

## Focuses on tax-exempt income using active and passive investments

### Model description

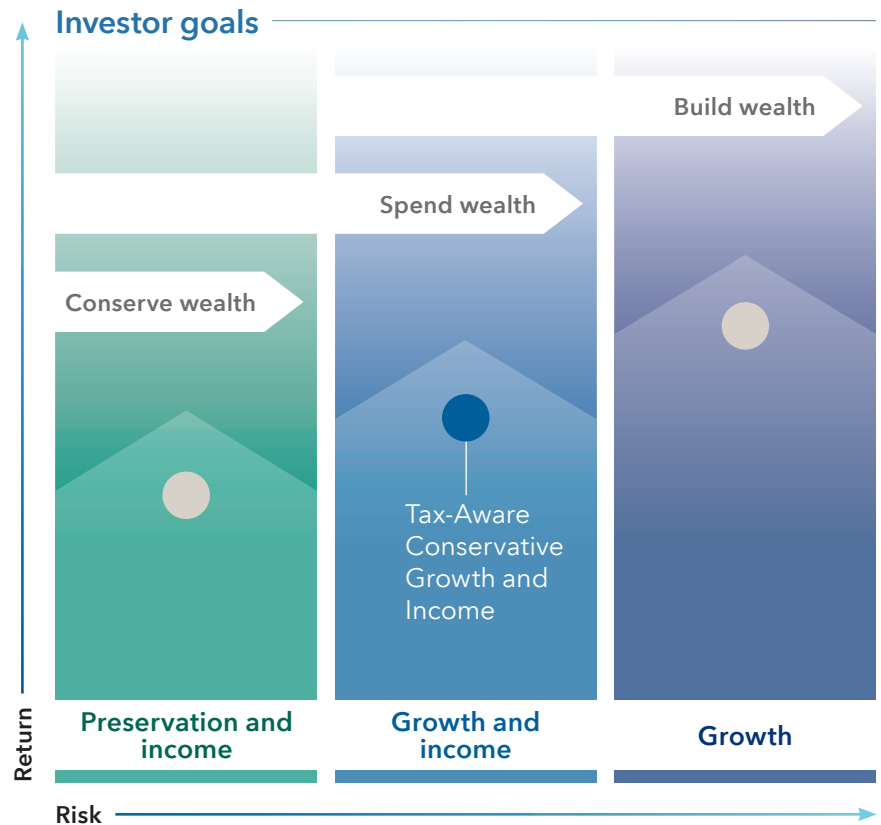
Seeks to provide high current income and secondarily long-term growth of capital, through dividend-paying equities and tax-exempt, fixed income securities. Uses active American Funds® mutual funds, Capital Group exchange-traded funds (ETFs) and third-party passive ETFs.

### Created by Capital Group

In creating the Capital Group Active-Passive Tax-Aware Conservative 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. The active underlying funds are managed by their respective portfolio managers, while the passive ETFs aim to replicate the index they are based on. 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 long-term investment goals.
- Have a preference for seeking higher current income and some growth of capital but with lower volatility.
- Are tax-sensitive.
- Value a diversified and experienced active investment manager, complemented by passive investment funds, 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.**

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

### Underlying funds

Underlying funds	Weight (%)
American High-Income Municipal Bond Fund®	23
Capital Group Dividend Value ETF (CGDV)	13
Capital Group Municipal Income ETF (CGMU)	11
Capital World Growth and Income Fund®	11
Vanguard Total World Stock Index Fund ETF (VT)	10
Capital Group Dividend Growers ETF (CGDG)	7
American Mutual Fund®	5
iShares National Muni Bond ETF (MUB)	5
Vanguard Tax-Exempt Bond Index Fund ETF (VTEB)	5
Capital Group Short Duration Municipal Income ETF (CGSM)	3
iShares Short-Term National Muni Bond ETF (SUB)	3
Schwab US Dividend Equity ETF™ (SCHD)	2
Vanguard High Dividend Yield Index Fund ETF (VYM)	2

### Top five industry

at 9/30/24

Semiconductors & semiconductor equipment	8.0%
Aerospace & defense	6.6
Banks	5.9
Software	5.2
Oil, gas & consumable fuels	4.4

### Top five equity holdings

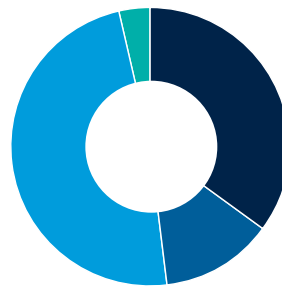
at 9/30/24

Microsoft	1.7%
Apple	1.4
Broadcom	1.3
RTX Corp	1.0
Meta Platforms	0.9

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

at 9/30/24

Investment grade (BBB/Baa and above)	66.0%
Non-Investment grade (BB/Ba and below)	34.0



as of 9/30/24

Asset mix (%)<sup>1</sup>

#### Total equities

U.S. equities	35.2
Non-U.S. developed equities	13.0

#### Total fixed income

U.S. fixed income	48.3
Non-U.S. fixed income	0.0
Cash and equivalents <sup>2</sup>	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.

<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 advisor 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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