

American Funds Global Balanced Fund

Class F-2 shares
Quarterly review
1Q 2024



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Quarter highlights

- Investment selection among financials companies hindered relative returns.
- The portfolio's larger holdings and stock selection in the materials sector was a further drag on relative results.
- The choice of holdings in the industrials sector was beneficial.
- The portfolio's smaller-than-index holdings relative to the MSCI All Country World Index (ACWI) and investment selection among consumer discretionary companies also buoyed relative results on a relative basis.

Market review

Global stocks rallied in the first quarter, extending strong gains from 2023. The S&P 500 Index hit a series of record highs, boosted by healthy corporate earnings, solid U.S. economic growth and investor expectations that the Federal Reserve (Fed) will cut interest rates later in the year. Japanese stocks (MSCI Japan Index) also moved significantly higher, generating the best returns among major developed markets.

Information technology stocks rose on investor enthusiasm for advancements in artificial intelligence (AI). Market gains broadened to other sectors, including communication services, energy, financials and industrials. In the MSCI All Country World Index (ACWI), only one sector lost ground: Real estate stocks fell nearly 1%, pressured by relatively high interest rates and stress in the commercial property sector.

Bond markets generally declined as investors adjusted their expectations for interest rate cuts in the months ahead. At the end of 2023, investors had priced in six rate cuts in the U.S., which has since been revised down to three as inflation remains above the Fed's 2% target. European Central Bank officials have indicated that the rate path for 2024 remains uncertain.

In foreign exchange markets, the U.S. dollar rose against the euro, the yen and most other currencies, largely reflecting the relative strength of the U.S. economy. The U.S. Dollar Index climbed 3.2% in the quarter.

Portfolio review

Investment selection among financials companies hindered relative returns. Shares of Brazilian financial exchange B3 were hit by concerns over the earnings outlook given recent weakness in trading volumes and the pushback in expectations on the timing of U.S. interest rate cuts. Indian lender HDFC Bank was another key detractor after it reported slowing deposit growth and stagnant margins for its fiscal third quarter. Holding AIA Group also hurt given concerns over China's economy and the outlook for sales in the country.

The portfolio's larger holdings and stock selection in the materials and consumer staples sectors were a further drag on relative results.

The selection of companies in the health care sector also had a negative impact on relative results. Gilead Sciences was among the largest detractors after its cancer drug Trodelvy failed to show a significant improvement in outcomes in a study of patients with a common form of lung cancer.

The choice of companies in the information technology sector also weighed on a relative basis, with the portfolio's below-index holding a further drag. However, holding Broadcom was a positive given its exposure to AI technology and hopes of a broader cyclical recovery in demand for semiconductors.

The choice of holdings in the industrials sector was beneficial. Aerospace and defense companies were among the top contributors as the resurgence in commercial air travel continued and the conflicts in Ukraine and the Middle East raised expectations of buoyant defense spending.

The portfolio's smaller-than-index holdings and investment selection among consumer discretionary companies also buoyed relative results, particularly having no exposure to Tesla.

Constellation Energy led the contributors in the utilities sector, with shares soaring on the release of fourth-quarter earnings and after management provided strong earnings guidance. The utility expects robust earnings expansion will allow it to continue significant investment in growth opportunities, such as clean energy generation, and

Figures shown are past results and are not predictive of results in future periods.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

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Top five contributors to relative returns

	Portfolio* %	Index %	Relative contribution
Apple Inc.	0.28	4.05	0.76
Broadcom Inc.	5.99	0.79	0.53
Tesla, Inc.	0.00	0.82	0.40
Constellation Energy	0.73	0.07	0.29
Canadian Natural Resources	2.90	0.10	0.24

Bottom five contributors to relative returns

NVIDIA Corporation	0.00	2.56	-1.34
B3 SA - Brasil, Bolsa, Balcao	1.63	0.02	-0.50
AIA Group Limited	0.84	0.13	-0.25
HDFC Bank Limited	0.85	0.07	-0.24
Gilead Sciences, Inc.	1.31	0.14	-0.21

*Average position for time period. Impact relative to the MSCI All Country World Index (ACWI). The holdings identified do not represent all the securities in the portfolio. Relative contribution measures the impact a security has on the portfolio's excess return (the portfolio return minus the benchmark return). Past results are not predictive of results in future periods.

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. Prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit capitalgroup.com.

Class F-2 share returns for periods ended 3/31/24

	Total returns (%)			Average annual total returns (%)			
	QTD	YTD	1 year	3 years	5 years	10 years	Fund lifetime (Since 2/1/11)
American Funds Global Balanced Fund	3.64	3.64	13.42	2.97	5.88	4.99	6.07
60%/40% MSCI All Country World Index/Bloomberg Global Aggregate Index	4.01	4.01	13.71	2.28	6.18	5.29	–
MSCI All Country World Index	8.20	8.20	23.22	6.96	10.92	8.66	–
Bloomberg Global Aggregate Index	-2.07	-2.07	0.50	-4.73	-1.16	-0.07	–

Fund expense ratio: 0.59%†

† The expense ratio is as of the fund's prospectus available at the time of publication.

MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global developed and emerging markets, consisting of more than 40 developed and emerging market country indexes. Results reflect dividends net of withholding taxes. **S&P 500 Index** is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. **Bloomberg Global Aggregate Index** represents the global investment-grade fixed income markets. **MSCI Japan Index** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market results of Japan. Results reflect dividends net of withholding taxes. **60%/40% MSCI All Country World Index/Bloomberg Global Aggregate Index** blends the MSCI All Country World Index with the Bloomberg Global Aggregate Index by weighting their cumulative total returns at 60% and 40%, respectively. This assumes the blend is rebalanced monthly. **U.S. Dollar Index** is a market index benchmark used to measure the value of the U.S. dollar relative to other widely-traded international currencies.

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Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.

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help it return cash to shareholders. Constellation also unveiled a significant increase in its quarterly dividend.

Canadian Natural Resources was another key contributor as shares recovered strongly after it topped fourth-quarter 2023 profit forecasts, helped by record production, and raised its dividend.

Long-term perspective

The fund invests primarily in stocks and investment-grade (BBB/Baa and above) fixed income securities from around the world, in both developed and developing countries. With a relatively conservative mix of stocks and bonds, the fund seeks to capture the potential growth of companies that the fund's portfolio managers believe have strong prospects over time, while preserving principal and providing income. The fund aims to be a buffer against periods of market weakness; the allocation to fixed income can act as a partial offset during stock market declines.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower. Refer to capitalgroup.com for more information.

Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on the original share class results without a sales charge, adjusted for typical estimated expenses. Refer to capitalgroup.com for more information on specific expense adjustments and the actual dates of first sale.

The market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the fund has lagged the indexes.

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