

# Capital Group Core Bond

Separately managed accounts (SMAs)

## Prefer resilience over risk in a core bond SMA?

### About Core Bond SMA

- Same investment strategy and portfolio managers as The Bond Fund of America®, the largest actively managed bond fund in the Morningstar U.S. Intermediate Core Bond category
- Strategy inception: 1973
- \$150K investment minimum

### Fixed income at Capital Group

- \$636B in fixed income assets
- Team of 259 investment professionals
- Privately held company

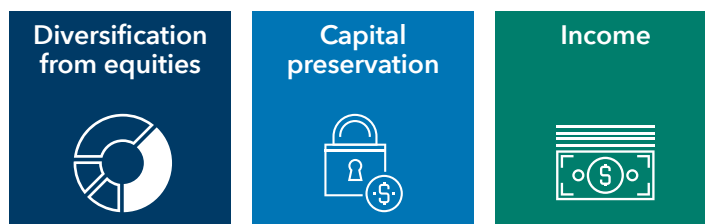
Size of Bond Fund of America versus Morningstar peers as of 12/31/25. Fixed income assets managed by Capital Fixed Income Investors.

When the stock market struggles, investors often look to their core bond allocation for stability. But if their portfolio prioritizes yield over diversification, they may end up with unintended risk. And that risk may be magnified in an SMA, where the typically limited number of holdings can lead to overconcentration.

Core Bond SMA seeks to steer clear of style drift with a “true” core approach, using a deliberate design and three key principles:

### 1. BALANCE

Pursues each of the key objectives of fixed income



### 2. DISCIPLINE

Maintains a quality-oriented portfolio and utilizes multiple return drivers

Potential sources of excess return



### 3. CONSISTENCY

Aims to deliver consistently strong relative results amid volatility and over the longer term

#### Lifetime success rate

Rolling monthly periods when the Core Bond SMA Composite led the Bloomberg U.S. Aggregate index, from January 1, 2009, through December 31, 2025.\*



All data as of December 31, 2025.

\*“Potential sources of excess return” portions are for illustrative purposes only.

Lifetime success rate bar chart: Source: Capital Group. There have been periods when the composite has lagged the index.

Past results are not predictive of results in future periods. Gross composite returns do not reflect the deduction of fees or expenses; results would have been lower if they were subject to fees and expenses. SMA Composite net returns are calculated by deducting from the monthly gross returns a model fee equivalent to an annual 1.5% fee. Actual fees will vary. For information concerning program sponsor fees, contact your financial advisor.

Please refer to pages 3-4 for information about the Capital Group Core Bond SMA Composite.

Footnote/Important information:

\*In 2009 at Capital Group, a major fixed income expansion began, hiring additional fixed income professionals, introducing new processes and broadening risk management.

Refer to the GIPS report at the end of this brochure for additional information.

Advisory services offered through Capital Research and Management Company (CRMC) and its RIA affiliates.

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

## Objective

To provide as high a level of current income as is consistent with the preservation of capital.

## Types of Investments

Primarily invests in corporate debt securities, U.S. and other government securities, mortgage-related securities and cash.

## Benchmark

Bloomberg U.S. Aggregate Index

## Experienced management team

### Years of industry experience

Chitrang Purani - PIO	22
David Hoag	38
Fergus MacDonald	33
John Queen	36
Pramod Atluri	22

Experience as of 12/31/25



“The relative stability that core fixed income can provide in volatile markets benefits all investors. But for certain people, having additional flexibility and control over their portfolios can create even more value. Those investors now have a solution tailored for their needs.”

–Pramod Atluri  
Fixed income portfolio manager

# Designed for flexibility, control and enhanced yield potential

A traditional fixed income SMA may hold a limited number of securities across a narrow range of sectors, increasing concentration and limiting flexibility for portfolio managers.

**In contrast, Core Bond SMA uses a distinctive portfolio structure to enhance diversification. That structure empowers portfolio managers to deliver on Capital Group’s true core bond strategy.**

## What’s special about the structure?

Like all SMAs, Core Bond SMA holds individual securities. It also contains shares of a fee-waived mutual fund available exclusively to Core Bond SMA investors, Capital Group Core Bond Completion Fund.

## How does a fee-waived completion fund add value?

By pooling assets from many investors, it brings benefits of scale. Not only can it hold a more diversified mix of bonds, it can also make larger, more cost-effective purchases. That allows access to investments that are often unavailable in a typical SMA. And it can help lower the investment minimum as well.

## What types of assets are in the fund?

It can hold bonds across the fixed income spectrum, including investment-grade (BBB/Baa and above) corporates, securitized credit and agency mortgages, among others.

## How does this empower portfolio managers?

A broader range of bonds coupled with the mutual fund structure gives managers more control, as it allows them to adjust risk exposure proactively as economic and market conditions evolve. In short, the fund allows more active management and a higher return potential.

## Core Bond SMA portfolio: Two complementary components

**Individual securities (55%-60%)**

Emphasis on high quality and liquidity



**Fee-waived completion fund (40%-45%)**

Adds flexibility, control and more



**More active management**



**Enhanced diversification with a lower minimum**



**Higher return potential**

# Why choose an SMA? Tax efficiency opportunities and a more personalized investment experience

More than half of the Core Bond SMA portfolio consists of individually held securities. That ownership comes with the flexibility to pursue important tax goals – and more.\*



## Potential for tax efficiency

- Tax-loss harvesting to offset capital gains
- Extended transitions to spread taxable gains over multiple years



## Customization options

- Restrictions based on issuer, sector or credit quality
- Exclusion of individual investment-grade securities
- Cash restrictions for cash-sensitive investors



## Custom onboarding available

- Support from specialized professionals
- Custom portfolio analysis for in-kind transitions and cash funding

Footnote/Important information:

\*Customizations are available only within individually held securities. In addition, select offerings are available only for \$2MM+ portfolios and subject to Capital Group approval: extended transitions, credit quality and sector customizations, and cash restriction.

## Ready to get started?

To learn more about Core Bond SMA or schedule a portfolio analysis, please contact your sales representative.

## Core Bond SMA Composite investment results (%)

As of December 31, 2025

	Cumulative			Average annual		
	3 months	YTD	1 year	5 years	10 years	Lifetime
Gross	1.12	7.52	7.52	0.11	2.75	6.80
Net of fees	0.74	5.93	5.93	-1.38	1.22	5.22
Bloomberg U.S. Aggregate Index	1.10	7.30	7.30	-0.36	2.01	n/a

Lifetime: since January 1, 1973

Past results are not predictive of results in future periods. SMA Composite net returns are calculated by deducting from the monthly gross returns a model fee equivalent to an annual 1.5% fee. Actual fees will vary. For information concerning program sponsor fees, contact your financial advisor. Gross composite results do not reflect the deduction of fees and expenses; results would have been lower if they were subject to fees and expenses.

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The Capital Group Core Bond SMA inception is October 1, 2024. The composite consists of all unrestricted, discretionary separately managed account (SMA) portfolios that are managed according to the Core Bond strategy. Prior to October 1, 2024, no SMA portfolios were managed in the Core Bond strategy, and for that reason, the results presented are based on the Capital Group U.S. Core Fixed Income Composite (inception January 1, 1973) returns, which contain non-SMA similar strategy portfolios.

Completion fund shares are available for purchase only by or on behalf of SMA clients in the applicable SMA strategy. The fund may, in its sole discretion, redeem or work with a financial intermediary as necessary to cause the redemption of all the shares of any shareholder who does not meet this criteria. Reference the applicable completion fund prospectus for additional information and disclosure. Portfolios are managed, so holdings will change. Holdings mentioned and their results are not representative of other holdings in the portfolio or the portfolio's results.

The return of principal for bond portfolios and for portfolios with significant underlying bond holdings is not guaranteed. Investments are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

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.

Higher yielding, higher risk bonds can fluctuate in price more than investment-grade bonds, so investors should maintain a long-term perspective.

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.

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.

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# Capital Group Core Bond SMA Composite

## Composite information in USD

Period ending	Annual composite gross return (%)	Annual composite net return (%)	Annual index return (%)	Annualized three-year composite standard deviation (%)	Annualized three-year index standard deviation (%)	Annual composite dispersion (%)	Number of portfolios in composite	Assets in composite (millions)	Total GIPS firm assets (millions)	Percentage of SMA portfolios
12/31/2015	0.80	-0.70	0.55	3.01	2.88	-	-	65,327	1,386,824	-
12/31/2016	3.48	1.94	2.65	3.02	2.98	-	-	76,147	1,475,148	-
12/31/2017	3.82	2.28	3.54	2.79	2.78	-	-	87,894	1,772,583	-
12/31/2018	0.39	-1.11	0.01	2.69	2.84	-	-	92,244	1,669,038	-
12/31/2019	9.06	7.45	8.72	2.70	2.87	-	-	110,696	2,045,480	-
12/31/2020	10.86	9.22	7.51	3.43	3.36	-	-	142,748	2,367,962	-
12/31/2021	-0.22	-1.71	-1.54	3.41	3.35	-	-	166,940	2,720,686	-
12/31/2022	-12.22	-13.54	-13.01	5.95	5.77	-	6	148,640	2,175,058	-
12/31/2023	5.07	3.51	5.53	7.10	7.14	0.30	9	165,817	2,504,744	-
12/31/2024	1.63	0.12	1.25	7.74	7.72	-	-	^	2,802,087	100

### For registered investment advisor and advisory client use only.

**Compliance:** The Capital Group Companies ("Capital Group") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Capital Group has been independently verified for the periods January 1, 2008, to December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

**Firm definition:** The "Firm" is defined as Capital Group and includes all portfolios, excluding all private equity funds, managed within its subsidiaries and divisions or outsourced to a subadvisor. The Firm manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organization; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.

**Composite:** The Capital Group Core Bond SMA Composite inception is October 1, 2024. The composite consists of all unrestricted, discretionary separately managed account ("SMA") portfolios that are managed according to the Core Bond strategy. The strategy seeks to provide as high a level of current income as is consistent with the preservation of capital. Portfolios included in the composite primarily invest in investment-grade bonds including Treasuries, agency mortgages and corporate bonds. Prior to October 1, 2024, no SMA portfolios were managed in the Core Bond strategy, and for that reason, the results presented are based on the Capital Group U.S. Core Fixed Income Composite (inception is January 1, 1973) returns, which contain non-SMA similar strategy portfolios. Beginning October 1, 2024, the Capital Group Core Bond SMA Composite includes all SMA portfolios applicable to the Core Bond strategy. Composite creation date is October 1, 2024.

**Presentation of results and fees:** Composite results reflect the reinvestment of dividends, interest and other earnings. Composite gross results are presented before management fees but after all trading expenses. The composite may include portfolios with gross results that reflect the deduction of certain administrative fees. Composite net returns are calculated by deducting from the gross results a model fee equivalent to an annual 1.50% fee for all periods since inception. The SMA fee includes all charges for trading costs, investment management, custody, and other administrative fees. Actual fees will vary. For information concerning program sponsor fees, contact your financial advisor. Past performance does not guarantee future results.

**Index:** Index represents the Bloomberg U.S. Aggregate Index. Index was obtained from published sources and has not been examined by an independent accounting firm. 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.

**Standard deviation:** The annualized three-year standard deviation measures the variability of the gross returns over the preceding 36-month period. Standard deviation is not presented for periods where 36 monthly composite returns are not available.

**Annual composite dispersion:** The composite dispersion measure presented is the asset-weighted standard deviation using gross annual returns. This is a measurement of internal dispersion that represents the distribution of individual portfolio returns around the asset-weighted mean. Portfolios are only included in each dispersion calculation if they are present in the composite for the entire period. The asset-weighted standard deviation dispersion measure is included for full calendar years except where the composite contains five portfolios or fewer for the full year.

**Number of portfolios:** Periods that end with five portfolios or fewer are not presented.

**General:** A complete list and description of Firm composites, limited distribution pooled funds, and broad distribution pooled funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

^Assets in composite at period ending are less than \$1 million.