

Quarter highlights

- All funds rose in value over the quarter, with funds with higher concentrations in equities outpacing those with a fixed income focus.
- Within equities, funds with a growth focus rose more than those with a growth-and-income and equity-income focus as mega-cap, growth stocks returned to favor in the quarter.
- Within fixed income, funds with higher exposures to high-yield bonds and emerging market debt outpaced those with larger weightings to high-quality U.S. bonds.

Market review

Global stocks, as measured by the MSCI All Country World Index (ACWI), rallied amid easing global trade tensions, healthy corporate earnings and the start of a new interest rate cutting cycle by the U.S. Federal Reserve (Fed). In addition, the U.S. announced new trade deals with some of its biggest trading partners, including the European Union and Japan, which helped calm fears of a trade war.

Within the MSCI ACWI, information technology stocks rose as investors continued to favor companies driving the rapid growth of artificial intelligence (AI). Shares of AI-related firms, such as chipmaker NVIDIA and software provider Microsoft, helped drive key market indexes to new record highs. Only consumer staples stocks lagged the MSCI ACWI.

Both the Bloomberg 1-5 Year U.S. Government/Credit A+ Index and the Bloomberg Municipal Bond 1-7 Year Blend Index posted solid gains as investors anticipated an interest rate cut at the Fed's September policy meeting. The Fed delivered a 25-basis-point reduction and indicated the possibility of further cuts in the months ahead amid signs of weakness in the U.S. labor market. It was the first time the Fed moved to lower rates since December 2024.

In foreign exchange markets, the U.S. dollar rose modestly against several foreign currencies, including the Japanese yen and the British pound. After losing substantial ground earlier in the year, the U.S. Dollar Index rose over 1% in the third quarter but remains down nearly 10% on a year-to-date basis.

Portfolio review

All funds rose in value over the quarter, with funds with higher concentrations in equities outpacing those with a fixed income focus.

Within equities, funds with a growth focus rose more than those with a growth-and-income and equity-income focus. Mega-cap, growth stocks returned to favor in the quarter, with the information technology and communication services sectors leading the rise in the S&P 500 Index.

Within fixed income, funds with higher exposures to high-yield bonds and emerging market debt outpaced those with larger weightings to high-quality U.S. bonds. Additionally, funds with greater interest rate exposure fare better than those focused on the short end of the curve.

Past results 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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Class F-2 share returns for periods ended 9/30/25

	Total returns (%)			Average annual total returns (%)				Expenses (%)
	QTD	YTD	1 year	3 years	5 years	10 years	Fund lifetime*	
American Funds Global Growth Portfolio	6.15	18.78	17.22	22.77	10.97	11.72	11.65	0.55
American Funds Growth Portfolio	6.21	17.10	18.60	24.69	12.88	12.98	13.07	0.47
American Funds Growth and Income Portfolio	5.09	15.41	14.71	19.88	11.58	10.84	10.71	0.44
American Funds Moderate Growth and Income Portfolio	4.59	14.00	12.19	16.41	9.45	9.14	9.29	0.45
American Funds Conservative Growth and Income Portfolio	3.71	12.16	10.15	13.24	8.38	7.59	7.40	0.40
American Funds Tax-Aware Conservative Growth and Income Portfolio	4.48	11.14	9.20	13.95	8.34	7.94	8.11	0.43
American Funds Preservation Portfolio	1.18	4.86	4.12	4.82	1.41	2.02	1.81	0.38
American Funds Tax-Exempt Preservation Portfolio	1.97	4.06	3.44	4.20	1.39	1.90	2.03	0.37
S&P 500 Index	8.12	14.83	17.60	24.94	16.47	15.30	—	—
MSCI All Country World Index (ACWI)	7.62	18.44	17.27	23.12	13.54	11.91	—	—
Bloomberg 1-5 Year U.S. Government/Credit A+ Index	1.21	4.76	3.96	4.69	1.23	1.82	—	—
Bloomberg Municipal Bond 1-7 Year Blend Index	1.99	4.13	3.34	4.10	1.27	1.85	—	—

*Funds' inception date: May 18, 2012

S&P 500 Index is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. **MSCI ACWI** 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 1-5 Year U.S. Government/Credit A+ 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 five years, including A-rated securities and above. **Bloomberg Municipal Bond 1-7 Year Blend Index** is a market value-weighted index that includes investment-grade tax-exempt bonds with maturities of one to seven years. **U.S. Dollar Index** is a market index benchmark used to measure the value of the U.S. dollar relative to other widely-traded international currencies.

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