

American Funds MF-ETF  
Model Portfolios with Vanguard:  
Designed for the long term

Quarterly update – Q1 2024



## Quarterly models summary

Key takeaways for the quarter ended March 31, 2024

- Model portfolio asset allocation remains focused on long-term goals amid the potential for different economic scenarios.
- Underlying fund managers continue to find a wide range of equity opportunities despite heavy levels of market concentration.
- The Custom Solutions Committee and Capital Solutions Group balance the four roles of fixed income according to specific long-term model goals.
- The American Funds MF-ETF Model Portfolios with Vanguard posted strong, positive absolute results for the quarter with mostly positive results relative to their respective benchmarks on a gross basis, but mixed results on a net-of-fees basis.

### Featured investment professionals



**Raj Paramaguru**  
Chair of the Custom  
Solutions Committee



**Mario DiVito**  
Investment Director



**Liz Yakes**  
Multi-Asset Investment  
Product Manager

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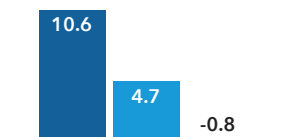
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Past results are not predictive of results in future periods.

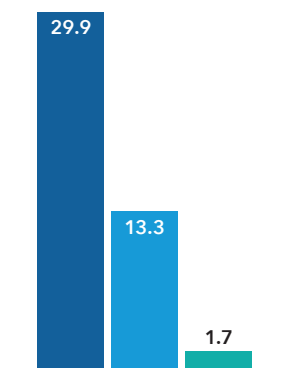
## Broad market results

Cumulative returns (%)

Q1



1-year as of 3/31/24



- **U.S. equities**  
(S&P 500 Index)
- **International equities**  
(MSCI ACWI ex USA Index)
- **U.S. fixed income**  
(Bloomberg U.S. Aggregate Index)

## Market review

Equity markets climbed in the first quarter, extending double-digit gains in 2023 amid hopes that the economy would avoid a severe downturn and inflation would moderate enough to support interest rate cuts over time. The S&P 500 Index rose 10.56% for the quarter in its biggest first quarter gain since 2019. All sectors gained, except for real estate, with returns for Magnificent Seven stocks more mixed at the start of this year following sweeping gains in 2023. (The Magnificent Seven are seven stocks with a high market-cap weighting in the S&P 500 Index.) International equities also rose but lagged U.S. stocks for the quarter; the MSCI All Country World Index (ACWI) ex USA gained 4.69%. Lower dividend payers outpaced higher dividend payers in the S&P 500 Index, while many dividend payers in international equity markets posted strong returns, as measured by the MSCI ACWI ex USA.

Within fixed income markets, U.S. Treasuries fell over the quarter amid uncertainty about the timing and extent of interest rate cuts. The U.S. Federal Reserve held its benchmark interest rate at a range of 5.25% to 5.50% for the fifth consecutive meeting in March and indicated that it would continue to closely monitor inflation data with its 2% inflation target in mind. The Consumer Price Index (CPI), including food and energy, rose 3.2% for the 12 months ending February. The Bloomberg U.S. Aggregate Index ended the quarter 0.78% lower. Meanwhile, the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index rose 1.47%. The yield curve remained inverted, with short-term bonds continuing to post higher yields than long-term bonds.

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## Taxable

All comments about model composite returns versus the benchmark are true on a gross and net-of-fees basis, unless otherwise noted.

The **American Funds MF - ETF Moderate Growth Model with Vanguard** posted positive absolute returns for the quarter and led its benchmark on a gross basis, but net returns lagged.

- Stock selection: both U.S. equities and non-U.S. equities were additive.
- Selection within information technology (semiconductors) and industrials (industrial conglomerate) boosted returns; selection in financials (financial exchange) and health care detracted from returns.
- Fixed income was additive. Less overall exposure and corporate bond selection lifted returns while U.S. Treasuries detracted.
- The Growth Fund of America® and The New Economy Fund® were additive; SMALLCAP World Fund® and Vanguard Total Stock Market ETF were detractors to relative results.

The **American Funds MF - ETF Moderate Growth & Income Model with Vanguard** posted positive absolute returns for the quarter and led its benchmark on a gross basis, but net returns lagged.

- Stock selection: U.S. equities was neutral; non-U.S. equities was additive.
- Selection within information technology (semiconductors) and industrials (aerospace & defense) boosted returns; selection in consumer staples (tobacco) and health care detracted from returns.
- Fixed income was additive. Less overall exposure and securitized bond selection lifted returns while U.S. Treasuries detracted.
- Fundamental Investors® and American Balanced Fund® were additive; SMALLCAP World Fund and Vanguard Total Stock Market ETF were detractors to relative results.

Past results are not predictive of results in future periods.

Contribution to returns commentary is based on a representative account and is net of all fees and expenses applicable to the underlying funds and is gross of any advisory fee charged by model providers. The net of fees composite results shown illustrate the impact of fees on the portfolio. Attribution for underlying ETFs is based on market price.

The **American Funds MF - ETF Conservative Growth & Income Model with Vanguard** posted positive absolute returns for the quarter and led its benchmark on a gross basis, but net returns lagged.

- Stock selection U.S. equities was detractive; non-U.S. equities was additive.
- Selection within industrials (aerospace & defense) and consumer discretionary boosted returns; selection in financials (insurance company) and health care (pharmaceutical) detracted from returns.
- Fixed income was additive. Corporate and securitized bond selection lifted returns while U.S. Treasuries detracted.
- American Funds® Multi-Sector Income Fund was additive, Washington Mutual Investors Fund was a detractor, and the passive ETFs were net neutral contributors to relative results.

The **American Funds MF - ETF Conservative Income & Growth Model with Vanguard** posted positive absolute returns for the quarter and was in line with its benchmark on a gross basis, but net returns lagged.

- Stock selection: U.S. equities was detractive; non-U.S. equities and was additive.
- Selection within consumer discretionary and information technology (semiconductors) boosted returns; selection in communication services (cable and satellite) and less exposure to information technology detracted from returns.
- Fixed income was additive. Corporate and high yield bond selection lifted returns while U.S. Treasuries detracted.
- American Funds Multi-Sector Income Fund was additive, American Funds® Strategic Bond Fund was a detractor, and the passive ETFs were net neutral contributors to relative results.

The **American Funds MF - ETF Conservative Income Model with Vanguard** posted positive absolute returns for the quarter and led its benchmark on a gross basis, but net returns lagged.

- Stock selection: U.S. equities was detractive; non-U.S. equities was additive.
- Selection within consumer discretionary (home improvement retail) and information technology boosted returns; selection in health care (pharmaceutical) and less exposure to information technology detracted from returns.
- Fixed income was additive. Corporate and high yield bond selection lifted returns while U.S. Treasuries detracted.
- Vanguard Short-Term Inflation-Protected Securities ETF and Short-Term Bond Fund of America® were additive; American Funds Strategic Bond Fund and The Income Fund of America® were detractors to relative results.

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## Tax-Aware

The **American Funds MF - ETF Moderate Growth Tax-Aware Model with Vanguard** posted positive absolute returns for the quarter and led its benchmark on both a gross and net-of-fees basis.

- Stock selection: both U.S. equities and non-U.S. equities were additive.
- Selection within information technology (semiconductors) and communication services (social media company) boosted returns; selection in consumer staples (tobacco) and financials detracted from returns.
- Fixed income was additive. Less overall exposure and health care municipals lifted returns.
- The Growth Fund of America and Fundamental Investors were additive; SMALLCAP World Fund and Vanguard Total Stock Market ETF were detractors to relative results.

The **American Funds MF - ETF Moderate Growth & Income Tax-Aware Model with Vanguard** posted positive absolute returns for the quarter and led its benchmark on both a gross and net-of-fees basis.

- Stock selection: both U.S. equities and non-U.S. equities were additive.
- Selection within information technology (semiconductors) and industrials (industrials conglomerate) boosted returns; selection in financials (insurance company) and consumer staples detracted from returns.
- Fixed income was additive. Less overall exposure and general obligation municipal bonds lifted returns.
- The Growth Funds of America and New Economy Fund were additive; SMALLCAP World Fund and Vanguard Total Stock Market ETF were detractors to relative results.

The **American Funds MF - ETF Conservative Growth & Income Tax-Aware Model with Vanguard** posted positive absolute returns for the quarter and led its benchmark on both a gross and net-of-fees basis.

- Stock selection: U.S. equities was neutral; non-U.S. equities was additive.
- Selection within information technology (semiconductors) and consumer discretionary boosted returns; selection in health care (managed care) and financials (insurance company) detracted from returns.
- Fixed income was additive. Less overall exposure and general obligation municipal bonds lifted returns.
- American High-Income Municipal Bond Fund® was additive, Washington Mutual Investors Fund was a detractor, and Vanguard Tax-Exempt Bond ETF was a neutral contributor to relative results.

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Contribution to returns commentary is based on a representative account and is net of all fees and expenses applicable to the underlying funds and is gross of any advisory fee charged by model providers. The net of fees composite results shown illustrate the impact of fees on the portfolio. Attribution for underlying ETFs is based on market price.

The **American Funds MF - ETF Conservative Income & Growth Tax-Aware Model with Vanguard** posted positive absolute returns for the quarter and led its benchmark on a gross basis, but net returns lagged.

- Stock selection: U.S. equities was detractive; non-U.S. equities was additive.
- Selection within industrials (industrials conglomerate) and consumer discretionary boosted returns; selection in consumer staples and financials (insurance company) detracted from returns.
- Fixed income was additive. Less overall exposure and health care municipals lifted returns.
- American High-Income Municipal Bond Fund was additive, American Mutual Fund® was a detractor, and Vanguard Tax-Exempt Bond ETF was a neutral contributor to relative results.

The **American Funds MF - ETF Conservative Income Tax-Aware Model with Vanguard** posted positive absolute returns for the quarter and led its benchmark on a gross basis, but net returns lagged.

- Stock selection U.S. equities was detractive non-U.S. equities was neutral.
- Selection within industrials (aerospace & defense) and materials (chemicals) boosted returns; selection in technology and health care (managed care) detracted from returns.
- Fixed income was additive. General obligation municipal bonds and special tax situation municipals lifted returns.
- American High-Income Municipal Bond Fund was additive, American Mutual Fund was a detractor, and Vanguard Tax-Exempt Bond ETF was a neutral contributor to relative results.

Past results are not predictive of results in future periods.

Contribution to returns commentary is based on a representative account and is net of all fees and expenses applicable to the underlying funds and is gross of any advisory fee charged by model providers. The net of fees composite results shown illustrate the impact of fees on the portfolio. Attribution for underlying ETFs is based on market price.





### Diversification from equities

When stocks struggle, owning bonds with a low correlation to equities can result in lower portfolio volatility. It also allows investors to rebalance portfolios at appropriate times in a market cycle.



### Income

Providing dependable income is a central function of a bond allocation.



### Capital preservation

A fixed income allocation has the potential to protect principal in most market environments.



### Inflation protection

Bonds directly linked to the Consumer Price Index can help to protect an investor's purchasing power.

## The four roles of fixed income

Underlying fixed income funds in model portfolios reflect views from the Capital Group fixed income team's Portfolio Strategy Group (PSG), which analyzes differing economic scenarios to provide a broad directional framework and guidance in the form of core portfolio positioning themes. "I think of asset allocation like putting together the pieces of a puzzle every day," according to John Queen, a fixed income portfolio manager. A key question when applying fixed income guidance to portfolios is what the actual portfolio goal is, says Queen. "What is the job of each portfolio and what role should fixed income play in it?" Queen continues. This applies to American Funds MF-ETF Model Portfolios with Vanguard and how the Custom Solutions Committee (CSC) thinks about balancing the four roles of fixed income relative to model portfolio goals: diversification from equity, income, capital preservation and inflation protection.

For example, says Queen, "in a core bond portfolio we're looking for excess return, of course, but we're also looking to make sure that it continues to play a role as an equity hedge. If there's a slowdown where equities tend to do poorly, the core bond portfolio should act like a core bond portfolio, not a high-yield portfolio where you'd expect some more volatility alongside the equity portfolio." While returns for core bond funds such as The Bond Fund of America® have been largely flat versus the Bloomberg U.S. Aggregate Index this past quarter, we continue to believe that the role of core bond allocations, both active and passive, remains critical alongside flexible exposure to credit via funds such as American Funds Multi-Sector Income Fund. For example, American Funds MF-ETF Conservative Growth and Income Model with Vanguard includes allocations to The Bond Fund of America, Vanguard Total Bond Market ETF, American Funds Multi-Sector Income Fund and American Funds Strategic Bond Fund. The selection of both active and passive funds and approach to the four roles of fixed income depends upon the model goal.

## Looking forward

As active managers, we recognize the potential for different economic and market scenarios and uncertainty about the timing of interest rate cuts. Underlying fund managers continue to find a wide range of opportunities, despite heavy levels of market concentration.

"Model portfolios reflect a conscious, dynamic approach to asset classes and sectors at the fund level," says Multi-Asset Investment Director Mario DiVito. "At a broad sweep, model asset allocation shows conviction in opportunities across both equity and fixed income markets," continues DiVito. "While equity allocations in multi-asset funds such as American Balanced Fund® have inched higher, primarily driven by strong market conditions, managers are also finding attractive opportunities to add to their fixed income holdings. Among equities in general, underlying managers in growth funds are taking an active approach to select opportunities, driven by company-specific research. Growth fund managers are currently expressing interest in industrials and communication services companies likely to benefit from innovation as well as smaller firms across sectors that seem poised to continue cutting costs and improve their business models. Global fund managers, in particular, are finding value in industrials to include auto manufacturers and retail-focused consumer companies in Europe and Asia," says DiVito. Meanwhile, the Custom Solutions Committee and Capital Solutions Group balance the four roles of fixed income based on model objective and actively monitor underlying fund allocations across both fixed income and equities.



“Model portfolios reflect a conscious, dynamic approach to asset classes and sectors at the fund level. Among equities in general, underlying managers in growth funds are taking an active approach to select opportunities, driven by company-specific research. Growth fund managers are currently expressing interest in industrials and communication services companies likely to benefit from innovation as well as smaller firms across sectors that seem poised to continue cutting costs and improve their business models.”

– **Mario DiVito**  
Multi-Asset Investment Director

## American Funds Model Portfolios

Percent of net assets as of March 31, 2024

Exposure changes are based on actual model allocations, which reflect changes in the underlying funds over the periods shown.

Model portfolio	Equity								
	Total equity			U.S. equities			Non-U.S. equities		
	As of 3/31/24	% Change		As of 3/31/24	% Change		As of 3/31/24	% Change	
		3 mos	12 mos		3 mos	12 mos		3 mos	12 mos
<b>Taxable</b>									
American Funds MF-ETF Moderate Growth Model with Vanguard	82.5	1.4	2.0	60.9	1.3	3.9	21.6	0.1	-1.9
American Funds MF-ETF Moderate Growth & Income Model with Vanguard	66.1	-1.0	-0.3	49.4	-1.4	0.2	16.8	0.5	-0.5
American Funds MF-ETF Conservative Growth & Income Model with Vanguard	51.1	-0.2	1.0	37.4	-0.1	0.6	13.7	-0.2	0.4
American Funds MF-ETF Conservative Income & Growth Model with Vanguard	36.0	-0.1	1.5	27.3	0.1	2.1	8.6	-0.2	-0.6
American Funds MF-ETF Conservative Income Model with Vanguard	21.5	-0.1	0.9	17.8	-0.2	0.6	3.7	0.1	0.2
<b>Tax-aware</b>									
American Funds MF-ETF Moderate Growth Tax-Aware Model with Vanguard	84.8	0.9	3.4	63.3	0.8	4.5	21.4	0.0	-1.1
American Funds MF-ETF Moderate Growth & Income Tax-Aware Model with Vanguard	70.3	1.6	1.8	53.3	1.4	2.7	17.0	0.2	-0.8
American Funds MF-ETF Conservative Growth & Income Tax-Aware Model with Vanguard	50.5	-1.3	1.1	38.5	-1.2	1.7	12.0	-0.1	-0.6
American Funds MF-ETF Conservative Income & Growth Tax-Aware Model with Vanguard	33.7	-0.8	0.4	26.6	-0.5	0.3	7.0	-0.3	0.1
American Funds MF-ETF Conservative Income Tax-Aware Model with Vanguard	19.4	-0.3	-0.1	16.7	-0.3	-0.2	2.7	0.0	0.0

■ Increased allocation by 1% or more  
 ■ Decreased allocation by 1% or more

Holdings are weighed averages of the model portfolio's underlying funds. The underlying funds are managed, so holdings will change.



## Percent of net assets as of March 31, 2024

Exposure changes are based on actual model allocations, which reflect changes in the underlying funds over the periods shown.

Model portfolio	Fixed income									Cash		
	Total bond			U.S. bonds			Non-U.S. bonds			Cash & equivalents		
	As of 3/31/24	% Change		As of 3/31/24	% Change		As of 3/31/24	% Change		As of 3/31/24	% Change	
		3 mos	12 mos		3 mos	12 mos		3 mos	12 mos		3 mos	12 mos
<b>Taxable</b>												
American Funds MF-ETF Moderate Growth Model with Vanguard	14.7	-1.0	-1.0	12.1	-1.0	-1.2	2.7	0.0	0.2	2.8	-0.4	-1.0
American Funds MF-ETF Moderate Growth & Income Model with Vanguard	31.0	1.2	1.4	27.6	0.9	1.0	3.4	0.3	0.4	2.8	-0.2	-1.1
American Funds MF-ETF Conservative Growth & Income Model with Vanguard	46.0	0.3	0.0	39.9	0.1	-0.7	6.0	0.2	0.6	2.9	-0.1	-1.0
American Funds MF-ETF Conservative Income & Growth Model with Vanguard	60.8	0.5	-0.1	52.0	0.1	-1.5	8.9	0.4	1.4	3.2	-0.4	-1.4
American Funds MF-ETF Conservative Income Model with Vanguard	75.1	0.3	0.5	64.6	0.0	-0.3	10.5	0.3	0.8	3.4	-0.3	-1.4
<b>Tax-aware</b>												
American Funds MF-ETF Moderate Growth Tax-Aware Model with Vanguard	12.2	-0.8	-2.4	12.0	-0.8	-2.6	0.2	0.0	0.1	3.0	-0.1	-1.0
American Funds MF-ETF Moderate Growth & Income Tax-Aware Model with Vanguard	26.3	-1.5	-0.8	26.1	-1.5	-0.9	0.2	0.0	0.1	3.4	-0.1	-1.0
American Funds MF-ETF Conservative Growth & Income Tax-Aware Model with Vanguard	45.9	1.2	0.1	45.8	1.2	0.0	0.1	0.0	0.1	3.6	0.1	-1.2
American Funds MF-ETF Conservative Income & Growth Tax-Aware Model with Vanguard	62.4	0.9	1.1	62.4	0.9	1.1	0.0	0.0	0.0	3.9	-0.1	-1.5
American Funds MF-ETF Conservative Income Tax-Aware Model with Vanguard	76.6	0.3	2.0	76.6	0.3	2.0	0.0	0.0	0.0	4.0	0.0	-1.9

- Increased allocation by 1% or more
- Decreased allocation by 1% or more

For American Funds, cash & equivalents includes 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.

## Model portfolio results as of March 31, 2024

Past results 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.

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 accounts in the composite. Composite gross results are net of underlying fund fees and expenses of all 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.

Model portfolio	Inception date	Cumulative total returns (%)			Average annual total returns (%)				
			QTD	YTD	1 year	3 years	5 years	10 years	Lifetime
<b>Taxable</b>									
American Funds MF - ETF Moderate Growth Model with Vanguard Composite	08/31/2021	Gross	7.28	7.28	21.60	–	–	–	2.46
		Net	6.50	6.50	18.05	–	–	–	-0.56
MF-ETF Moderate Growth Model with Vanguard Index Blend	–		6.77	6.77	19.68	–	–	–	3.57
American Funds MF - ETF Moderate Growth and Income Model with Vanguard Composite	08/31/2021	Gross	6.05	6.05	18.04	–	–	–	2.11
		Net	5.27	5.27	14.58	–	–	–	-0.90
MF-ETF Moderate Growth & Income Model with Vanguard Index Blend	–		5.35	5.35	16.20	–	–	–	2.24
American Funds MF - ETF Conservative Growth and Income Model with Vanguard Composite	08/31/2021	Gross	4.37	4.37	14.03	–	–	–	1.27
		Net	3.60	3.60	10.68	–	–	–	-1.73
MF-ETF Conservative Growth & Income Model with Vanguard Index Blend	–		3.94	3.94	12.79	–	–	–	0.89
American Funds MF - ETF Conservative Income and Growth Model with Vanguard Composite	08/31/2021	Gross	2.50	2.50	8.49	–	–	–	-0.31
		Net	1.75	1.75	5.29	–	–	–	-3.26
MF-ETF Conservative Income & Growth Model with Vanguard Index Blend	–		2.54	2.54	9.45	–	–	–	-0.48
American Funds MF - ETF Conservative Income Model with Vanguard Composite	08/31/2021	Gross	1.44	1.44	5.30	–	–	–	-1.09
		Net	0.68	0.68	2.19	–	–	–	-4.02
MF-ETF Conservative Income Model with Vanguard Index Blend	–		1.15	1.15	6.18	–	–	–	-1.87

Index lifetime returns are based on composite inception dates.

Past results are not predictive of results in future periods.

## Model portfolio results as of March 31, 2024

Model portfolio	Inception date	Cumulative total returns (%)				Average annual total returns (%)			
		QTD	YTD	1 year	3 years	5 years	10 years	Lifetime	
<b>Tax-aware</b>									
American Funds MF - ETF Moderate Growth Tax-Aware Model with Vanguard Composite	08/31/2021	Gross	8.32	8.32	24.05	–	–	–	2.94
		Net	7.53	7.53	20.43	–	–	–	-0.10
MF-ETF Moderate Growth Tax-Aware Model with Vanguard Index Blend	–		6.85	6.85	19.98	–	–	–	4.14
American Funds MF - ETF Moderate Growth and Income Tax-Aware Model with Vanguard Composite	08/31/2021	Gross	6.83	6.83	20.38	–	–	–	3.11
		Net	6.05	6.05	16.86	–	–	–	0.06
MF-ETF Moderate Growth & Income Tax-Aware Model with Vanguard Index Blend	–		5.49	5.49	16.72	–	–	–	3.23
American Funds MF - ETF Conservative Growth and Income Tax-Aware Model with Vanguard Composite	08/31/2021	Gross	5.16	5.16	15.91	–	–	–	2.32
		Net	4.39	4.39	12.51	–	–	–	-0.70
MF-ETF Conservative Growth & Income Tax-Aware Model with Vanguard Index Blend	–		4.13	4.13	13.53	–	–	–	2.28
American Funds MF - ETF Conservative Income and Growth Tax-Aware Model with Vanguard Composite	08/31/2021	Gross	3.38	3.38	11.42	–	–	–	1.42
		Net	2.62	2.62	8.14	–	–	–	-1.58
MF-ETF Conservative Income & Growth Tax-Aware Model with Vanguard Index Blend	–		2.79	2.79	10.40	–	–	–	1.31
American Funds MF - ETF Conservative Income Tax-Aware Model with Vanguard Composite	08/31/2021	Gross	1.82	1.82	7.79	–	–	–	0.55
		Net	1.07	1.07	4.62	–	–	–	-2.42
MF-ETF Conservative Income Model Tax-Aware with Vanguard Index Blend	–		1.46	1.46	7.34	–	–	–	0.31

## Market index results as of March 31, 2024

Index name	Cumulative total returns (%)			Average annual total returns (%)		
	QTD	YTD	1 year	3 years	5 years	10 years
Bloomberg Municipal Bond Index	-0.39	-0.39	3.13	-0.41	1.59	2.66
Bloomberg U.S. Aggregate Index	-0.78	-0.78	1.70	-2.46	0.36	1.54
Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index	1.47	1.47	11.15	2.19	4.19	4.44
MSCI All Country World Index (ACWI)	8.20	8.20	23.22	6.96	10.92	8.66
MSCI All Country World Index (ACWI) ex USA	4.69	4.69	13.26	1.94	5.97	4.25
Russell 1000 Growth Index	11.41	11.41	39.00	12.50	18.52	15.98
Russell 1000 Index	10.30	10.30	29.87	10.45	14.76	12.68
Russell 1000 Value Index	8.99	8.99	20.27	8.11	10.32	9.01
S&P 500 Index	10.56	10.56	29.88	11.49	15.05	12.96

Index lifetime returns are based on composite inception dates.

Past results are not predictive of results in future periods.

## Investment and index disclosures

### Model allocations

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The underlying funds for each model portfolio as of March 31, 2024, are as follows (allocations may not equal 100% due to rounding):

**American Funds MF-ETF Moderate Growth Model with Vanguard:**

Growth (28%): New Perspective Fund 10%, The Growth Fund of America 5%, SMALLCAP World Fund 5%, The New Economy Fund 4%, New World Fund 4%; Growth and income (15%): Capital World Growth and Income Fund 5%, Fundamental Investors 5%, The Investment Company of America 5%; Equity income/Balanced (20%): American Balanced Fund 10%, American Funds Global Balanced Fund 10%; Income (5%): American Funds Strategic Bond Fund 5%; Vanguard ETF (35%): Vanguard Total Stock Market Index Fund 15%, Vanguard 500 Index Fund 8%, Vanguard Total Bond Market Index Fund 5%, Vanguard Developed Markets Index Fund 4%.

**American Funds MF-ETF Moderate Growth & Income Model with Vanguard:**

Growth (16%): New Perspective Fund 8%, The New Economy Fund 3%, New World Fund 3%, SMALLCAP World Fund 2%; Growth and income (17%): Fundamental Investors 7%, Capital World Growth and Income Fund 5%, The Investment Company of America 5%; Equity income/Balanced (20%): American Balanced Fund 15%, American Funds Global Balanced Fund 5%; Income (15%): The Bond Fund of America 10%, American Funds Strategic Bond Fund 5%; Vanguard ETF (32%): Vanguard Total Stock Market Index Fund 11%, Vanguard Total Bond Market Index Fund 10%, Vanguard 500 Index Fund 8%, Vanguard Developed Markets Index Fund 3%.

**American Funds MF-ETF Conservative Growth & Income Model with Vanguard:**

Growth (6%): AMCAP Fund 4%, New World Fund 2%; Growth and income (15%): Capital World Growth and Income Fund 5%, The Investment Company of America 5%, Washington Mutual Investors Fund 5%; Equity income/Balanced (25%): American Balanced Fund 15%, American Funds Global Balanced Fund 10%; Income (22%): The Bond Fund of America 10%, American Funds Multi-Sector Income Fund 7%, American Funds Strategic Bond Fund 5%; Vanguard ETF (42%): Vanguard Total Bond Market Index Fund 17%, Vanguard Total Stock Market Index Fund 6%, Vanguard Developed Markets Index Fund 5%, Vanguard 500 Index Fund 4%.

**American Funds MF-ETF Conservative Income & Growth Model with Vanguard:**

Growth and income (13%): American Mutual Fund 5%, Washington Mutual Investors Fund 5%, Capital World Growth and Income Fund 3%; Equity income/Balanced (25%): American Balanced Fund 15%, American Funds Global Balanced Fund 5%, The Income Fund of America 5%; Income (30%): American Funds Strategic Bond Fund 10%, The Bond Fund of America 10%, American Funds Multi-Sector Income Fund 5%, Capital World Bond Fund 5%, Vanguard ETF (32%): Vanguard Total Bond Market Index Fund 25%, Vanguard Total Stock Market Index Fund 4%, Vanguard Total Intl Stock Idx Fund 3%.

**American Funds MF-ETF Conservative Income Model with Vanguard:**

Growth and income (5%): American Mutual Fund 5%; Equity income/Balanced (25%): American Balanced Fund 15%, The Income Fund of America 10%; Income (38%): The Bond Fund of America 12%, American Funds Strategic Bond Fund 10%, Intermediate Bond Fund of America 8%, Short-Term Bond Fund of America 5%, American Funds Multi-Sector Income Fund 3%; Vanguard ETF (32%): Vanguard Total Bond Market Index Fund 22%, Vanguard Short-Term Inflation-Protected Securities Index Fund 5%, Vanguard Total International Bond Index Fund 5%.

**American Funds MF-ETF Moderate Growth Tax-Aware Model with Vanguard:**

Growth (32%): New Perspective Fund 10%, The Growth Fund of America 10%, SMALLCAP World Fund 4%, The New Economy Fund 4%, New World Fund 4%; Growth and Income (25%): Fundamental Investors 10%, Capital World Growth and Income Fund 8%, The Investment Company of America 7%; Tax-exempt bond (11%): American High-Income Municipal Bond Fund 8%, The Tax-Exempt Bond Fund of America 3%; Vanguard ETF (27%): Vanguard Total Stock Market Index Fund 13%, Vanguard 500 Index Fund 11%, Vanguard Developed Markets Index Fund 5%.

**American Funds MF-ETF Moderate Growth & Income Tax-Aware Model with Vanguard:** Growth (20%): New Perspective Fund 6%, The Growth Fund of America 5%, New World Fund 4%, The New Economy Fund 3%, SMALLCAP World Fund 2%; Growth and Income (25%): Capital World Growth and Income Fund 8%, The Investment Company of America 6%, Washington Mutual Investors Fund 6%, Fundamental Investors 5%; Tax-exempt bond (23%): American High-Income Municipal Bond Fund 15%, The Tax-Exempt Bond Fund of America 8%; Vanguard ETF (32%): Vanguard 500 Index Fund 11%, Vanguard Total Stock Market Index Fund 10%, Vanguard Tax-Exempt Bond Index Fund 7%, Vanguard Developed Markets Index Fund 4%.

**American Funds MF-ETF Conservative Growth & Income Tax-Aware Model with Vanguard:**

Growth (15%): AMCAP Fund 4%, New Perspective Fund 4%, The Growth Fund of America 4%, New World Fund 3%; Growth and Income (20%): Capital World Growth and Income Fund 8%, The Investment Company of America 6%, Washington Mutual Investors Fund 6%; Tax-exempt bond (33%): American High-Income Municipal Bond Fund 13%, The Tax-Exempt Bond Fund of America 12%, Limited Term Tax-Exempt Bond Fund of America 8%; Vanguard ETF (32%): Vanguard Tax-Exempt Bond Index Fund 15%, Vanguard Total Stock Market Index Fund 7%, Vanguard 500 Index Fund 7%, Vanguard Developed Markets Index Fund 3%.

**American Funds MF-ETF Conservative Income & Growth Tax-Aware Model with Vanguard:**

Growth (10%): AMCAP Fund 4%, New Perspective Fund 3%, American Funds Global Insight Fund 3%; Growth and Income (17%): Capital World Growth and Income Fund 7%, The Investment Company of America 4%, Washington Mutual Investors Fund 3%, American Mutual Fund 3%; Tax-exempt bond (41%): The Tax-Exempt Bond Fund of America 20%, American High-Income Municipal Bond Fund 13%, Limited Term Tax-Exempt Bond Fund of America 8%; Vanguard ETF (32%): Vanguard Tax-Exempt Bond Index Fund 24%, Vanguard 500 Index Fund 4%, Vanguard Total Stock Market Index Fund 4%.

**American Funds MF-ETF Conservative Income Tax-Aware Model with Vanguard:**

Growth (4%): American Funds Global Insight Fund 4%; Growth and Income (12%): American Mutual Fund 5%, The Investment Company of America 4%, Washington Mutual Investors Fund 3%; Tax-exempt bond (52%): The Tax-Exempt Bond Fund of America 27%, Limited Term Tax-Exempt Bond Fund of America 15%, American High-Income Municipal Bond Fund 10%; Vanguard ETF (35%): Vanguard Tax-Exempt Bond Index Fund 28%, Vanguard Total Stock Market Index Fund 4%.

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

### Model portfolio index/index blends

Index/Index blends for American Funds Model Portfolios with Vanguard are those that the Custom 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 with Vanguard. The index blend for the model portfolio is a composite of the cumulative total returns for the indexes and respective weightings listed:

**MF-ETF Moderate Growth Model with Vanguard** – 55% S&P 500, 20% Bloomberg U.S. Aggregate, and 25% MSCI All Country World ex USA Indexes.

**MF-ETF Moderate Growth & Income Model with Vanguard** – 45% S&P 500, 35% Bloomberg U.S. Aggregate, and 20% MSCI All Country World ex USA Indexes.

**MF-ETF Conservative Growth & Income Model with Vanguard** – 35% S&P 500, 50% Bloomberg U.S. Aggregate, and 15% MSCI All Country World ex USA Indexes.

**MF-ETF Conservative Income & Growth Model with Vanguard** – 25% S&P 500, 65% Bloomberg U.S. Aggregate, and 10% MSCI All Country World ex USA Indexes.



**MF-ETF Conservative Income Model with Vanguard** – 15% S&P 500, 80% Bloomberg U.S. Aggregate, and 5% MSCI All Country World ex USA Indexes.

**MF-ETF Moderate Growth Tax-Aware Model with Vanguard** – 55% S&P 500, 20% Bloomberg Municipal Bond, and 25% MSCI All Country World ex USA Indexes.

**MF-ETF Moderate Growth & Income Tax-Aware Model with Vanguard** – 45% S&P 500, 35% Bloomberg Municipal Bond, and 20% MSCI All Country World ex USA Indexes.

**MF-ETF Conservative Growth & Income Tax-Aware Model with Vanguard** – 35% S&P 500, 50% Bloomberg Municipal Bond, and 15% MSCI All Country World ex USA Indexes.

**MF-ETF Conservative Income & Growth Tax-Aware Model with Vanguard** – 25% S&P 500, 65% Bloomberg Municipal Bond, and 10% MSCI All Country World ex USA Indexes.

**MF-ETF Conservative Income Tax-Aware Model with Vanguard** – 15% S&P 500, 80% Bloomberg Municipal Bond, and 5% MSCI All Country World ex USA Indexes.

The index blends are rebalanced monthly. The indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

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Source for model portfolio and American Funds data is Capital Group. Source for Vanguard ETF data is Morningstar. Results for non-American Funds are calculated by Morningstar. Due to differing calculation methods, the results shown here may differ from those calculated by individual fund companies.

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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.

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 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 gross of withholding taxes through December 31, 2000, and dividends net of withholding taxes thereafter. This index is unmanaged, and its results include reinvested dividends and/or distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes.

MSCI All Country World ex USA 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, 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 U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market.

Bloomberg Municipal Bond Index is a market-value-weighted index designed to represent the long-term investment-grade tax-exempt bond market.

Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index covers the universe of fixed-rate, non-investment-grade debt. The index limits the maximum exposure of any one issuer to 2%. This index is unmanaged, and its results include reinvested distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes.

Russell 1000 Index is a market capitalization-weighted index that represents the top 1,000 stocks in the U.S. equity market by market capitalization. This index is unmanaged, and its results include reinvested dividends and/or distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes.

Russell 1000 Growth Index is a market capitalization-weighted index that represents the large-cap growth segment of the U.S. equity market and includes stocks from the Russell 1000 Index that have higher price-to-book ratios and higher expected growth values.

Russell 1000 Value Index is a market capitalization-weighted index that represents the large-cap value segment of the U.S. equity market and includes stocks from the Russell 1000 Index that have lower price-to-book ratios and lower expected growth values.

The Russell 2000 Index is a small-cap U.S. stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index.

Indexes are unmanaged, and their results include reinvested dividends and/or distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or U.S. federal income taxes.

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