

Capital Group Active ETF Models Designed for the long term

Quarterly update – Q3 2025



Quarterly models summary

Key takeaways for the quarter ended September 30, 2025

- Markets continued to exhibit their robustness in the third quarter, boosted by solid earnings reports and a rate cut from the U.S. Federal Reserve.
- The Capital Group Active ETF Models all had strong, positive absolute results for the quarter but they trailed their benchmarks on both a gross and net-of-fee basis.
- The Portfolio Solutions Committee (PSC) and the Capital Solutions Group (CSG) regularly monitor model portfolios for risks and to ensure alignment with their long-term portfolio objectives, while underlying fund managers use company and security-specific research to make real-time decisions and identify timely opportunities in today's ever-changing market environment.

Featured investment professionals



Samir Mathur
Chair of the Portfolio
Solutions Committee



Mario DiVito
Multi-Asset
Investment Director



Liz Yakes
Multi-Asset Investment
Product Manager

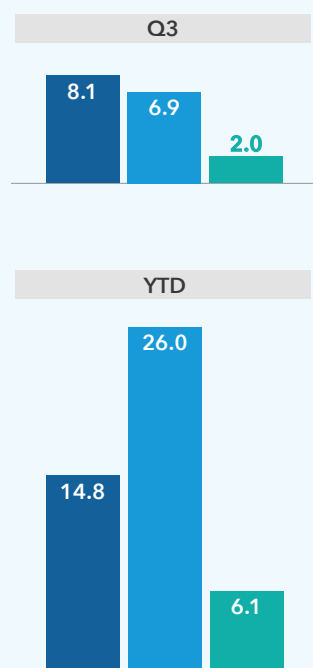
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Past results are not predictive of results in future periods.

Broad market results

Cumulative returns (%)



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

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.

Past results are not predictive of results in future periods.

Contribution to returns commentary is based on a representative account of the model composites 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.

Market review

Markets held strong in the third quarter, with the bulk of the credit going to strong corporate earnings and the start of the U.S. rate cutting cycle. The easing of global trade tensions also contributed, along with muted inflation data.

Equities broadly did well, led by both growth and small-cap stocks. The MSCI All Country World Index (ACWI) advanced 7.62% with both the growth and small-cap components outpacing value. Less-cyclical sectors and higher yielding equities continued to lag. Information technology was, once again, the top performing sector in the S&P 500 Index, followed by communication services and consumer discretionary. Consumer staples ended in negative territory. The broader U.S. bond market advanced, with investment grade and municipal bonds edging out other segments (based on results of the Bloomberg U.S. Aggregate, Bloomberg U.S. Corporate Investment Grade and Bloomberg Municipal Bond indexes). Declines were seen in some overseas debt (as measured by the Bloomberg Global Aggregate Index), especially the United Kingdom.

The Fed cut interest rates in September, and implied that further cuts would be coming before the end of the year. The Bank of Japan, the Bank of England and the European Central Bank all held their policy rates steady. The U.S. dollar stabilized, gaining against or remaining in line with most major currencies, as measured by the U.S. Dollar Index.

Model portfolio results for the quarter

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

All results are for the quarter unless otherwise specified.

Growth models

Our growth models have substantial allocations to equities, particularly growth equities, given their capital appreciation objective. These models had positive absolute returns but lagged their benchmarks.

Capital Group ETF Global Growth Model posted positive absolute returns for the quarter but lagged its benchmark.

- Non-U.S. stock selection was additive, while U.S. stock selection detracted.
- Selection within technology (semiconductors) and industrials boosted results, while selection within consumer discretionary (fast casual dining) and financials weighed on returns.
- Less exposure to technology also had a negative impact on relative results.
- CGXU – Capital Group International Focus Equity ETF was additive to relative returns. CGUS – Capital Group Core Equity ETF was a relative detractor.
- Geographic allocations to U.S. equity and non-U.S. equity ended the quarter at 55.1% and 43.0%.

Capital Group ETF Growth Model posted positive absolute returns for the quarter but lagged its benchmark.

- Non-U.S. stock selection was additive, while U.S. stock selection detracted.
- Selection within industrials (industrial and construction equipment leasing) and less consumer staples exposure boosted results, while selection in financials (payments processing) and communication services weighed on returns.
- Less exposure to technology also had a negative impact on relative results.
- CGMM – Capital Group U.S. Small and Mid Cap ETF and CGUS – Capital Group Core Equity ETF were relative detractors.

Capital Group ETF Moderate Growth Model posted positive absolute returns for the quarter but lagged its benchmark.

- Non-U.S. stock selection was additive as was greater overall allocation to equities, while U.S. stock selection detracted.
- Selection within technology and industrials (building and installation services provider) boosted results, while selection within communication services (social networking company) and financials weighted on returns.
- Fixed income was additive. Forward contracts boosted returns, while corporate bonds and U.S. Treasuries detracted.
- CGMM – Capital Group U.S. Small and Mid Cap ETF and CGGE – Capital Group Global Equity ETF were relative detractors.

Growth-and-income models

Our growth-and-income models, which generally seek a combination of long-term capital appreciation and income, produced positive absolute results, but lagged their benchmarks. Allocations to dividend-paying equities are a key component of these strategies. Success metrics for these models emphasize lower volatility, strong risk-adjusted returns and yield.

Capital Group ETF Growth and Income Model posted positive absolute returns for the quarter but lagged its benchmark.

- Non-U.S. stock selection was additive as was greater overall allocation to equities, while U.S. stock selection detracted.
- Selection within technology (semiconductors) and industrials boosted results, while selection within consumer discretionary (coffeehouse chain) and greater industrials exposure weighed on returns.
- Fixed income was additive. Forward contracts boosted returns, while corporate bonds detracted.
- CGDG – Capital Group Dividend Growers ETF and CGGE – Capital Group Global Equity ETF were relative detractors.

Capital Group ETF Moderate Growth and Income Model posted positive absolute returns for the quarter but lagged its benchmark.

- Non-U.S. stock selection was additive as was greater overall allocation to equities while U.S. stock selection detracted.
- Selection within technology and industrials (aerospace and defense) boosted results, while selection within financials and consumer discretionary (coffeehouse chain) weighed on returns.
- Fixed income was additive. Forward contracts boosted returns, while securitized bonds detracted.
- CGDG – Capital Group Dividend Growers ETF and CGGE – Capital Group Global Equity ETF were relative detractors.

Capital Group ETF Conservative Growth and Income Model posted positive absolute returns for the quarter but lagged its benchmark.

- U.S. and non-U.S. stock selection detracted.
- Significant exposure to dividend paying equities was detractive for the quarter.
- Selection within health care (global biopharmaceutical company) and real estate boosted results, while selection in financials (financial exchange) and less exposure to technology weighed on returns.
- Fixed income was additive. Emerging markets bonds boosted returns while securitized and corporate bonds detracted.
- CGDG – Capital Group Dividend Growers ETF and CGCV – Capital Group Conservative Equity ETF were relative detractors.

Capital Group ETF Conservative Income and Growth Model posted positive absolute returns for the quarter but lagged its benchmark.

- U.S. and non-U.S. stock selection detracted.
- Significant exposure to dividend paying equities was detractive for the quarter.
- Selection within industrials (aerospace and defense) and health care boosted results; selection in consumer staples (tobacco) and consumer discretionary weighed on returns.
- Fixed income was additive. U.S. Treasuries boosted returns, while securitized and corporate bonds detracted.
- CGDG – Capital Group Dividend Growers ETF and CGCV – Capital Group Conservative Equity ETF were relative detractors.

Preservation and income models

Capital Group ETF Conservative Income Model posted positive absolute returns for the quarter but lagged its benchmark.

- Non-U.S. stock selection was additive, while U.S. stock selection detracted.
- Significant exposure to dividend paying equities was detractive for the quarter.
- Selection within real estate and materials (mining company) boosted results, while selection in communication services, consumer discretionary (coffeehouse chain) and less technology exposure weighed on returns.
- Fixed income was additive. U.S. Treasuries boosted returns, while securitized and corporate bonds detracted.
- CGCP – Capital Group Core Plus Income ETF was additive to relative returns. CGDG – Capital Group Dividend Growers ETF was a relative detractor.

Looking forward

As we approach the end of 2025, we are still contending with many of the unknowns we started the year with, as well as new ones we acquired along the way. Geopolitical risks remain elevated. U.S. tariffs have become further implemented, but we are awaiting a U.S. Supreme Court decision on their legality. The U.S. Congress was unable to reach a budget agreement, and the federal government at the time of this writing has been shut down.

While we await resolution of these issues, the U.S. economy continues to grow. We have seen some retreat in corporate investment as companies have paused plans until they receive more clarity on tariffs. One exception to that is AI investment, where companies feel pressured to keep spending to gain a competitive edge. Although currently robust, consumer spending is expected to slow, with holiday sales predicted to be at the low end. To help ward off potentially rising unemployment, the Fed instituted a rate cut in September, with the expectation of more on the way, which could boost the equity market.

Within equities, portfolio managers in the underlying funds are looking for opportunities in Europe, spurred by the recent increase in deregulation. In addition, higher defense spending, especially in Germany, should benefit defense stocks. Some portfolio managers have favored tech companies whose products support AI, including select semiconductor manufacturing firms. Managers are also seeking opportunities in health care stocks, regarding many as undervalued.

On the fixed income side, valuations across sectors are tight relative to history, but fundamentals and technicals are constructive. Within credit, underlying fund managers prefer agency mortgages and structured credit. They also favor higher credit quality given current valuation levels.

Amidst this uncertainty, portfolio managers and analysts continue to use deep fundamental analysis to unearth overlooked opportunities and pursue strong results for investors.



Analysts and portfolio managers mentioned above are references to Capital Group associates.

Model composite results as of September 30, 2025

Past results are not predictive of results in future periods.

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	
Growth									
Capital Group ETF Global Growth MP Composite	01/31/2025	Gross	7.02	–	–	–	–	–	14.48
		Net	6.23	–	–	–	–	–	12.26
MSCI All Country World Index (ACWI)	–		7.62	–	–	–	–	–	14.59
Capital Group ETF Growth MP Composite	01/31/2025	Gross	6.84	–	–	–	–	–	12.32
		Net	6.06	–	–	–	–	–	10.14
Growth Model Portfolio Index Blend	–		7.82	–	–	–	–	–	14.08
Capital Group ETF Moderate Growth MP Composite	01/31/2025	Gross	6.15	–	–	–	–	–	12.34
		Net	5.37	–	–	–	–	–	10.15
Moderate Growth Model Portfolio Index Blend	–		6.90	–	–	–	–	–	13.17
Growth and income									
Capital Group ETF Growth and Income MP Composite	01/31/2025	Gross	5.19	–	–	–	–	–	11.32
		Net	4.41	–	–	–	–	–	9.16
Growth and Income Model Portfolio Index Blend	–		6.28	–	–	–	–	–	12.55
Capital Group ETF Moderate Growth and Income MP Composite	01/31/2025	Gross	4.60	–	–	–	–	–	11.01
		Net	3.82	–	–	–	–	–	8.85
Moderate Growth and Income Model Portfolio Index Blend	–		5.73	–	–	–	–	–	11.48
Capital Group ETF Conservative Growth and Income MP Composite	01/31/2025	Gross	3.55	–	–	–	–	–	9.48
		Net	2.78	–	–	–	–	–	7.35
Conservative Growth and Income Model Portfolio Index Blend	–		4.95	–	–	–	–	–	10.10
Capital Group ETF Conservative Income and Growth MP Composite	01/31/2025	Gross	3.35	–	–	–	–	–	8.41
		Net	2.58	–	–	–	–	–	6.29
Conservative Income and Growth Model Portfolio Index Blend	–		4.02	–	–	–	–	–	8.69
Preservation and income									
Capital Group ETF Conservative Income MP Composite	01/31/2025	Gross	2.60	–	–	–	–	–	6.62
		Net	1.84	–	–	–	–	–	4.53
Conservative Income Model Portfolio Index Blend	–		2.97	–	–	–	–	–	6.28

Index lifetime returns are based on composite inception dates.

Market index results as of September 30, 2025

Index name	Cumulative total returns (%)			Average annual total returns (%)		
	QTD	YTD	1 year	3 years	5 years	10 years
Bloomberg Municipal Bond Index	3.00	2.64	1.39	4.74	0.86	2.34
Bloomberg U.S. Aggregate Index	2.03	6.13	2.88	4.93	-0.45	1.84
Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index	2.54	7.22	7.41	11.09	5.54	6.16
MSCI All Country World Index (ACWI)	7.62	18.44	17.27	23.12	13.54	11.91
MSCI All Country World Index (ACWI) ex USA	6.89	26.02	16.45	20.67	10.26	8.23
Russell 1000 Growth Index	10.51	17.24	25.53	31.61	17.58	18.83
Russell 1000 Index	7.99	14.60	17.75	24.64	15.99	15.04
Russell 1000 Value Index	5.33	11.65	9.44	16.96	13.88	10.72
S&P 500 Index	8.12	14.83	17.60	24.94	16.47	15.30

Investment and index disclosures

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The underlying funds for each model portfolio as of September 30, 2025, are as follows (allocations may not equal 100% due to rounding):

Capital Group ETF Global Growth Model: Growth (80%): CGGO – Capital Group Global Growth Equity ETF 25%, CGGR – Capital Group Growth ETF 15%, CGMM – Capital Group U.S. Small and Mid Cap ETF 15%, CGXU – Capital Group International Focus Equity ETF 10%, CGNG – Capital Group New Geography Equity ETF 10%, CGGE – Capital Group Global Equity ETF 5%; Growth and Income (20%): CGUS – Capital Group Core Equity ETF 10%, CGIC – Capital Group International Core Equity ETF 10%.

Capital Group ETF Growth Model: Growth (75%): CGGR – Capital Group Growth ETF 25%, CGGE – Capital Group Global Equity ETF 18%, CGMM – Capital Group U.S. Small and Mid Cap ETF 15%, CGGO – Capital Group Global Growth Equity ETF 10%, CGNG – Capital Group New Geography Equity ETF 7%; Growth and Income (25%): CGUS – Capital Group Core Equity ETF 25%.

Capital Group ETF Moderate Growth Model: Growth (61%): CGGR – Capital Group Growth ETF 22%, CGGE – Capital Group Global Equity ETF 15%, CGGO – Capital Group Global Growth Equity ETF 10%, CGMM – Capital Group U.S. Small and Mid Cap ETF 10%, CGNG – Capital Group New Geography Equity ETF 4%; Growth and Income (16%): CGUS – Capital Group Core Equity ETF 10%, CGIC – Capital Group International Core Equity ETF 4%, CGDV – Capital Group Dividend Value ETF 2%; Balanced (20%): CGBL – Capital Group Core Balanced ETF 20%; Bond (3%): CGIB – Capital Group International Bond ETF (USD-Hedged) 3%.

Capital Group ETF Growth and Income Model: Growth (38%): CGGE – Capital Group Global Equity ETF 12%, CGGO – Capital Group Global Growth Equity ETF 8%, CGMM – Capital Group U.S. Small and Mid Cap ETF 8%, CGGR – Capital Group Growth ETF 7%, CGNG – Capital Group New Geography Equity ETF 3%; Growth and Income (27%): CGUS – Capital Group Core Equity ETF 10%, CGDG – Capital Group Dividend Growers ETF 9%, CGDV – Capital Group Dividend Value 8%; Balanced (20%): CGBL – Capital Group Core Balanced ETF 20%; Bond (15%): CGCB – Capital Group Core Bond ETF 5%, CGCP – Capital Group Core Plus Income ETF 4%, CGIB – Capital Group International Bond ETF (USD-Hedged) 4%, CGMS – Capital Group U.S. Multi-Sector Income ETF 2%.

Capital Group ETF Moderate Growth and Income Model: Growth (26%): CGGE – Capital Group Global Equity ETF 12%, CGGO – Capital Group Global Growth Equity ETF 6%, CGMM – Capital Group U.S. Small and Mid Cap ETF 5%, CGNG – Capital Group New Geography Equity ETF 3%; Growth and Income (26%): CGDG – Capital Group Dividend Growers ETF 10%, CGDV – Capital Group Dividend Value ETF 10%, CGUS – Capital Group Core Equity ETF 6%; Balanced (25%): CGBL – Capital Group Core Balanced ETF 25%; Bond (23%): CGCP – Capital Group Core Plus Income ETF 8%, CGCB – Capital Group Core Bond ETF 5%, CGIB – Capital Group International Bond ETF (USD-Hedged) 5%, CGMS – Capital Group U.S. Multi-Sector Income ETF 5%.

Capital Group ETF Conservative Growth and Income Model: Growth (5%): CGGE – Capital Group Global Equity ETF 5%; Growth and Income (40%): CGDG – Capital Group Dividend Growers ETF 20%, CGCV – Capital Group Conservative Equity ETF 10%, CGDV – Capital Group Dividend Value ETF 10%; Balanced (8%): CGBL – Capital Group Core Balanced ETF 8%; Bond (47%): CGMS – Capital Group U.S. Multi-Sector Income ETF 25%, CGCP – Capital Group Core Plus Income ETF 17%, CGIB – Capital Group International Bond ETF (USD-Hedged) 5%.

Capital Group ETF Conservative Income and Growth Model: Growth (5%): CGGE – Capital Group Global Equity ETF 5%; Growth and Income (24%): CGDV – Capital Group Dividend Value ETF 10%, CGDG – Capital Group Dividend Growers ETF 8%, CGCV – Capital Group Conservative Equity ETF 6%; Balanced (12%): CGBL – Capital Group Core Balanced ETF 12%; Bond (59%): CGCB – Capital Group Core Bond ETF 20%, CGCP – Capital Group Core Plus Income ETF 20%, CGMS – Capital Group U.S. Multi-Sector Income ETF 10%, CGIB – Capital Group International Bond ETF (USD-Hedged) 5%, CGSD – Capital Group Short Duration Income ETF 4%.

Capital Group ETF Conservative Income Model: Growth and Income (14%): CGCV – Capital Group Conservative Equity ETF 5%, CGDV – Capital Group Dividend Value ETF 5%, CGDG – Capital Group Dividend Growers ETF 4%; Balanced (10%): CGBL – Capital Group Core Balanced ETF 10%; Bond (76%): CGCB – Capital Group Core Bond ETF 25%, CGSD – Capital Group Short Duration Income ETF 25%, CGCP – Capital Group Core Plus Income ETF 18%, CGIB – Capital Group International Bond ETF (USD-Hedged) 8%.

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

Model portfolio index

Index/Index blends for Capital Group Model Portfolios are those that the Portfolio 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 Capital Group model portfolio. The index/index blends for the model portfolios are a composite of the cumulative total returns for the indexes and respective weightings listed:

Global Growth – MSCI All Country World Index (ACWI).

Growth – 75% S&P 500 and 25% MSCI All Country World ex USA indexes.

Moderate Growth – 60% S&P 500, 15% Bloomberg U.S. Aggregate and 25% MSCI All Country World ex USA indexes.

Growth and Income – 50% S&P 500, 25% Bloomberg U.S. Aggregate and 25% MSCI All Country World ex USA indexes.

Moderate Growth and Income – 45% S&P 500, 35% Bloomberg U.S. Aggregate and 20% MSCI All Country World ex USA indexes.

Conservative Growth and Income – 35% S&P 500, 35% Bloomberg U.S. Aggregate, 15% MSCI All Country World ex USA and 15% Bloomberg U.S. Corporate High Yield 2% Issuer Capped indexes.

Conservative Income and Growth – 25% S&P 500, 65% Bloomberg U.S. Aggregate and 10% MSCI All Country World Index ex USA indexes.

Conservative Income – 20% S&P 500, 50% Bloomberg U.S. Aggregate and 30% Bloomberg U.S. Government/Credit (1-3 years, ex BBB) indexes.

The index blends are rebalanced monthly. The indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the model portfolio has lagged the index/index blend.

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. Visit capitalgroup.com for current allocations.

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 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. 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 nondiversified 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.

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. S&P 500 Index is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks.

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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.

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.

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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%.

Bloomberg 1-3 Year U.S. Government/Credit 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 three years.

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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.

Capital Group 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.

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