American Funds Global Balanced Fund

Class F-2 shares
Quarterly review
4Q 2023

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Quarter highlights

- Investment selection among information technology companies was additive to returns relative to the benchmark, although the portfolio's smaller weighting to the sector had a negative impact.
- Strong returns from Fortescue Metals buoyed results among materials companies.
- In a strong upmarket, the portfolio's cash holdings were a drag on results.
- In health care, both the portfolio's relatively large holdings and investment selection hindered returns on a relative basis.

Market review

Global stocks rallied, boosted by strong U.S. economic growth, declining inflation and signs that major central banks around the world may be done raising interest rates. Stocks moved sharply higher as officials at the U.S. Federal Reserve (Fed), the European Central Bank and other key institutions indicated that further rate hikes may not be needed amid moderate consumer price increases and low unemployment levels.

Information technology stocks led markets higher, rising nearly 18%, as 10 of 11 sectors in the MSCI All Country World Index gained ground. Real estate stocks also staged a strong recovery after being hammered by rising interest rates over the past year. Consumer staples stocks rose but lagged the overall market (MSCI All Country World Index), and energy stocks declined modestly amid falling oil prices.

Bond markets rose across the board as investors welcomed central bank decisions to pause their aggressive rate-hiking campaigns. As inflation moved lower, investors and economists started to anticipate rate cuts in mid-2024, further fueling a rally in nearly all segments of the bond market.

In foreign exchange markets, the U.S. dollar fell against the euro, the yen and most other currencies. The U.S. Dollar Index declined nearly 5% for the quarter and 3% for the year.

Portfolio review

Information technology companies rebounded strongly through the quarter, buoyed by hopes of a Fed pivot to multiple rate cuts in 2024. Investment selection was helpful, with Broadcom and GlobalWafers among the top contributors as falling interest rate expectations raised hopes of an overall improvement in global demand for electronics products. Sentiment on the chipmakers' outlook also continued to be supported by signs of robust demand for advanced chips to support cloud computing and generative AI technology. This positive contribution was partly offset by the portfolio's smaller weighting to the sector, which dragged on a relative basis.

Strong returns from Fortescue Metals buoyed results among materials companies. Shares rallied on the back of rising iron-ore prices, which in turn were boosted by signs of an improvement in the supply/demand balance for the metal.

The choice of investments in the industrials sector was additive to results.

Investment selection among consumer discretionary companies had a positive impact on returns, although a below-benchmark position in Amazon hurt.

The selection of investments in the energy sector was helpful but was partly offset by the portfolio's larger holdings in the sector, which proved costly amid weak oil and gas prices. While not holding ExxonMobil was beneficial, Canadian Natural Resources was among the largest detractors.

In a strong upmarket, the portfolio's cash holdings were a drag on results.

In health care, both the portfolio's relatively large holdings and investment selection hindered returns on a relative basis. French drugmaker Sanofi guided to a lower profit outlook for 2024 due to increased R&D spending.

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
Broadcom	5.40	0.64	1.02
Fortescue Metals	0.75	0.04	0.23
ExxonMobil	0.00	0.68	0.20
B3	1.56	0.02	0.17
GlobalWafers	0.70	0.01	0.15
Bottom five contributors to relative returns			
Sanofi	2.08	0.18	−0.37
Canadian Natural Resources	3.13	0.11	−0.27
Amazon	0.40	2.06	−0.13
Takeda Pharmaceutical	0.62	0.07	−0.12
Seven & I	1.12	0.05	−0.11

*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.

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.

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 12/31/23

	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	10.57	13.99	13.99	2.33	6.88	4.86	5.90
60%/40% MSCI All Country World Index/Bloomberg Global Aggregate Index	9.88	15.43	15.43	1.25	7.01	5.05	–
MSCI All Country World Index	11.03	22.20	22.20	5.75	11.72	7.93	–
Bloomberg Global Aggregate Index	8.10	5.72	5.72	-5.51	-0.32	0.38	–

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. **Bloomberg Global Aggregate Index** represents the global investment-grade fixed income markets. **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.

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.

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Portfolios are managed, so holdings will change. 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.

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. 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. 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.

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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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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