

### Quarter highlights

- In general, funds with larger concentrations in equities outpaced those with higher exposures to fixed income assets.
- Within equities, funds with a growth focus outpaced those with a growth-and-income and equity-income focus.
- Funds with higher concentration in U.S. equities fared better than those with larger exposure to non-U.S. stocks.
- Within fixed income, funds with more significant investments in lower quality U.S. bonds fared the best, while those with larger holdings in non-U.S. bonds lagged.

### 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

In general, funds with larger concentrations in equities outpaced those with higher exposures to fixed income assets as expectations of rate cuts were pushed back.

Within equities, funds with a growth focus outpaced those with a growth-and-income and equity-income focus as investors favored growth-oriented sectors, such as information technology, over the quarter. In contrast, higher yielding sectors, which are held in larger concentrations in funds with an income focus, lagged the broader market as investors recalibrated their hopes for the number of interest rate cuts in 2024.

Additionally, funds with higher concentration in U.S. equities fared better than those with larger exposure to non-U.S. stocks, particularly those issued by companies domiciled in developing economies.

Within fixed income, funds with more significant investments in lower quality U.S. bonds fared the best, while those with larger holdings in non-U.S. bonds lagged due partly to the strength of the U.S. dollar.

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.**

*continued on back*

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](http://capitalgroup.com).

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

	Total returns (%)			Average annual total returns (%)				Expenses (%)
	QTD	YTD	1 year	3 years	5 years	10 years	Fund lifetime*	
American Funds Global Growth Portfolio	8.41	8.41	23.76	3.64	10.46	8.82	11.03	0.56
American Funds Growth Portfolio	10.06	10.06	30.34	6.07	11.93	10.31	12.47	0.49
American Funds Growth and Income Portfolio	6.90	6.90	21.25	6.33	10.07	8.52	10.13	0.45
American Funds Moderate Growth and Income Portfolio	5.27	5.27	16.07	4.74	8.19	7.34	8.78	0.45
American Funds Conservative Growth and Income Portfolio	3.58	3.58	11.38	4.24	6.19	5.80	6.83	0.39
American Funds Tax-Aware Conservative Growth and Income Portfolio <sup>†</sup>	4.71	4.71	14.11	4.66	6.86	6.70	7.74	0.42
American Funds Preservation Portfolio	0.12	0.12	2.46	-0.42	1.32	1.41	1.31	0.39
American Funds Tax-Exempt Preservation Portfolio	0.10	0.10	2.45	0.01	1.25	1.73	1.76	0.35
S&P 500 Index	10.56	10.56	29.88	11.49	15.05	12.96	–	–
MSCI All Country World Index (ACWI)	8.20	8.20	23.22	6.96	10.92	8.66	–	–
Bloomberg 1-5 Year U.S. Government/Credit A+ Index	0.06	0.06	2.80	-0.51	1.09	1.26	–	–
Bloomberg Municipal Bond 1-7 Year Blend Index	-0.29	-0.29	2.07	-0.01	1.25	1.60	–	–

\*Funds' inception date: May 18, 2012

<sup>†</sup>Prior to January 1, 2020, American Funds Tax-Aware Conservative Growth and Income Portfolio was known as American Funds Tax-Advantage-Growth and Income Portfolio.

**S&P 500 Index** is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. **MSCI ACWI** 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. **Bloomberg 1-5 Year U.S. Government/Credit A+ Index** is a market value-weighted index that tracks the total return results of fixed-rate, publicly placed, dollar-denominated obligations issued by the U.S. Treasury, U.S. government agencies, quasi-federal corporations, corporate or foreign debt guaranteed by the U.S. government, and U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity and quality requirements, with maturities of one to five years, including A-rated securities and above. **Bloomberg Municipal Bond 1-7 Year Blend Index** is a market value-weighted index that includes investment-grade tax-exempt bonds with maturities of one to seven years. **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. **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.

The S&P 500 Index is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Capital Group. Copyright © 2024 S&P Dow Jones Indices LLC, a division of S&P Global, and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part is prohibited without written permission of S&P Dow Jones Indices LLC.

Source: MSCI. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products.

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

Portfolios are managed, so holdings will change. Visit [capitalgroup.com](http://capitalgroup.com) for current allocations.

Allocations may not achieve investment objectives. The portfolios' risks are related to the risks of the underlying funds as described herein, in proportion to their allocations.

Investing outside the United States involves risks, such as currency fluctuations, periods of illiquidity and price volatility, as more fully described in the prospectus. 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. 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. Income from municipal bonds may be subject to state or local income taxes and/or the federal alternative minimum tax. Certain other income, as well as capital gain distributions, may be taxable.

**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.**

This content, developed by Capital Group, home of American Funds, should not be used as a primary basis for investment decisions and is not intended to serve as impartial investment or fiduciary advice.

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](http://capitalgroup.com) for more information. Expense ratios are as of each fund's prospectus available at the time of publication and include the weighted average expenses of the underlying funds.

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

All Capital Group trademarks mentioned are owned by The Capital Group Companies, Inc., an affiliated company or fund. All other company and product names mentioned are the property of their respective companies.

On or around July 1, 2024, American Funds Distributors, Inc. will be renamed Capital Client Group, Inc.