

Market extremes call for active judgment: Build resilience amid AI-driven concentration

Unless otherwise noted, figures shown are as of 6/30/26. See last page for additional information and disclosures.

Passive risk grows

Benchmarks are increasingly dominated by a narrow group of AI-linked companies that may be creating unintended risks.

Valuations are extended

Today's leaders are high-quality companies, but elevated valuations may already reflect optimistic outcomes.

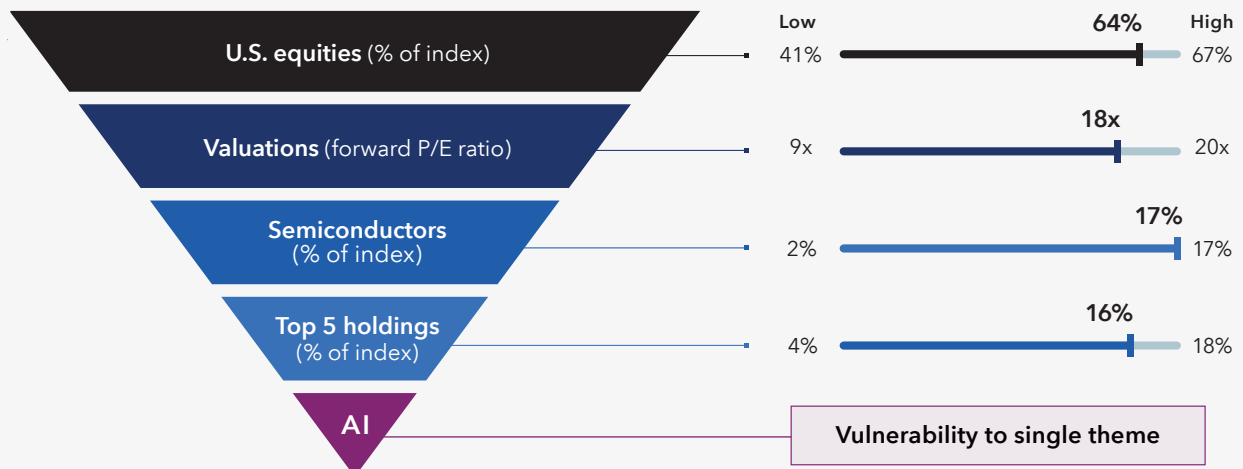
Active judgment can help

As market leadership narrows, active management seeks to participate in growth while building resilience.

Passive market risks are stacked

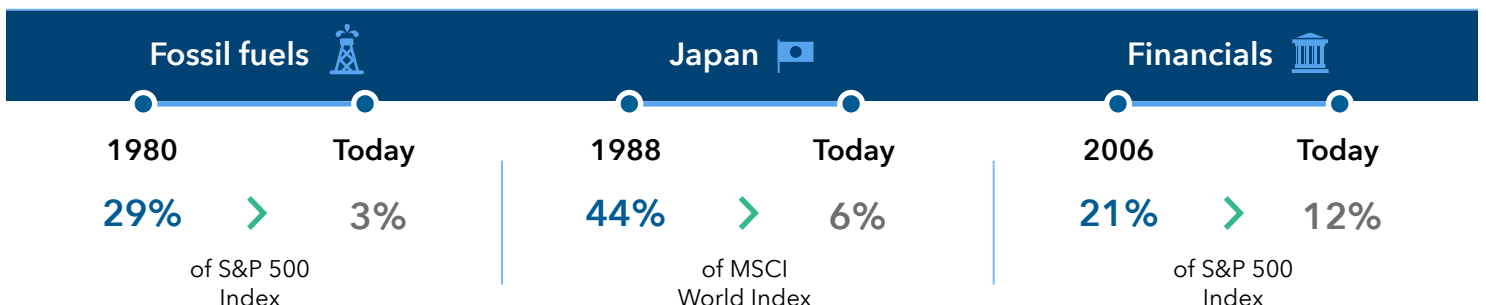
MSCI All Country World Index (ACWI)

Current value and historic range, 20 years through 6/30/26



Sources: Capital Group, FactSet, Morningstar. Percent of index is based on market capitalization.

Previous examples of market concentration



Sources: Capital Group, FactSet, Institute for Energy Economics and Financial Analysis. Percent of index is based on market capitalization.

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

Active management has historically outpaced when valuations soar

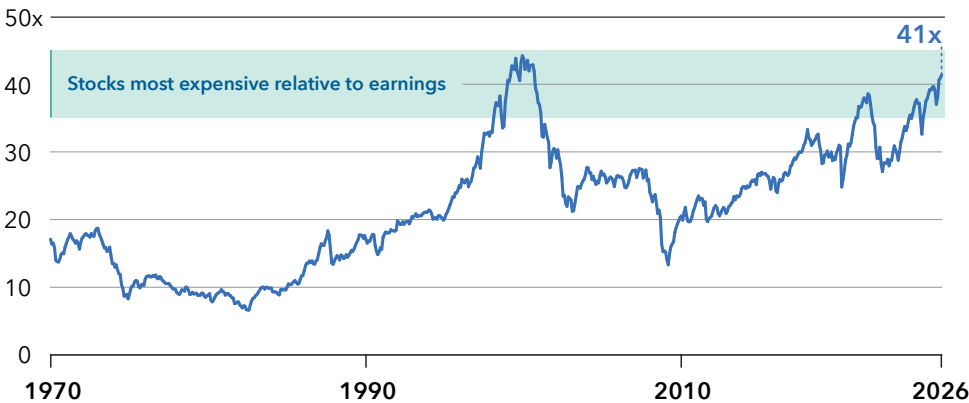
Figures shown are past results and are not predictive of results in future periods. Returns for American Funds mutual funds are based on Class F-2 shares. Current and future results may be lower or higher than those shown. Prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit capitalgroup.com.

Average 3-year forward returns (%) since 1/31/1970 when S&P 500 CAPE was 35x-45x¹

S&P 500 Index	-1.5
Average actively managed funds	-1.2
American Funds® mutual funds	3.9

Sources: Capital Group, S&P Global, Shiller Data, Morningstar. American Funds benchmarked to the S&P 500. Based on Class F-2 shares. Analysis period is from January 31, 1970, through June 30, 2026. CAPE ratio can help assess whether an index is overvalued, undervalued or fairly valued. For more information, see footnotes and important information.

S&P 500 cyclically adjusted price-to-earnings (CAPE) ratio



Active management can be risk aware

Investment criteria	Passive ²	Active
Market indicators (market capitalization, valuations and sectors)	✓	✓
Fundamental research (analysis of economies, industries and companies)	✗	✓
Portfolio risk management (consideration of risk at the issuer and portfolio level)	✗	✓

How Capital Group has delivered

Capital Group American Funds equity-focused mutual funds have outpaced their benchmarks over their respective lifetimes during most 10-, 20- and 30-year rolling periods, on average³:

10-year
71%

20-year
86%

30-year
93%

The Capital System™

“The Capital System was not designed for easy markets. It was designed for markets like this one.”

Martin Romo
Chair and chief investment officer

A long-term view

Privately owned

We can maintain a long-term view and do what we think is best for investors.

Collaborative research

Aligned with investors

Portfolio managers invest alongside their shareholders to focus on long-term outcomes.⁴

Diverse perspectives

An industry leader

An evolving product suite of mutual funds, ETFs and SMAs, along with new public-private strategies.

A top asset manager

Our assets total more than \$3 trillion, making Capital Group the largest active U.S. fund manager.⁵

Low expenses

Our equity-focused mutual fund and ETF expenses are among the lowest in the industry.⁶

How Capital Group can help increase resilience

The question is not whether AI will create value. It is whether a single theme should define the shape of a portfolio. An active approach can help investors both participate in powerful innovation while gaining differentiated exposure to other potential growth areas.

Participate with growth	Defend with dividends	Diversify with international
CGGR - Capital Group Growth ETF	CGDV - Capital Group Dividend Value ETF	CGNG - Capital Group New Geography Equity ETF
Seek growth outside the style box 	Add value or income exposure 	Increase global exposure 
Investment focus		
Within U.S. growth Seeks to invest in companies that may offer superior opportunities for growth without index constraints.	Across U.S. equity styles Seeks both growth and income opportunities without rigid style limitations.	Across geographies Seeks growth with a focus on emerging markets while maintaining exposure to developed markets.
• Flexible approach to growth • Dynamic positioning • Grounded in fundamentals	• Seeks growth and income • Pursues high-quality dividends • Disciplined focus on resilience	• Research-based approach to global equities • Seeks growth with moderate risk • Emphasis on quality holdings

Areas of research-based conviction

Top overweight holdings relative to benchmark

CGGR (vs. S&P 500)	CGDV (vs. S&P 500)	CGNG (vs. MSCI EM Index)
Meta Communication services	Royal Caribbean Consumer discretionary	Broadcom Information technology
Tesla Consumer discretionary	Applied Materials Information technology	Alphabet Communication services
Micron Technology Information technology	Carrier Global Corp. Industrials	NVIDIA Information technology
Broadcom Information technology	GE Aerospace Industrials	MercadoLibre Consumer discretionary
TransDigm Group Industrials	British American Tobacco Consumer staples	ASML Holdings NV Information technology
SK hynix Information technology	RTX Corporation Industrials	Microsoft Corporation Information technology
Cloudflare Information technology	Taiwan Semiconductor Manufacturing Co. Information technology	Banco Bilbao Vizcaya Argentaria Financials

Source: Capital Group. Top holdings relative to benchmark reflect the largest differentials of each company weight in the fund versus the benchmark, based on averaged company weights over the month ended 6/30/26. Benchmark for CGGR and CGDV is S&P 500. Benchmark for CGNG is MSCI Emerging Markets Index.

Investment results

Investment results		Total returns (%)			Expense ratio (%) Gross / Net	30-day SEC yield (%) as of 6/30/26	12-month distribution rate (%)
		Cumulative	Average annual				
As of 6/30/26	Inception date	1-year	3-year	Lifetime			
CGGR – Capital Group Growth ETF (NAV)	2/22/22	16.16	23.50	16.69	0.39 / 0.39	0.15	0.15
CGGR – Capital Group Growth ETF (MP)		16.29	23.51	16.71			
CGDV – Capital Group Dividend Value ETF (NAV)	2/22/22	26.52	24.06	19.05	0.33 / 0.33	1.27	1.19
CGDV – Capital Group Dividend Value ETF (MP)		26.44	24.02	19.03			
S&P 500 Index		22.32	20.61	–	–	–	1.1
CGNG – Capital Group New Geography Equity ETF (NAV)	6/25/24	30.30	–	22.24	0.64 / 0.64	0.79	0.58
CGNG – Capital Group New Geography Equity ETF (MP)		30.90	–	22.71			
New Geography/New World Historical Benchmarks Index		37.67	–	–	–	–	–
MSCI ACWI ex USA Index		27.66	–	–	–	–	2.35
MSCI Emerging Markets (EM) Index		43.51	–	–	–	–	1.93

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The expense ratios are as of each fund's prospectus available at the time of publication. The indexes are unmanaged and therefore, have no expenses. Investors cannot directly invest in an index. There have been periods when the funds have lagged the indexes. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower. Please see capitalgroup.com for more information. 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.

Footnotes/Important information:

¹ Average actively managed return is based on Morningstar data of 2,983 U.S. large-cap funds using the oldest available share class and returns are net of oldest share class fees. Categories include Large Value, Large Blend, and Large Growth, and are inclusive of open-end and exchange-traded funds. The methodology rebalances monthly and includes both live and obsolete funds. American Funds included in the analysis are benchmarked to the S&P 500 and consist of: American Mutual Fund, Washington Mutual Investors Fund, The Investment Company of America, Fundamental Investors, AMCAP Fund and The Growth Fund of America. Returns are net of fund expenses. Analysis period is from January 31, 1970, through June 30, 2026.

² Certain types of index funds may employ hybrid active and passive strategies. The attributes of these funds may differ.

³ Source: Capital Group. As of 12/31/25. Calculations cover the time frame from January 1934 through December 2025 and are based on rolling monthly periods over each of the existing American Funds equity-focused mutual funds' respective lifetimes for Class F-2 shares at net asset value.

⁴ Source: Morningstar. As of 2/18/26. Ninety-four percent of American Funds assets are invested in mutual funds in which at least one manager has invested more than \$1 million.

⁵ Assets under management claim based on preliminary Capital Group data as of 6/30/26. Largest U.S. mutual fund manager information based on Morningstar data on open-ended mutual fund assets (excluding fund of funds) as of 6/30/26.

⁶ Sources: Capital Group, Morningstar. As of 6/30/26. Based on the prospectus expense ratio for ETFs and their peer category, and the Morningstar Fee-Level Group - Distribution peers median and prospectus expense ratio for American Funds Class F-2 mutual funds.

Forward price-to-earnings (P/E) ratio measures a stock's current price relative to its projected earnings over the next 12 months, reflecting market expectations for future growth.

S&P 500 Index is a market-capitalization-weighted index of about 500 major U.S. stocks. Includes reinvested dividends but excludes fees and taxes.

S&P 500 cyclically adjusted price-to-earnings (CAPE) ratio is a valuation measure that adjusts for short-term earnings variability by dividing an index's current price by the average of the prior 10 years of inflation-adjusted earnings to assess an index's valuation over a full business cycle.

MSCI Emerging Markets Index is a free-float-adjusted market-capitalization-weighted index designed to measure equity market results in global emerging markets.

MSCI All Country World Index (ACWI) captures large and mid-cap representation across developed markets (DM) and emerging markets (EM) countries. The index is float-adjusted and covers approximately 85% of the global investable equity opportunity set.

MSCI ACWI ex USA Index is a market-capitalization-weighted index that measures equity market results in global developed and emerging markets, excluding the U.S.

MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market results of developed markets. The index consists of more than 20 developed market country indexes, including the United States.

New Geography/New World Historical Benchmarks Index returns reflect the results of the MSCI All Country World Index (ACWI) through December 31, 2025, and the MSCI Emerging Markets Index, the primary benchmark, thereafter.

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.

Past results are not predictive of results in future periods.

If used after September 30, 2026, this brochure must be accompanied by the most recent applicable quarterly statistical updates for the products shown. This material must be preceded or accompanied by a prospectus or summary prospectus for the funds being offered.

Capital Group exchange-traded funds (ETFs) are actively managed and do not seek to replicate a specific index. ETF shares are bought and sold through an exchange at the then current market price (MP), not net asset value (NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV when traded on an exchange. Brokerage commissions will reduce returns. There can be no guarantee that an active market for ETFs will develop or be maintained, or that the ETF's listing will continue or remain unchanged.

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.

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.

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 results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses. Please see capitalgroup.com for more information on specific expense adjustments and the actual dates of first sale.

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 (Also applies to CGGR, CGDV and CGNG).

The 30-day SEC yield reflects the rate at which the fund is earning income on its current portfolio of securities, while the distribution rate reflects the fund's past dividends paid to shareholders. Accordingly, the fund's SEC yield and distribution rate may differ.

ETF market price returns since inception are calculated using NAV for the period until market price became available (generally a few days after inception).

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Nondiversified funds, CGGR and CGNG have 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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