CAPITAL GROUP®

American Funds®

American Funds Model Portfolios at Merrill

Quarterly update – Q2 2026



Quarterly models summary

Key takeaways for the quarter

- Artificial intelligence (AI)-fueled technology stocks, robust corporate earnings and easing oil prices spurred the markets to rebound in the second quarter, with some indexes hitting record-setting levels.
- The American Funds Model Portfolios at Merrill all had positive gross and net-of-fees results for the quarter. The Aggressive and Moderately Aggressive portfolios also led their benchmarks on a gross basis but had mixed results net of fees.
- The Custom Solutions Committee (CSC) and the Capital Solutions Group (CSG) monitor model portfolios regularly for risks and to maintain alignment with their long-term portfolio objectives, while managers continue to use company- and security-specific research to make real-time decisions and identify timely opportunities in today's ever-changing market environment.

Market review

Equity and fixed income markets bounced back in the second quarter, driven by surging information technology stocks tied to AI, strong corporate earnings and easing oil prices. The S&P 500 and the MSCI All Country World ex USA indexes rose 15.20% and 14.49%, respectively, with the S&P 500 hitting multiple all-time highs over the period.

The growth components of both the Russell 1000 Index and the MSCI All Country World Index (ACWI) exceeded their respective value components for the quarter, with the cyclical stocks of the MSCI USA Index also generally outpacing the more defensive names. Small-cap stocks also had a strong quarter, with the Russell 2000 Index advancing 21.49%, surpassing the Russell 1000 Index. Information technology was the top-performing sector in the S&P 500, followed by industrials and consumer discretionary. In a reversal from last quarter, energy was the worst performing, with utilities the only other sector that finished in negative territory.

Featured investment professionals



Raj Paramaguru
Chair of the Custom Solutions Committee



Mario DiVito
Multi-Asset Investment Director



Liz Yakes
Multi-Asset Investment Product Manager

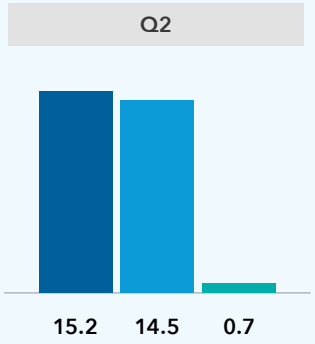
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Past results are not predictive of results in future periods.

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

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)

The MAA Composite performance results represent the actual performance of all unconstrained accounts managed by MAA in this Strategy that have enrolled in the Merrill Lynch Investment Advisory Program (IAP) as well as in other Merrill or Merrill affiliated investment advisory programs that meet the criteria set by MAA for inclusion in the MAA Composite performance calculation.

See gross and net-of-fee performance descriptions in the MAA composite results section.

Contribution to returns commentary is based on representative accounts of the model composites and is net of all fees and expenses applicable to the underlying funds and gross of any advisory fee charged by model providers.

The broad U.S. bond market advanced 0.67%, as measured by the Bloomberg U.S. Aggregate Index. Municipal bonds outpaced, with the Bloomberg Municipal Bond Index rising 2.50%. Tightening credit spreads supported risk-oriented fixed income segments, with the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index and the Bloomberg Municipal Bond: High Yield Index gaining 2.47% and 3.35%, respectively.

The U.S. Federal Reserve held its interest rate steady. The Bank of England also kept their policy rate unchanged, while the Bank of Japan and the European Central Bank both raised theirs, with Japan's hitting a 31-year high. The U.S. dollar advanced against both the euro and the Japanese yen by 0.8% and 2.2%, respectively, with the yen falling to a 40-year low.

Model portfolio results for the quarter

All comments about model returns versus the benchmark are true on a gross- and net-of-fees basis, unless otherwise noted. All results are for the quarter unless otherwise specified.

Core

American Funds Aggressive MF produced positive absolute returns and outpaced its benchmark on both a gross and net-of-fees basis.

- U.S. and non-U.S. stock selection were additive.
- Selection in healthcare and information technology contributed positively while greater exposure to consumer discretionary and selection in financials detracted.
- Fixed income was additive, aided by less overall exposure. Strength in emerging markets bonds also contributed while Treasuries hurt relative results.

American Funds Moderately Aggressive MF produced positive absolute returns and outpaced its benchmark on a gross basis while net returns lagged.

- U.S. stock selection was additive while non-U.S. stock selection detracted.
- Selection in healthcare and consumer staples contributed positively while selection in industrials and less exposure to information technology detracted.
- Fixed income was additive, aided by less overall exposure. Strength in emerging markets bonds aided returns while Treasuries hurt relative results.

American Funds Moderate MF produced positive absolute returns but trailed its benchmark.

- U.S. and non-U.S. stock selection were detractors.
- Given the model's focus on income, a structural tilt toward dividend-paying equities served as a headwind to results.
- Less exposure to information technology and greater exposure to energy detracted while selection in information technology and healthcare contributed positively.
- Fixed income was additive, aided by less overall exposure. Strength in emerging markets bonds aided returns while Treasuries hurt relative results.

American Funds Moderately Conservative MF produced positive absolute returns but trailed its benchmark.

- U.S. and non-U.S. stock selection were detractors.
- Given the model's focus on income, a structural tilt toward dividend-paying equities served as a headwind to results.
- Less exposure to information technology and weak selection in industrials detracted while selection in healthcare and consumer staples contributed positively.
- Fixed income was additive, aided by less overall exposure. Strength in emerging markets bonds aided returns while forward contracts hurt relative results.

Past results are not predictive of results in future periods.

American Funds Conservative MF produced positive absolute returns but trailed its benchmark.

- U.S. and non-U.S. stock selection were detractors; greater exposure to U.S. equities, however, was additive.
- Given the model's focus on income, a structural tilt toward dividend-paying equities served as a headwind to results.
- Less exposure to information technology and greater exposure to energy detracted while selection in healthcare and consumer staples contributed positively.
- Fixed income was a detractor. Forward contracts and Treasuries hurt relative results while emerging markets bonds contributed positively.

Tax Aware

American Funds Aggressive MF Tax-Aware produced positive absolute returns and outpaced its benchmark on both a gross and net-of-fees basis.

- U.S. and non-U.S. stock selection were additive.
- Selection in information technology and less exposure in energy were the primary contributors while selection in financials and greater exposure to communication services detracted.
- Fixed income was additive, aided by less overall exposure. Strength in general obligation bonds also contributed while housing municipal bonds marginally hurt relative results.

American Funds Moderately Aggressive MF Tax-Aware produced positive absolute returns and outpaced its benchmark on both a gross and net-of-fees basis.

- U.S. and non-U.S. stock selection were additive.
- Selection in healthcare and consumer staples contributed positively while selection in financials and industrials detracted.
- Fixed income was additive, aided by less overall exposure. Strength in general obligation bonds also contributed while housing municipal bonds hurt relative results.

American Funds Moderate MF Tax-Aware produced positive absolute returns and outpaced its benchmark on a gross basis while net returns lagged.

- U.S. and non-U.S. stock selection were additive.
- Selection in information technology and healthcare contributed positively while less exposure to information technology and selection in financials detracted.
- Fixed income was additive, aided by less overall exposure. Strength in general obligation bonds also contributed while housing municipal bonds marginally hurt relative results.

American Funds Moderately Conservative MF Tax-Aware produced positive absolute returns but trailed its benchmark.

- U.S. and non-U.S. stock selection were detractors.
- Given the model's focus on income, a structural tilt toward dividend-paying equities served as a headwind to results.
- Less exposure to information technology and selection in industrials detracted while selection in healthcare and consumer staples contributed positively.
- Fixed income was additive, aided by less overall exposure. Strength in general obligation bonds also contributed while housing municipal bonds hurt relative results.

American Funds Conservative MF Tax-Aware produced positive absolute returns but trailed its benchmark.

- U.S. stock selection was a detractor but greater exposure was additive. Non-U.S. equities was a nominal detractor.
- Given the model's focus on income, a structural tilt toward dividend-paying equities served as a headwind to results.

- Less exposure and weak selection in information technology detracted while selection in healthcare and consumer staples contributed positively.
- Fixed income was additive. Special tax municipal bonds aided returns while housing municipal bonds hurt relative results.

Multi-asset income

American Funds Moderate Income MF produced positive absolute returns but lagged its benchmark.

- U.S. and non-U.S. stock selection were detractors.
- Given the model's focus on income, a structural tilt toward dividend-paying equities served as a headwind to results.
- Less exposure to information technology and selection in industrials detracted while selection in healthcare and information technology contributed positively.
- Fixed income was additive, aided by less overall exposure. Corporate bonds also contributed while forward contracts hurt relative results.

American Funds Moderately Conservative Income MF produced positive absolute returns but lagged its benchmark.

- U.S. and non-U.S. stock selection were detractors; greater exposure to non-U.S. equities, however, was additive.
- Given the model's focus on income, a structural tilt toward dividend-paying equities served as a headwind to results.
- Less exposure to information technology and greater exposure to energy detracted while selection in information technology and healthcare contributed positively.
- Fixed income was additive, aided by less overall exposure. Corporate bonds also contributed while forward contracts hurt relative results.

American Funds Conservative Income MF produced positive absolute returns but lagged its benchmark.

- U.S. and non-U.S. stock selection were detractors; greater exposure in both U.S. and non-U.S. equities, however, was additive.
- Given the model's focus on income, a structural tilt toward dividend-paying equities served as a headwind to results.
- Less exposure to information technology and greater exposure to energy detracted while selection in healthcare and consumer staples contributed positively.
- Fixed income was additive, aided by less overall exposure. Emerging markets bonds also contributed while forward contracts hurt relative results.

Looking ahead

Although earnings have remained strong, there is a high degree of geopolitical and economic uncertainty in markets. Inflation remains elevated, bringing with it the potential for interest rate hikes and slower economic growth, and the trajectory of the Iran conflict is unclear. Against this backdrop, underlying fund managers will continue to look for companies with attractive valuations, strong business models and quality management.

With AI-related stocks having accounted for a significant share of recent equity market gains, their sizable weights within U.S. and emerging markets indexes are creating significant concentration risk – making security selection paramount within active strategies. Underlying fund managers strive to pursue superior long-term outcomes on a risk-adjusted basis, through diversification while balancing fund objectives.

Within equities, healthcare is a sector that underlying fund managers are finding attractive, as select companies with diverse research pipelines have multiple avenues of potential growth, limiting dependence on any one product. Another sector of interest is industrials, particularly electrical equipment and machinery companies, and select manufacturers whose products support the AI infrastructure buildout. Managers will also seek opportunities with businesses whose shares were sold off amid the market's focus on AI, despite their strong underlying fundamentals.

Within core U.S. fixed income portfolios, underlying fund managers are looking to higher quality bonds as an attractive and cost-effective source of potential downside resilience at current market valuations. They also see value in select areas of the securitized market. Within credit, managers are targeting higher quality, less economically sensitive issuers with adequate risk compensation. Additionally, managers will be seeking opportunities outside the index, leveraging their ability to research across a broad range of credit markets.



Underlying fund managers mentioned above are references to Capital Group associates.
Past results are not predictive of results in future periods.

Model portfolio allocation exposure

Exposure changes are based on target model allocations, which reflect changes in the underlying funds over the periods shown.

Percent of net assets in equity as of 6/30/26.

*Increased allocation by 1% or more †Decreased allocation by 1% or more

Core models

	Total equity	% Change 3 months	% Change 12 months	+/– vs. 5 yr. avg.	U.S. equity	% Change 3 months	% Change 12 months	+/– vs. 5 yr. avg.	Non-U.S. equities	% Change 3 months	% Change 12 months	+/– vs. 5 yr. avg.
American Funds® Aggressive MF	**90.8**	0.6	0.3	1.8*	**65.7**	-0.2	-1.2†	-0.1	**25.1**	0.8	1.6*	1.8*
American Funds® Moderately Aggressive MF	**75.1**	-1.6†	-1.5†	-1.7†	**54.7**	-1.3†	-2.2†	-1.7†	**20.3**	-0.2	0.7	0.0
American Funds® Moderate MF	**58.4**	-0.4	-1.5†	-2.9†	**41.6**	0.0	-1.9†	-2.5†	**16.8**	-0.4	0.4	-0.4
American Funds® Moderately Conservative MF	**40.6**	1.8*	1.3*	2.1*	**30.4**	1.6*	0.5	1.1*	**10.2**	0.2	0.8	1.0*
American Funds® Conservative MF	**23.8**	0.5	0.1	1.4*	**18.2**	-0.3	-1.0†	-0.5	**5.7**	0.7	1.1*	1.8*

Tax-aware models

	Total equity	% Change 3 months	% Change 12 months	+/– vs. 5 yr. avg.	U.S. equity	% Change 3 months	% Change 12 months	+/– vs. 5 yr. avg.	Non-U.S. equities	% Change 3 months	% Change 12 months	+/– vs. 5 yr. avg.
American Funds® Aggressive MF Tax-Aware	**89.6**	0.7	0.9	–	**65.8**	0.7	-0.7	–	**23.8**	0.0	1.6*	–
American Funds® Moderately Aggressive MF Tax-Aware	**74.9**	0.4	0.8	0.5	**56.0**	0.7	-0.6	0.1	**18.9**	-0.3	1.4*	0.3
American Funds® Moderate MF Tax-Aware	**58.3**	0.4	0.3	-1.4†	**43.1**	0.7	-0.2	-0.2	**15.1**	-0.3	0.5	-1.1†
American Funds® Moderately Conservative MF Tax-Aware	**40.7**	0.2	0.4	1.0*	**30.9**	0.4	-1.4†	0.1	**9.8**	-0.2	1.8*	0.9
American Funds® Conservative MF Tax-Aware	**22.3**	0.2	0.4	–	**18.2**	0.3	-0.4	–	**4.0**	-0.1	0.8	–

Multi-asset income models

	Total equity	% Change 3 months	% Change 12 months	+/– vs. 5 yr. avg.	U.S. equity	% Change 3 months	% Change 12 months	+/– vs. 5 yr. avg.	Non-U.S. equities	% Change 3 months	% Change 12 months	+/– vs. 5 yr. avg.
American Funds® Moderate Income MF Taxable	**62.7**	1.0*	0.0	-0.1	**43.2**	1.2*	-1.2†	-1.2†	**19.5**	-0.2	1.2*	1.1*
American Funds® Moderately Conservative Income MF Taxable	**46.7**	0.7	0.0	-2.1†	**31.4**	1.0*	-0.9	-2.3†	**15.3**	-0.2	0.9	0.3
American Funds® Conservative Income MF Taxable	**28.1**	-3.7†	-3.8†	-7.4†	**18.9**	-2.6†	-3.4†	-6.4†	**9.3**	-1.1†	-0.5	-1.0†

Holdings are weighted averages of the model portfolio's underlying funds. The underlying funds are managed, so holdings will change.

Model portfolio allocation exposure

Exposure changes are based on target model allocations, which reflect changes in the underlying funds over the periods shown.

Percent of net assets in fixed income and cash as of 6/30/26.

*Increased allocation by 1% or more †Decreased allocation by 1% or more

Core models

% Change	Total bond	3 months	12 months	+/– vs. 5 yr. avg.	U.S. bond	3 months	12 months	+/– vs. 5 yr. avg.	Non-U.S. bonds	3 months	12 months	+/– vs. 5 yr. avg.	Cash & equivalents	3 months	12 months	+/– vs. 5 yr. avg.
American Funds® Aggressive MF	**6.0**	0.1	0.3	-0.4	**4.3**	-0.1	0.4	-0.2	**1.7**	0.2	-0.2	-0.2	**3.2**	-0.7	-0.6	-1.3†
American Funds® Moderately Aggressive MF	**21.9**	2.2*	2.5*	3.1*	**17.6**	0.3	0.9	1.3*	**4.3**	1.9*	1.6*	1.8*	**3.1**	-0.7	-1.0†	-1.3†
American Funds® Moderate MF	**37.7**	1.5*	1.6*	3.7*	**30.6**	-0.3	0.6	2.4*	**7.0**	1.8*	1.1*	1.3*	**3.9**	-1.2†	-0.1	-0.8
American Funds® Moderately Conservative MF	**55.0**	-1.1†	-1.0†	-1.3†	**44.5**	-1.4†	-0.5	-2.7†	**10.5**	0.3	-0.5	1.4*	**4.4**	-0.7	-0.3	-0.8
American Funds® Conservative MF	**71.5**	-0.2	0.2	-0.6	**64.4**	-0.8	0.3	-0.5	**7.1**	0.6	-0.1	-0.1	**4.7**	-0.2	-0.3	-0.7

Tax-aware models

% Change	Total bond	3 months	12 months	+/– vs. 5 yr. avg.	U.S. bond	3 months	12 months	+/– vs. 5 yr. avg.	Non-U.S. bonds	3 months	12 months	+/– vs. 5 yr. avg.	Cash & equivalents	3 months	12 months	+/– vs. 5 yr. avg.
American Funds® Aggressive MF Tax-Aware	**7.5**	0.0	0.0	–	**7.4**	0.0	-0.1	–	**0.0**	0.0	0.0	–	**2.9**	-0.7	-0.9	–
American Funds® Moderately Aggressive MF Tax-Aware	**21.4**	0.0	-0.2	0.9	**21.3**	0.0	-0.2	0.9	**0.1**	0.0	0.0	0.0	**3.7**	-0.4	-0.6	-1.4†
American Funds® Moderate MF Tax-Aware	**37.1**	0.0	-0.3	2.4*	**37.0**	-0.1	-0.3	2.3*	**0.1**	0.0	0.0	0.0	**4.6**	-0.3	0.0	-1.0†
American Funds® Moderately Conservative MF Tax-Aware	**53.8**	0.5	-0.3	0.8	**53.6**	0.4	-0.3	0.7	**0.1**	0.1	0.0	0.1	**5.5**	-0.7	-0.1	-1.7†
American Funds® Conservative MF Tax-Aware	**71.0**	0.8	-0.2	–	**70.8**	0.7	-0.2	–	**0.2**	0.1	0.0	–	**6.8**	-0.9	-0.2	–

Multi-asset income models

% Change	Total bond	3 months	12 months	+/– vs. 5 yr. avg.	U.S. bond	3 months	12 months	+/– vs. 5 yr. avg.	Non-U.S. bonds	3 months	12 months	+/– vs. 5 yr. avg.	Cash & equivalents	3 months	12 months	+/– vs. 5 yr. avg.
American Funds® Moderate Income MF Taxable	**32.9**	-0.3	0.8	0.7	**29.0**	-0.4	1.2*	1.4*	**3.9**	0.1	-0.3	-0.6	**4.4**	-0.7	-0.8	-0.6
American Funds® Moderately Conservative Income MF Taxable	**48.4**	-0.1	0.5	2.5*	**42.8**	-0.3	0.9	2.7*	**5.6**	0.2	-0.4	-0.3	**4.9**	-0.6	-0.5	-0.4
American Funds® Conservative Income MF Taxable	**66.9**	3.8*	4.3*	7.6*	**60.3**	3.0*	4.1*	6.9*	**6.6**	0.8	0.2	0.7	**5.0**	-0.1	-0.5	-0.1

Cash and equivalents includes short-term securities, other assets less liabilities, and may include accrued income. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Model portfolio results as of June 30, 2026

For additional model results, please view the profile sheets available on the Capital Group investment managers page in Resource Central.

MAA composite results (gross and net percentage)

Core models

	Strategy ID	Inception date	Type of return	QTD	YTD	1 year	3 years	5 years	Lifetime
American Funds Aggressive MF	28S02452	2/2021	Gross	14.74	10.83	20.35	19.13	10.12	11.50
			Net	14.24	9.87	18.26	17.06	8.17	9.50
Merrill CIO Benchmark (Aggressive MF)				14.12	11.29	23.24	18.31	10.17	11.64
American Funds Moderately Aggressive MF	28S02451	3/2021	Gross	12.05	9.62	18.19	16.92	9.54	10.54
			Net	11.56	8.66	16.14	14.89	7.59	8.57
Merrill CIO Benchmark (Moderately Aggressive MF)				11.62	9.40	19.57	15.82	8.48	9.46
American Funds Moderate MF	28S02450	3/2021	Gross	7.98	6.91	14.28	13.16	7.15	8.13
			Net	7.51	5.97	12.30	11.20	5.25	6.19
Merrill CIO Benchmark (Moderate MF)				9.10	7.37	15.81	13.19	6.62	7.44
American Funds Moderately Conservative MF	28S02449	3/2021	Gross	5.20	4.55	10.53	10.25	5.27	5.82
			Net	4.74	3.64	8.61	8.33	3.40	3.92
Merrill CIO Benchmark (Moderately Conservative MF)				6.92	5.73	12.27	10.60	4.89	5.54
American Funds Conservative MF	28S02448	3/2021	Gross	3.14	2.64	7.30	7.74	3.69	4.01
			Net	2.69	1.74	5.44	5.87	1.84	2.14
Merrill CIO Benchmark (Conservative MF)				4.19	3.50	8.24	7.95	3.42	3.81

Past results are not predictive of results in future periods.

Performance data shows MAA Composite Performance results. Merrill Lynch is responsible for the calculation of these results.

MAA Composites: The MAA Composite performance results represent the actual performance of all unconstrained accounts managed by MAA in this Strategy that have enrolled in the Merrill Lynch Investment Advisory Program (IAP) as well as in other Merrill or Merrill affiliated investment advisory programs that meet the criteria set by MAA for inclusion in the MAA Composite performance calculation. The MAA Composite performance results shown, if any, are affected by the methodology used by MAA to select accounts and also by the size and number of accounts in the MAA Composite, which can vary.

Gross/Net Performance Results: Performance results are shown 'gross' or '(before fees)' which reflects the performance before the deduction of the Program Fee. Performance results are also shown 'net' or '(after fees)' which reflects the performance after the deduction of the Program Fee based on the maximum rate then in effect for the period shown for the Program and the maximum Style Manager Expense Rate charged for the Strategy, as reflected in the Strategy Profile. This maximum rate may differ from the actual rate agreed to by the client for IAP services and investment in the Style Manager Strategy. The return on investment for your client's Account will be reduced by the deduction of the Program Fee they pay. The compound impact on Composite performance of the deduction of fees is determined by the account size, the amount of the fee, the time period, and the gross investment performance.

The net of fee performance information shown for the Strategy for the period from May 1, 2022, to the date of this Profile is calculated using the maximum Program Fee of 1.75%, which is based on the maximum Style Manager Expense Rate (is applicable) in effect during the period and the maximum Merrill Lynch Fee Rate of 1.75%. The net of fee performance information shown for prior past periods is calculated based on the Style Manager Expense Rate then in effect plus the maximum Merrill Lynch Fee rate then in effect for the periods indicated as follows: (i) 2.00% rate in effect for the period from January 1, 2019, to April 30, 2022; (ii) 2.20% rate in effect from February 1, 2017 to January 1, 2019; and (iii) 2.70% rate in effect for the period prior to January 31, 2017.

For more information on the Merrill CIO benchmarks refer to page 11.

Model portfolio results as of June 30, 2026

For additional model results, please view the profile sheets available on the Capital Group investment managers page in Resource Central.

MAA composite results (gross and net percentage).

Tax-aware models

	Strategy ID	Inception date	Type of return	QTD	YTD	1 year	3 years	5 years	Lifetime
American Funds Aggressive MF Tax-Aware	28S02457	11/2021	Gross	15.42	10.99	20.56	19.23	–	9.76
			Net	14.92	10.03	18.47	17.16	–	7.82
Merrill CIO Benchmark (Aggressive MF Tax-Aware)				14.28	11.45	23.55	18.26	–	10.22
American Funds Moderately Aggressive MF Tax-Aware	28S02456	5/2021	Gross	12.68	9.72	18.53	16.88	9.48	9.60
			Net	12.19	8.76	16.48	14.85	7.54	7.64
Merrill CIO Benchmark (Moderately Aggressive MF Tax-Aware)				12.06	9.84	20.35	15.54	8.66	8.83
American Funds Moderate MF Tax-Aware	28S02455	4/2021	Gross	9.88	8.07	16.01	13.70	7.56	8.19
			Net	9.40	7.13	14.00	11.72	5.65	6.26
Merrill CIO Benchmark (Moderate MF Tax-Aware)				9.81	8.02	17.09	12.96	7.05	7.67
American Funds Moderately Conservative MF Tax-Aware	28S02454	5/2021	Gross	6.77	5.73	12.21	10.29	5.82	5.91
			Net	6.30	4.80	10.27	8.37	3.94	4.02
Merrill CIO Benchmark (Moderately Conservative MF Tax-Aware)				7.65	6.39	13.39	10.39	5.19	5.34
American Funds Conservative MF Tax-Aware	28S02453	6/2022	Gross	4.27	3.82	8.87	7.21	–	5.58
			Net	3.82	2.92	6.98	5.35	–	3.75
Merrill CIO Benchmark (Conservative MF Tax-Aware)				4.44	3.81	8.86	7.55	–	5.87

Multi-asset income models

	Strategy ID	Inception date	Type of return	QTD	YTD	1 year	3 years	5 years	Lifetime
American Funds Moderate Income MF Taxable	28S02347	12/2020	Gross	7.26	7.25	15.10	14.17	8.12	9.47
			Net	6.79	6.32	13.10	12.18	6.20	7.50
Merrill CIO Benchmark (Moderate Income MF Taxable)				9.10	7.37	15.81	13.19	6.62	7.82
American Funds Moderately Conservative Income MF Taxable	28S02346	12/2020	Gross	5.23	5.45	12.00	11.54	6.30	7.37
			Net	4.77	4.53	10.06	9.61	4.41	5.44
Merrill CIO Benchmark (Moderately Conservative Income MF Taxable)				6.92	5.73	12.27	10.60	4.89	5.68
American Funds Conservative Income MF Taxable	28S02345	12/2020	Gross	2.86	3.09	8.06	8.65	4.18	4.96
			Net	2.41	2.19	6.18	6.77	2.33	3.07
Merrill CIO Benchmark (Conservative Income MF Taxable)				4.19	3.50	8.24	7.95	3.42	3.79

Market index results as of June 30, 2026

	Cumulative total returns (%)			Average annual total returns (%)		
Index name	**QTD**	**YTD**	**1 year**	**3 years**	**5 years**	**10 years**
Bloomberg U.S. Aggregate Index	0.67	0.62	3.79	4.16	0.08	1.54
MSCI All Country World Index (ACWI) ex USA	14.49	13.68	27.66	18.82	8.79	9.93
S&P 500 Index	15.20	10.21	22.32	20.61	13.41	15.51

Past results are not predictive of results in future periods.

Model portfolio allocation ranges

Core models

	Strategy ID	Estimated allocation range* (equity / fixed income % range)
American Funds Aggressive MF	28S02452	85% to 95% Equity / 5% to 15% Fixed income
American Funds Moderately Aggressive MF	28S02451	70% to 80% Equity / 20% to 30% Fixed income
American Funds Moderate MF	28S02450	55% to 65% Equity / 35% to 45% Fixed income
American Funds Moderately Conservative MF	28S02449	35% to 45% Equity / 55% to 65% Fixed income
American Funds Conservative MF	28S02448	15% to 25% Equity / 75% to 85% Fixed income

Tax-aware models

	Strategy ID	Estimated allocation range* (equity / fixed income % range)
American Funds Aggressive MF Tax-Aware	28S02457	85% to 95% Equity / 5% to 15% Fixed income
American Funds Moderately Aggressive MF Tax-Aware	28S02456	70% to 80% Equity / 20% to 30% Fixed income
American Funds Moderate MF Tax-Aware	28S02455	55% to 65% Equity / 35% to 45% Fixed income
American Funds Moderately Conservative MF Tax-Aware	28S02454	35% to 45% Equity / 55% to 65% Fixed income
American Funds Conservative MF Tax-Aware	28S02453	15% to 25% Equity / 75% to 85% Fixed income

Multi-asset income models

	Strategy ID	Estimated allocation range* (equity / fixed income % range)
American Funds Moderate Income MF Taxable	28S02347	55% to 65% Equity / 35% to 45% Fixed income
American Funds Moderately Conservative Income MF Taxable	28S02346	45% to 55% Equity / 45% to 55% Fixed income
American Funds Conservative Income MF Taxable	28S02345	35% to 45% Equity / 55% to 65% Fixed income

*Capital Group Custom Solutions Committee does not explicitly manage to these asset allocation ranges. The ranges reflect current expectations for the portfolios' allocations. These ranges may change based on market conditions or Merrill CIO guidance.

Important information

Merrill CIO Benchmarks (pages 8-9)

The Merrill CIO Benchmarks, referred to as Style Indexes at Merrill, provide a reasonably relevant market comparison to the performance of the Strategy. Merrill selects either a single market index or customizes the Style Index. For a Style Index customized by Merrill, its performance is derived from the performance of the two or more indexes identified according to the percentage allocations noted. The Merrill CIO Benchmarks and their respective weightings are as follows:

Aggressive MF: 31% Russell 1000 Growth TR, 31% Russell 1000 Value TR, 15% MSCI World ex US TR Net, 9% MSCI Emerging Markets TR Net, 5% ICE BofA US Corporate, 4% ICE BofA US Treasury & Agency Master, 2% Russell 2000 Growth TR, 2% Russell 2000 Value TR, 1% ICE BofA US TBill TR.

Aggressive MF TA: 31% Russell 1000 Growth TR, 31% Russell 1000 Value TR, 15% MSCI World ex US TR Net, 9% MSCI Emerging Markets TR Net, 8% Bloomberg Municipal TR, 2% Russell 2000 Growth TR, 2% Russell 2000 Value TR, 1% ICE BofA US TBill TR, 1% Bloomberg Municipal High Yield TR.

Conservative MF, Conservative Income MF: 22% ICE BofA Global Broad Mkt ex USD TR Hedged, 18% ICE BofA US Treasury & Agency Master, 17% ICE BofA US Corporate, 13% ICE BofA Mortgage Mstr, 8% Russell 1000 Growth TR, 8% Russell 1000 Value TR, 5% ICE BofA US TBill TR, 4% MSCI World ex US TR Net, 3% ICE BofA US Cash Pay High Yield, 2% MSCI Emerging Markets TR Net.

Conservative MF TA: 28% Bloomberg Municipal TR, 18% ICE BofA Global Broad Mkt ex USD TR Hedged, 9% ICE BofA US Treasury & Agency Master, 7% ICE BofA US Corporate, 7% Russell 1000 Growth TR, 7% Russell 1000 Value TR, 6% ICE BofA Mortgage Mstr, 5% ICE BofA US TBill TR, 4% Bloomberg Municipal High Yield TR, 4% MSCI World ex US TR Net, 3% ICE BofA US Cash Pay High Yield, 2% MSCI Emerging Markets TR Net.

Moderately Aggressive MF: 25% Russell 1000 Growth TR, 25% Russell 1000 Value TR, 12% ICE BofA US Corporate, 12% MSCI World ex US TR Net, 9% ICE BofA US Treasury & Agency Master, 7% MSCI Emerging Markets TR Net, 3% ICE BofA Mortgage Mstr, 2% Russell 2000 Growth TR, 2% Russell 2000 Value TR, 1% ICE BofA US TBill TR, 1% ICE BofA Global Broad Mkt ex USD TR Hedged, 1% ICE BofA US Cash Pay High Yield.

Moderately Aggressive MF TA: 25% Russell 1000 Growth TR, 25% Russell 1000 Value TR, 23% Bloomberg Municipal TR, 12% MSCI World ex US TR Net, 7% MSCI Emerging Markets TR Net, 3% Bloomberg Municipal High Yield TR, 2% Russell 2000 Growth TR, 2% Russell 2000 Value TR, 1% ICE BofA US TBill TR.

Moderately Conservative, Moderately Conservative Income MF: 17% ICE BofA US Treasury & Agency Master, 16% ICE BofA US Corporate, 14% Russell 1000 Growth TR, 14% Russell 1000 Value TR, 12% ICE BofA Mortgage Mstr, 10% ICE BofA Global Broad Mkt ex USD TR Hedged, 7% MSCI World ex US TR Net, 4% MSCI Emerging Markets TR Net, 3% ICE BofA US Cash Pay High Yield, 1% ICE BofA US TBill TR, 1% Russell 2000 Growth TR, 1% Russell 2000 Value TR.

Moderately Conservative MF TA: 34% Bloomberg Municipal TR, 14% Russell 1000 Growth TR, 14% Russell 1000 Value TR, 13% ICE BofA Global Broad Mkt ex USD TR Hedged, 7% MSCI World ex US TR Net, 4% Bloomberg Municipal High Yield TR, 4% ICE BofA US Corporate, 4% MSCI Emerging Markets TR Net, 2% ICE BofA Mortgage Mstr, 1% ICE BofA US TBill TR, 1% ICE BofA US Cash Pay High Yield, 1% Russell 2000 Growth TR, 1% Russell 2000 Value TR.

Moderate MF, Moderate Income MF: 20% Russell 1000 Growth TR, 20% Russell 1000 Value TR, 14% ICE BofA US Corporate, 14% ICE BofA US Treasury & Agency Master, 10% MSCI World ex US TR Net, 9% ICE BofA Mortgage Mstr, 5% MSCI Emerging Markets TR Net, 3% ICE BofA Global Broad Mkt ex USD TR Hedged, 2% ICE BofA US Cash Pay High Yield, 1% ICE BofA US TBill TR, 1% Russell 2000 Growth TR, 1% Russell 2000 Value TR.

Moderate MF TA: 36% Bloomberg Municipal TR, 20% Russell 1000 Growth TR, 20% Russell 1000 Value TR, 10% MSCI World ex US TR Net, 5% MSCI Emerging Markets TR Net, 4% Bloomberg Municipal High Yield TR, 1% ICE BofA US TBill TR, 1% ICE BofA Global Broad Mkt ex USD TR Hedged, 1% ICE BofA US Cash Pay High Yield, 1% Russell 2000 Growth TR, 1% Russell 2000 Value TR.

The Style Index is unmanaged and is not subject to management fees and other expenses. Securities contained in the Style Index will vary from those in the strategies list or in the client account. It is not possible to invest directly in a Style Index. There may have been periods when the model portfolios lagged the Style Index.

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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. Income from municipal bonds may be subject to state or local income taxes and/or the federal alternative minimum tax. Certain other income, as well as capital gain distributions, may be taxable. 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.

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ICE BofA US Corporate - Is a gauge of the performance of investment grade corporate debt in the United States. It tracks US dollar-denominated debt that is issued publicly in the US domestic market.

ICE BofA US Treasury & Agency Master - Index tracks the performance of US Treasury and non-subordinated US agency debt. These securities are denominated in US dollars and issued in the US domestic market.

ICE BofA High Yield Master Bond - US Cash Pay - Is a market-value weighted index that tracks the performance of US dollar denominated below investment grade corporate debt (based on an average of Moody's, S&P and Fitch ratings), currently in a coupon paying period, that is publicly issued in the US domestic market.

ICE BofA Global Broad Market ex USD TR Hedged - Tracks the performance of investment grade debt that is publicly issued in the major domestic and eurobond markets. This includes debt from sovereign, quasi-government, and corporate entities.

ICE BofA Mortgage Master - The index tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market.

ICE BofA US 1 month TBill TR - Is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not less than, one month from the rebalancing date.

ICE Data Services is the marketing name used to refer to the suite of pricing (including evaluated pricing), market data, analytics, and related services offered by Intercontinental Exchange, Inc. and certain of its affiliates, including Interactive Data Corporation and its subsidiaries.

Bloomberg U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market.

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 Municipal Bond Index is a market-value-weighted index designed to represent the long-term investment-grade tax-exempt bond market.

Bloomberg Municipal TR - Is a benchmark for the US municipal bond market that tracks the performance of long-term, tax-exempt bonds denominated in USD.

The Bloomberg Municipal Bond: High Yield Index is a flagship measure of the U.S. municipal tax-exempt non-investment grade bond market. Included in the index are securities from all 50 U.S. states and four other qualifying regions (Washington D.C., Puerto Rico, Guam and the Virgin Islands). The index includes state and local general obligation bonds and revenue bonds. All bonds in the Index are tax exempt and hence are not eligible for other indices that include taxable high yield bonds, such as the U.S. High Yield Index and EM USD Aggregate Index.

Bloomberg Municipal High Yield TR - Is a market value-weighted index that measures the performance of high-yield municipal bonds in the United States. These bonds are issued by local governments, agencies, U.S. territories, the District of Columbia, and U.S. states. The Bloomberg Muni High Yield Index covers the high yield portion of the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

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.

MSCI World ex USA TR Net - Captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries--excluding the United States.

MSCI Emerging Markets Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global emerging markets, consisting of more than 20 emerging market country indexes. Results reflect dividends gross of withholding taxes through December 31, 2000, and dividends net of withholding taxes thereafter.

MSCI Emerging Markets TR Net - Captures large and mid cap representation across 24 Emerging Markets countries. With 1,440 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.

MSCI USA Index is a free float-adjusted, market capitalization-weighted index that is designed to measure the U.S. portion of the world market. This index is unmanaged and includes reinvested dividends and/or distributions, but does not reflect sales charges, commissions, expenses, or taxes. Results reflect dividends gross of withholding 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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The Russell 1000 Index is a market capitalization-weighted index that represents the top 1,000 stocks in the U.S. equity market by market capitalization.

The Russell 1000 Growth Index is a market capitalization-weighted index that represents the large-cap growth segment of the U.S. equity market and includes stocks from the Russell 1000 Index that have higher price-to book ratios and higher expected growth values.

Russell 1000 Growth Total Return - Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000 Value Index is a market capitalization-weighted index that represents the large-cap value segment of the U.S. equity market and includes stocks from the Russell 1000 Index that have lower price-to book ratios and lower expected growth values.

Russell 1000 Value Total Return - Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Growth Total Return - Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Index is a widely followed stock market index that measures the performance of approximately 2,000 small-cap publicly traded U.S. companies.

The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Value Total Return - Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

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