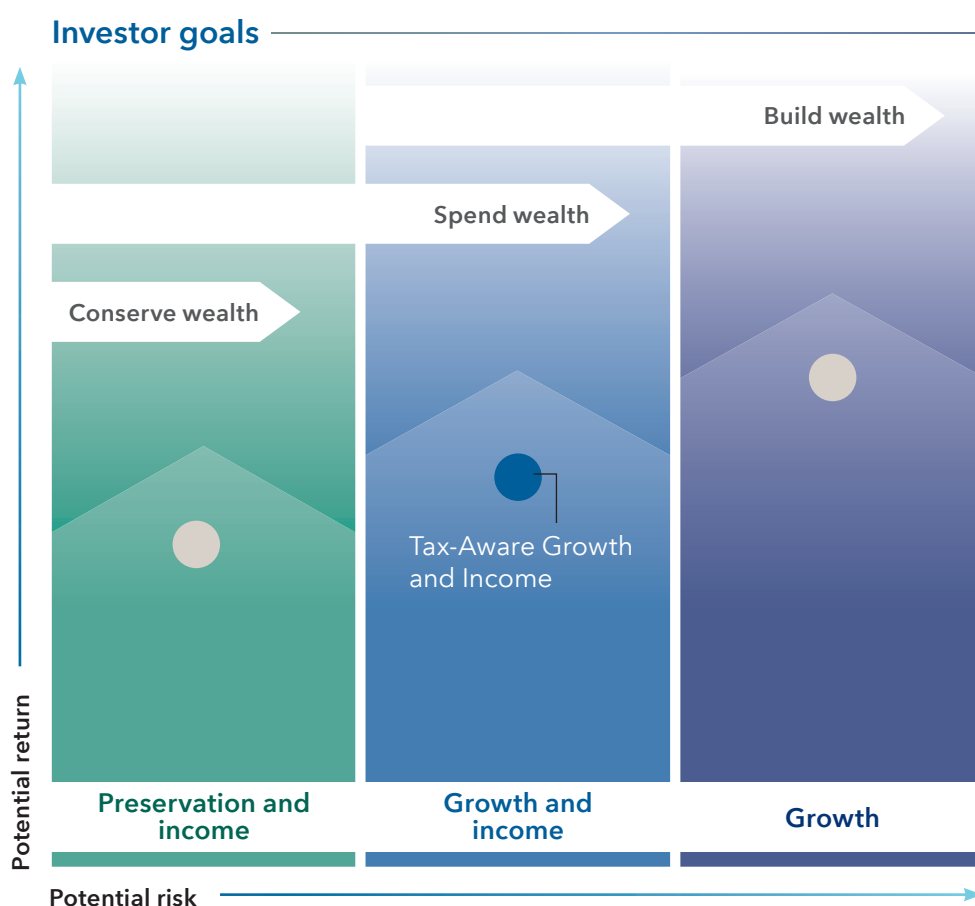
Seeks long-term growth of capital through exposure to equities and secondarily current income through dividend-paying equities and tax-exempt, fixed-income securities utilizing both active and passive investments.

### Created by Capital Group

In creating the Capital Group Active-Passive Tax-Aware Growth and Income 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 actively managed by their respective portfolio managers. The Portfolio Solutions Committee has an average of 32 years of investment industry experience.\* The underlying fund portfolio managers have an average of 27 years of investment industry experience.

### For investors who ...

- Seek a broadly diversified portfolio to help them pursue their long-term investment goals.
- Have a preference for seeking growth of capital but with lower volatility.
- Are tax-sensitive.
- Value a diversified and experienced active investment manager, complemented by passive investment strategies, to help them accomplish their goals.



\*As of January 1, 2024

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 (%) at 12/31/23

Capital Group Core Equity ETF	15
Capital World Growth and Income Fund®	13
Vanguard Total World Stock ETF	12
American High-Income Municipal Bond Fund®	10
Capital Group Growth ETF	9
iShares Core S&P 500 ETF	9
SMALLCAP World Fund®	6
Capital Group Dividend Value ETF	5
Fundamental Investors®	5
The Investment Company of America®	5
The Tax-Exempt Bond Fund of America®	5
iShares National Muni Bond ETF	3
Vanguard Tax-Exempt Bond ETF	3

## 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



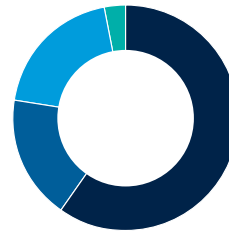
John Queen  
34 years



Andrew Suzman  
35 years

Investment industry experience as of January 1, 2024.

## Capital Group Active-Passive Tax-Aware Growth and Income Model



as of 12/31/23	Asset mix (%) <sup>1</sup>
<b>Total equities</b>	
U.S. equities	59.9
Non-U.S. equities	17.6
<b>Total fixed income</b>	
U.S. fixed income	19.5
Non-U.S. fixed income	0.0
Cash and equivalents <sup>2</sup>	2.9

## Top five industry

at 12/31/23

Semiconductors & semiconductor equipment	9.3%
Software	8.1
Interactive media & services	5.6
Aerospace & defense	4.3
Hotels, restaurants & leisure	3.7

## Top five equity holdings

at 12/31/23

Microsoft	4.3%
Broadcom	2.8
Alphabet	2.2
Meta Platforms	1.9
Apple	1.8

## Fixed income quality breakdown<sup>1,3</sup>

at 12/31/23

Investment grade (BBB/Baa and above)	69.0%
Non-investment grade (BB/Ba and below)	31.0

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

<sup>2</sup>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.

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