

Capital Group Active-Passive Tax-Aware Moderate Income Model

Making portfolios personal

Q3 Fact Sheet

Data as of 09/30/2024 unless otherwise noted



Details

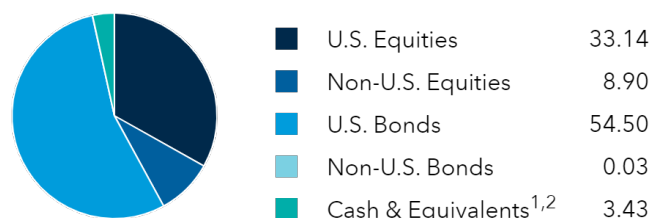
Objective

Preservation and Income – Seeks a balance of high current income and preservation of capital through exposure to dividend-paying equities and tax-exempt, fixed-income securities utilizing both active and passive investments.

Percentage active/passive



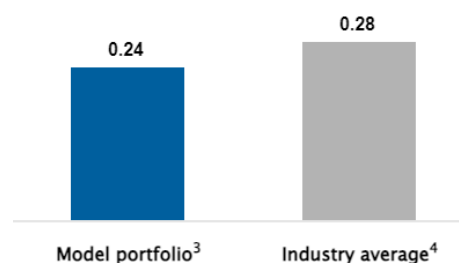
Asset mix (%), as of 08/31/2024



Current equity percentage: 42.04%

Lifetime equity range: 37.92%–42.04%

Weighted average expense ratio (%)



Underlying fund mix

Current allocation (%)

American Mutual Fund® (AFMFX)	5
Capital Group Dividend Growers ETF (CGDG)	4
Capital Group Dividend Value ETF (CGDV)	12
Capital World Growth and Income Fund® (FWGIX)	7
American High-Income Municipal Bond Fund® (HIMFX)	17
iShares National Muni Bond ETF (MUB)	5
iShares Short-Term National Muni Bond ETF (SUB)	5
Vanguard Tax-Exempt Bond Index Fund ETF Shares (VTEB)	6
Capital Group Municipal Income ETF (CGMU)	18
Capital Group Short Duration Municipal Income ETF (CGSM)	10
Schwab U.S. Dividend Equity ETF™ (SCHD)	2
Vanguard High Dividend Yield Index Fund ETF Shares (VYM)	2
Vanguard Total World Stock Index Fund ETF Shares (VT)	7


Returns

Figures shown are past results and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Investing for short periods makes losses more likely.

Model portfolio	Inception date		Cumulative total returns (%) ^{5,6,7,8,9}			Average annual total returns (%) ^{5,6,8,9,10}			
			QTD	YTD	1 year	3 years	5 years	10 years	Lifetime
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	

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.

Characteristics

Risk measures (%) ¹¹	10 years gross/net	Lifetime gross/net	Credit quality summary (%), as of 08/31/2024		
Standard deviation	-/-	-/-		AAA/Aaa	15.48
Sharpe ratio	-/-	-/-		AA/Aa	40.01
Upside capture ratio	-/-	-/-		A	17.76
Downside capture ratio	-/-	-/-		BBB/Baa	8.62
				BB/Ba	3.95
			B	0.79	
			CCC & Below	0.30	
			Unrated	13.10	

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.

Important disclosures

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.

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.

Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds.

The return of principal for bond portfolios and for portfolios with significant underlying bond holdings is not guaranteed. Investments are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Nondiversified funds have 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 fund results more than if the fund invested in a larger number of issuers. See the applicable prospectus for details.

Smaller company stocks entail additional risks, and they can fluctuate in price more than larger company stocks.

There have been periods when the results lagged the index(es) and/or average(s). The indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. Index/Index blends for Capital Group/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.

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Portfolios are managed, so holdings will change. Holdings are weighted averages of the underlying funds. Certain fixed income and/or cash and equivalents holdings may be held through mutual funds managed by the investment adviser or its affiliates that are not offered to the public.

Totals may not reconcile due to rounding.

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

Results and results-based figures shown are preliminary and subject to change.

1. Accrued income and the timing of its settlement, as well as classification of convertible bonds as debt or equity, can cause slight variations in the balances displayed in different portfolio composition breakdowns.
2. For American Funds, includes cash, short-term securities, other assets less liabilities, and may include accrued income. 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.
3. Expense ratio for the model is the weighted average of the underlying mutual funds' and/or exchange-traded funds' gross expense ratios as of their most recent prospectuses. Underlying mutual funds are based on Class F-3 shares. Expense ratios do not reflect any advisory fee charged by model providers.
4. Source: Lipper. Expense ratio is the weighted average of the underlying funds' Lipper category averages, as of the most recent fiscal year-ends, available as of 09/30/2024. Expense ratio comparisons for models excluding ETFs are based on institutional load funds (and no funds of funds) for the mutual funds; for models including ETFs, expense ratio comparisons are based on institutional load funds (and no funds of funds) for the mutual funds and based on ETFs for the ETFs.
5. When applicable, returns for less than one year are not annualized, but calculated as cumulative total returns.
6. Composite gross results are net of underlying fund fees and expenses of all of the 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.
7. YTD (year-to-date return): For the period from January 1 of the current year to the date shown or from inception date if first offered after January 1 of the current year.
8. Returns are in USD, are asset weighted, and reflect the reinvestment of dividends, interest and other earnings (net of withholding taxes).

9. 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 of the accounts in the composite.
10. Lifetime results are since the inception date of the portfolio.
11. Risk measures net of fees are based on net composite results which are calculated using an annual fee equivalent to 3% deducted from the gross results, which do not reflect the deduction of fees and expenses.

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.

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Glossary

Capture Ratio Downside – Ratio of a fund/model/composite's return during periods when the index was down, divided by the return of the index during those periods. For example, during periods when the index was down, a down-capture ratio greater than 100 indicates the fund/model/composite produced a lower return than the index.

Standard Deviation – Annualized standard deviation (based on monthly returns) is a common measure of absolute volatility that tells how returns over time have varied from the mean. A lower number signifies lower volatility.

Sharpe Ratio – Sharpe ratios use standard deviation and excess return to determine reward per unit of risk. The higher the number, the better the portfolio's historical risk-adjusted performance.

Capture Ratio Upside – Ratio of a fund/model/composite's return during periods when the index was up, divided by the return of the index during those periods. For example, an up-capture ratio greater than 100 indicates the fund/model/composite produced a higher return than the index during periods when the index was up.

Tax-Aware Moderate Income Model Portfolio Index Blend – Tax-Aware Moderate Income Model Portfolio Index Blend is a composite of the cumulative total returns for the following indexes with their respective weightings: 25% S&P 500 Index, 10% MSCI All Country World Index ex USA and 65% Bloomberg Municipal Bond Index. The blend is rebalanced monthly. S&P 500 Index is a market-capitalization-weighted index based on the results of approximately 500 widely held common stocks. MSCI All Country World Index ex USA 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. Bloomberg Municipal Bond Index is a market-value-weighted index designed to represent the long-term investment-grade tax-exempt bond market. The indexes are unmanaged, and results include reinvested distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes.