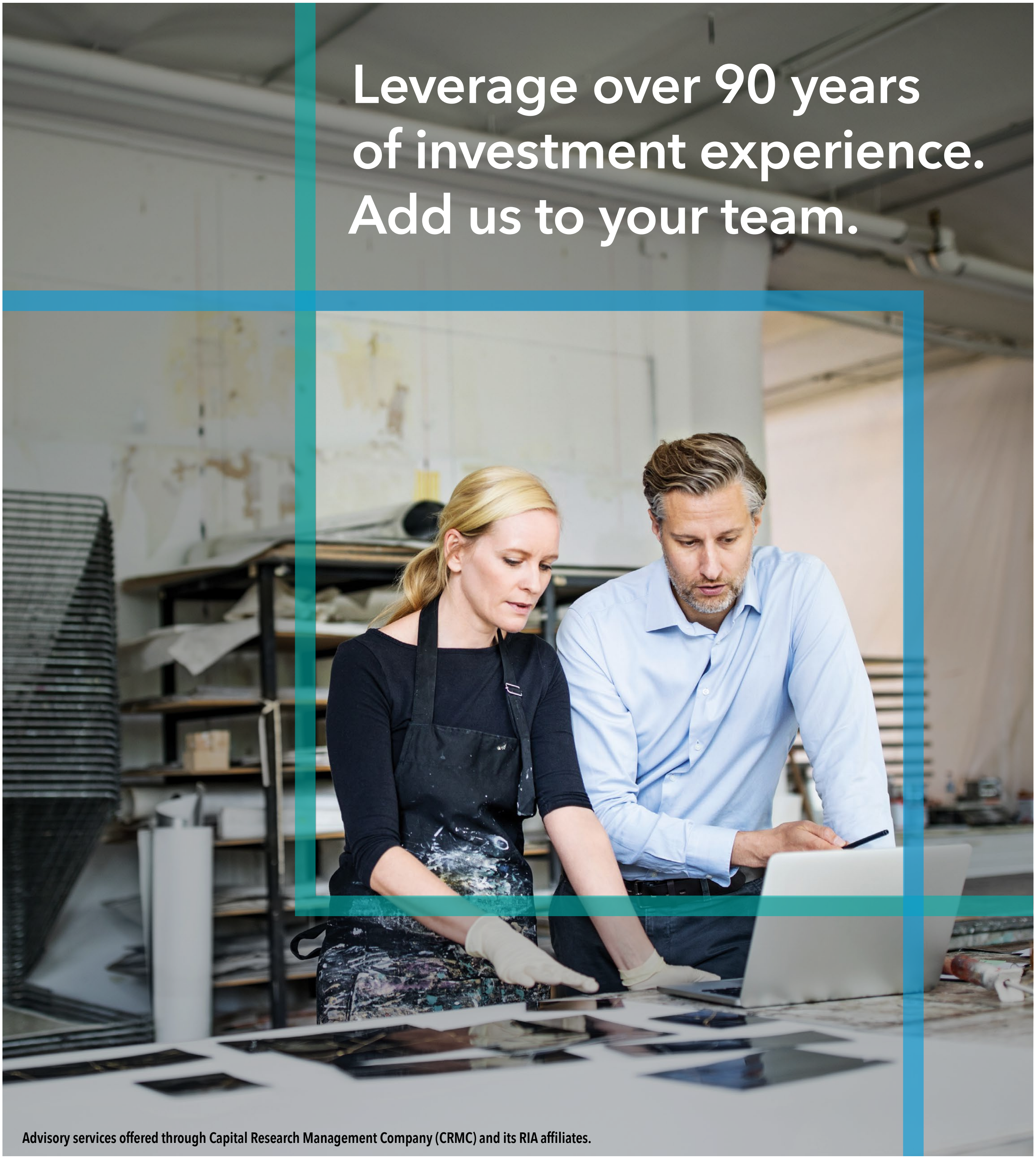
How to select a portfolio strategist

CAPITAL GROUP®



How do I select a portfolio strategist?

Leverage the knowledge of experienced investment professionals to help investors achieve their financial goals. Seek out portfolio strategists with deep experience and familiarity with financial markets and investment strategies who can design, manage and monitor portfolios aligned with real-life goals. Add us to your team.

What questions should you ask when trying to select a portfolio strategist?

1. **Is this an organization I can trust?**
2. **Who are the people managing and monitoring the strategies?**
3. **Does their philosophy align with my investor's goals?**
4. **What makes the strategist different?**

At Capital Group, we have decades of experience working with advisors and their clients.

1. Is this an organization I can trust?

Capital Group has been helping investors pursue better outcomes for more than 90 years. We have the size, stability and long history that investors look for in their investment management professionals.

Scale matters*

$3.3 trillion
Total assets under management

488
Investment professionals

236
Investment analysts

125
Portfolio managers

171
Investment professionals based outside the U.S.

42
Languages spoken

33
Offices across Asia, Australia, Europe and the Americas

Experience matters

90+
Years helping investors pursue better outcomes

Since 1934, we've managed investments through **25 bull markets** and **22 bear markets**, gaining invaluable experience navigating uncertain market conditions.

20+
Funds that have at least 20-year track records

Footnote/Important information:
*All data as of 12/31/25.

Gold

Analyst-Driven % 100

Data Coverage % 100

25

American Funds®
Model Portfolios are rated
"gold" by Morningstar[1]

6

underlying funds were recognized among the Morningstar **"Thrilling 33"**[2]

Among the **most recognized** for third-party models and asset allocation[3]

Model provider selected **most often**[3]

Footnotes/Important information:

[1] The Morningstar Medalist Rating is a forward-looking assessment assigned by Morningstar's research analysts. It reflects their qualitative evaluation of an investment strategy's potential to outpace its category benchmark over a full market cycle on a risk-adjusted basis and net of fees. The Medalist Rating does not reference a specific time period but is based on qualitative and select quantitative data from 2024–2025. No share classes were directly cited for the ratings upgrades, but Morningstar's reports include mentions of the F-2 share class as examples. Gold medalist ratings (100% analyst-driven/100% data coverage) were reaffirmed as of April 27, 2026, for the following model portfolios, respectively: American Funds Conservative Growth and Income Model Portfolio, American Funds Conservative Income Model Portfolio, American Funds Moderate Growth and Income Model Portfolio, American Funds Growth and Income Model Portfolio, American Funds Retirement Income Model Portfolio – Conservative, American Funds Retirement Income Model Portfolio – Enhanced, American Funds Retirement Income Model Portfolio – Moderate, American Funds Tax-Aware Conservative Growth and Income Model Portfolio, American Funds Tax-Aware Conservative Income Model Portfolio, American Funds Tax-Exempt Preservation Model Portfolio, Capital Group Active-Passive Conservative Growth and Income Model, Capital Group Active-Passive Global Growth Model, Capital Group Active-Passive Growth Model, Capital Group Active-Passive Growth and Income Model, Capital Group Active-Passive Moderate Growth and Income Model, Capital Group Active-Passive Moderate Growth Model, Capital Group Active-Passive Retirement Income Model – Conservative, Capital Group Active-Passive Retirement Income Model – Enhanced and Capital Group Active-Passive Retirement Income Model – Moderate. Gold medalist ratings (100% analyst-driven/100% data coverage) were reaffirmed as of April 28, 2026, for the following model portfolios, respectively: American Funds Global Growth Model Portfolio, American Funds Growth Model Portfolio, American Funds Moderate Growth Model Portfolio, American Funds Tax-Aware Growth and Income Model Portfolio, American Funds Tax-Aware Moderate Growth and Income Model Portfolio and American Funds Tax-Aware Moderate Income Model Portfolio. Capital Group did not compensate Morningstar for the ratings and comments contained in this material. However, the firm has paid Morningstar a licensing fee to access and publish its ratings data. Refer to back cover for more information.

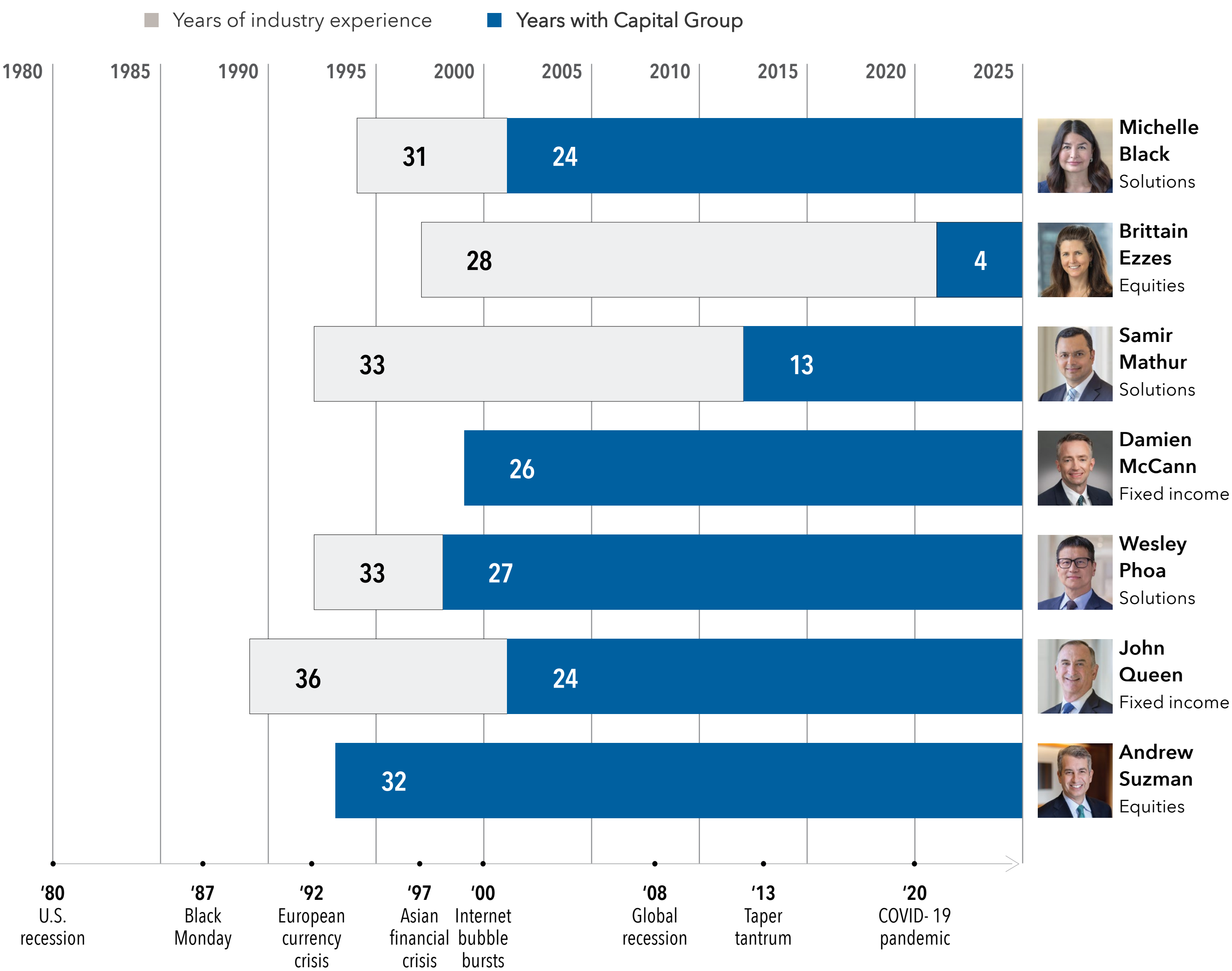
[2] Source: Morningstar, "The Thrilling 33" by Russel Kinnel, August 2025. Morningstar's screening took into consideration expense ratios, manager ownership, returns over manager's tenure, and Morningstar Risk, Analyst and Parent ratings. The universe was limited to share classes accessible to individual investors with a minimum investment no greater than $50,000 and did not include funds of funds. Class A shares were evaluated for American Funds. Refer to morningstar.com for more details. The funds named to the list were American Balanced Fund®, American Mutual Fund®, Capital Income Builder®, The Income Fund of America®, The New Economy Fund® and New Perspective Fund®. Not all funds on the list are in each model. Underlying funds may change over time. Where applicable, American Funds/Capital Group models may utilize Class F-2 or F-3 shares of the underlying American Funds mutual funds.

[3] Source: Cogent Syndicated (December 2025) Advisor Use of Model Portfolios and SMAs™: Examining the competitive landscape for third-party model providers and asset managers. Web survey, conducted between September 24 and October 7, 2025, of 397 registered financial advisors who have an active book of business of at least $5 million in AUM across five channels, with an average AUM of $281 million and median AUM of $95 million. Survey questions: Assume you were considering investing client assets in model portfolios. Which firm's third-party models (asset managers) would you be most likely to consider? Which company or companies are described by this statement: Is a leader in asset allocation? Copyright © 2025 by Escalent. All rights reserved. Capital Group compensated Escalent for access to this report and to license its content for use herein.

2. Who are the people managing and monitoring the strategies?

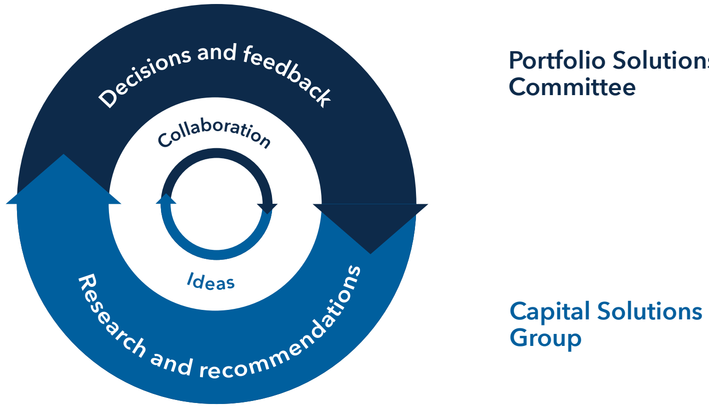
Capital Group Portfolio Solutions Committee

The Capital Group Portfolio Solutions Committee (PSC) are the people who build and oversee the model portfolios. This group of seven portfolio managers has an average 31 years of investment industry experience and are focused on helping investors realize their objectives.



Years of experience as of December 31, 2025. Investment professional responsibilities may have changed since that date.

CSG includes four portfolio managers, four business managers, one research director and 17 analysts, supported by 18 technology, operations and oversight staff.



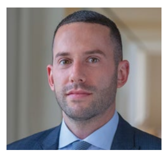
Capital Solutions Group (CSG)

The PSC is supported by the Capital Solutions Group (CSG). The CSG is a think tank composed of investment professionals and support staff with a wealth of knowledge and experience on a diverse array of subject matter. They seek to combine their knowledge and analytical abilities to anticipate what investors might need in the future.

Tanisha Agarwal
3 years in industry
BTech

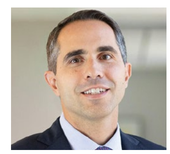
Eswarie Balan
15 years in industry
BA, BSc, MA, CFA®

Michelle Black
31 years in industry
BS, CIMA®



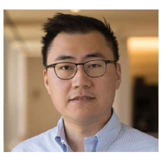
Glenn Cagan
16 years in industry
BS, CFA®

Swati Chandra
21 years in industry
BS, MBA, CFA®

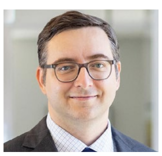


Denis Chaves
18 years in industry
BS, MS, MBA, PhD

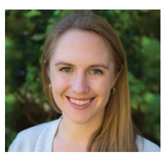
Grace Chen
10 years in industry
BS, MFE



Linxi Chen
7 years in industry
BA, MA, PhD

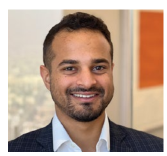


Eugene Han
10 years in industry
BA, MM, MPP

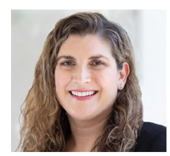


Melissa Hulme
13 years in industry
BA, MBA

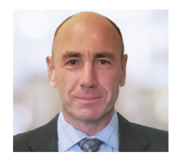
Daanish Kazi
9 years in industry
BS



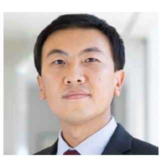
Shan Khoja
6 years in industry
BA



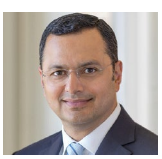
Katie Kilday
21 years in industry
BA, CFA®



Ilia Lanski
26 years in industry
MS, PhD

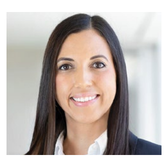


Boqiu Lu
19 years in industry
BA, MS, MFE



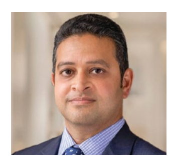
Samir Mathur
33 years in industry
BS, MS, MBA

Michele Mazzoleni
12 years in industry
BS, MS, MA, PhD

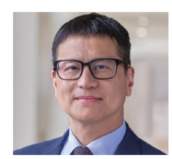


Jeanell Novak
19 years in industry
BA, MBA

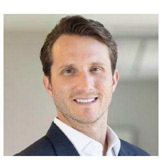
Chima Nwadike
20 years in industry
BA, MS



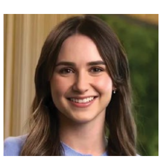
Raj Paramaguru
21 years in industry
BS, MS, MBA, CFA®



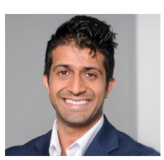
Wesley Phoa
33 years in industry
BSc, PhD



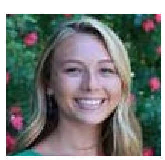
Andrew Shannon
15 years in industry
BS, MBA, CIMA®



Ella Sinfield
6 years in industry
BA



Balaj Singh
10 years in industry
BA, MS, CFA®, CAIA®



Courtney Wrigley
5 years in industry
BA

As of January 8, 2026. Years of experience as of December 31, 2025. Investment professional responsibilities may have changed since that date.

3. Does their philosophy align with my investor's goals?

We believe in building objective-based models using two layers of active management.

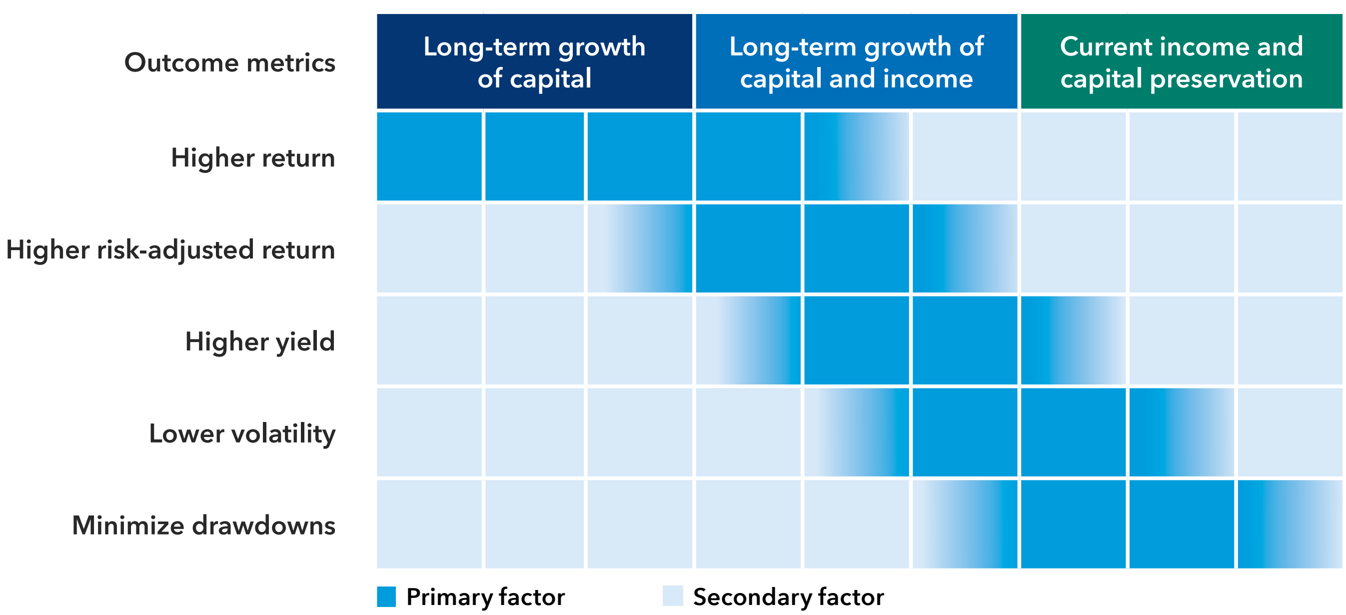
How do we measure success?

Beating an index is not the sole measure of success. In some cases, it may not even be an investor's primary concern. Helping investors achieve their goals is how we measure success.

Investor goals

What metrics do we consider?

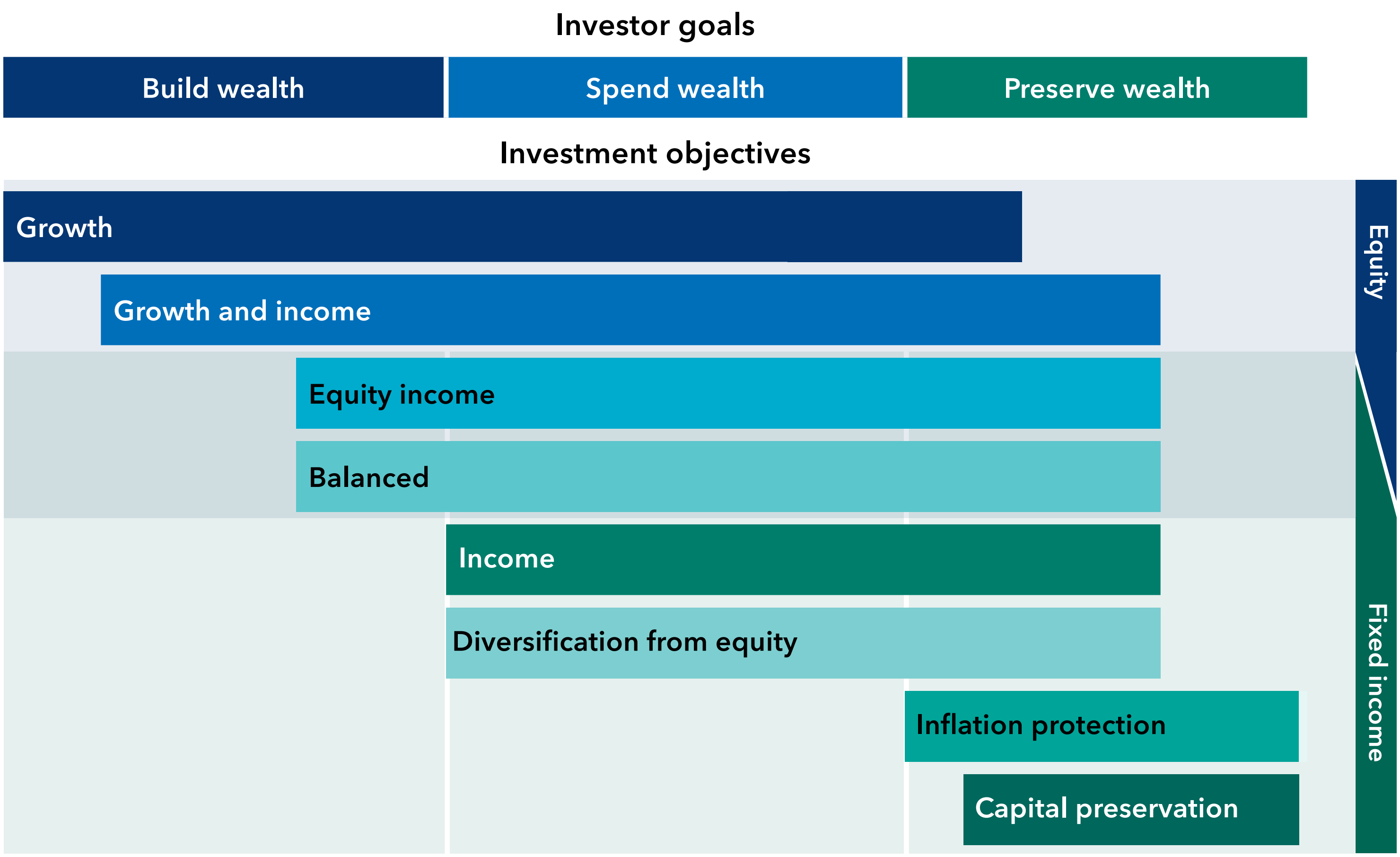
Different life stages call for different objectives. And we understand that different objectives require different ways to gauge success.



We find that most goals fall into three broad categories: building, spending and preserving wealth.

Within these categories, each goal is addressed by portfolios with investment objectives like growth, growth and income, and income and preservation. The mix of objectives targeted by each portfolio will differ depending on the goal, as shown in the exhibit below.

Each portfolio's success in achieving the desired investor goal is defined by its ability to deliver a specific mix of quantitative investment metrics, such as risk-adjusted returns, maximum drawdown and yield.



4. What makes the strategist different?

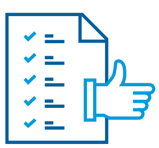
> "Portfolio construction is about real people with real financial goals – so that's where we start."
>
> – **WESLEY PHOA**
> Solutions Portfolio Manager

We are focused on helping investors achieve their financial goals. To do that, Capital Group employs two layers of active management to our models. The first layer is bottom-up security selection by portfolio managers in each of the underlying funds.

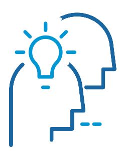
The second layer is the construction and oversight of the model portfolios by the Portfolio Solutions Committee, with support from the Capital Solutions Group. This approach is guided by The Capital System™, which is built on the foundation of a long-term view, deep fundamental research, extensive experience and a commitment to low expenses.

Our two-layer system is distinctive among investment managers. It adds another layer of due diligence and collaboration and promotes a thoughtful and thorough process. And it's an important component of Capital Group's five pillars of model portfolio differentiation.

Five pillars of model portfolio differentiation

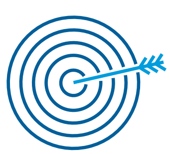


Objective-based process



Two layers of active management

Flexibility of underlying funds



Recharacterization of equity

Focused roles of fixed income

Anatomy of a model portfolio

A model portfolio is composed of different layers, with each individual layer working together with the others to pursue the objectives of the portfolio as a whole.

Hypothetical model allocation

70% Equity/30% Fixed income

Primary goal: Capital appreciation

Secondary goal: Income

8% SMALLCAP World Fund®
7% The Growth Fund of America®
Equity-focused funds that seek capital appreciation and together offer broad diversification across the world's markets.

20% Capital World Growth and Income Fund®
20% The Investment Company of America®
10% Washington Mutual Investors Fund
Components that seek growth opportunities and to provide income through dividends, which would help lower the risk of the model or overall portfolio.

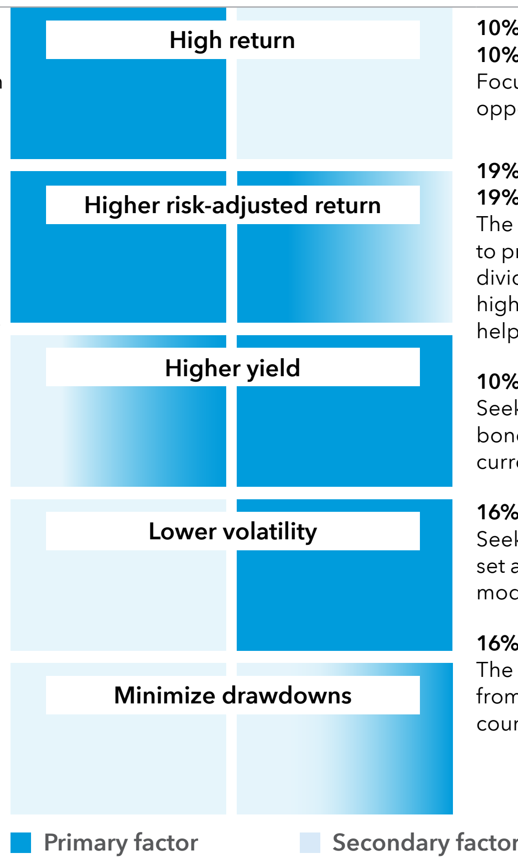
10% Capital Income Builder®
Invests in a mix of stocks and bonds in pursuit of its income objectives, which may have the potential to lead to equity-like returns with relatively less volatility than global markets.

10% American Balanced Fund®
Flexible component that balances growth opportunities, income and capital preservation across equity and fixed income asset classes.

5% American Funds Multi-Sector Income Fund
Seeks to provide high income with an expanded opportunity set across credit sectors.

5% American Funds Strategic Bond Fund
5% The Bond Fund of America®
Components in aggregate may help diversification from equities while providing flexibility to navigate various fixed income environments.

SUCCESS METRICS



Hypothetical model allocation

50% Equity/50% Fixed income

Primary goal: High income

Secondary goal: Capital appreciation

10% Washington Mutual Investors Fund
10% American Mutual Fund®
Focuses on dividend-paying equities, seeking opportunities for capital appreciation and income.

19% The Income Fund of America®
19% Capital Income Builder
The combination of these underlying funds seeks to provide above average income through a mix of dividend paying equities, quality bonds and some high yield bonds. Higher dividend equities may help lower overall portfolio risk.

10% American High-Income Trust®
Seeks income opportunities from higher yielding bonds to help reinforce the model's focus on high current income.

16% American Funds Multi-Sector Income Fund
Seeks high income with an expanded opportunity set across credit sectors. Helps reinforce the model's focus on high current income.

16% The Bond Fund of America
The fund invests in high-quality bonds to diversify from equities and complement income-focused counterparts.

Disclosures

Page 5: The Morningstar Medalist Rating is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver, Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform their Morningstar Category average on a risk-adjusted basis over time.

Investment products are evaluated on three fundamental pillars (People, Parent, and Process) and the Medalist Rating Price Score, which forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they are assigned. Pillar ratings take the form of Low (-2), Below Average (-1), Average (0), Above Average (+1), and High (+2). Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques.

The cost of an investment product is evaluated using the Medalist Rating Price Score, which is a continuous score running from negative 2.5 to positive 2.5 based on the percentile rank of a vehicle's expense ratio within its Morningstar Category. Morningstar combines the pillar scores and Medalist Rating Price Score using predetermined weights for actively and passively managed vehicles to calculate a weighted score.
The weighted score is then compared to a set of fixed numeric thresholds employed consistently across Morningstar Categories and regions, with separate thresholds for actively and passively managed investments. Rating thresholds are reviewed at least annually. Buffers and ratings caps are employed to prevent frequent ratings changes.

When analysts directly cover a vehicle, they assign the fundamental pillar ratings based on their qualitative assessment, subject to the oversight of the Analyst Rating Committee, and monitor and reevaluate them approximately once a year. When vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly. For more detailed information about the Medalist Ratings, including their methodology, please visit Morningstar's website for more information.

The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what was expected, (iii) is not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involves the risk that return targets will not be met due to unforeseen changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rates, tax rates, or political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product.

A change in the fundamental factors underlying the Morningstar Medalist Rating may result in the rating no longer being accurate. Analysts do not have any other material conflicts of interest at the time of publication. Users wishing to obtain further information should contact their local Morningstar office.

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.

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. Smaller company stocks entail additional risks, and they can fluctuate in price more than larger company stocks. The return of principal for bonds 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. Investments in mortgage-related securities involve additional risks, such as prepayment risk. 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. A non-diversified fund has 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 were invested in a larger number of issuers. See the applicable prospectus for details.

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Learn more about our models.