

Leverage over 90 years
of investment experience.
Add us to your team.



How do I select a portfolio strategist?

Leverage the knowledge of experienced investment professionals to help investors achieve their financial goals. Seek out portfolio strategists with deep experience and familiarity with financial markets and investment strategies who can design, manage and monitor portfolios aligned with real-life goals. Add us to your team.

What questions should you ask when trying to select a portfolio strategist?

1

Is this an organization I can trust?

2

Who are the people managing and monitoring the strategies?

3

Does their philosophy align with my investor's goals?

4

What makes the strategist different?

At Capital Group, we have decades of experience working with advisors and their clients.

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



1. Is this an organization I can trust?

Capital Group has been helping investors pursue better outcomes for more than 90 years. We have the size, stability and long history that investors look for in their investment management professionals.

Scale matters*



Experience matters



*All data as of 12/31/24.



Analyst-Driven %
100

Data Coverage %
100

12

American Funds®
Model Portfolios are rated
"gold" by Morningstar¹

7

underlying funds were
recognized among the
Morningstar **"Thrilling 36"**²



Among the **most recognized**
for third-party models
and asset allocation³



Model provider
selected **most often**³

¹ Capital Capital Group has paid Morningstar a licensing fee to access and publish its ratings data. ©2025 Morningstar, Inc. All rights reserved. The model ratings mentioned above are based on forward-looking qualitative assessments as well as select quantitative data through June 30, 2024 for the core models and September 30, 2024 for the Retirement Income models, respectively. No share classes were directly cited for the ratings upgrades, but Morningstar's reports include mentions of the F-2 share class as examples. Gold medalist ratings (100% analyst-rated) were reaffirmed as of 08/13/2024 for the following model portfolios: American Funds Global Growth Model Portfolio, American Funds Growth Model Portfolio, American Funds Growth and Income Model Portfolio, American Funds Moderate Growth and Income Model Portfolio and American Funds Conservative Growth and Income Model Portfolio. Gold medalist ratings (100% analyst-rated) were reaffirmed as of 07/19/2024 for the following model portfolios: American Funds Tax Aware Growth and Income Model Portfolio, American Funds Tax Aware Moderate Growth and Income Model Portfolio, American Funds Tax Aware Conservative Growth and Income Model Portfolio, American Funds Tax Aware Moderate Income Model Portfolio and American Funds Tax Aware Conservative Income Model Portfolio. Gold medalist ratings (100% analyst-rated) were reaffirmed as of 1/15/2025 and 1/14/2025, respectively, for the following model portfolios: American Funds Retirement Income Model Portfolio – Enhanced and American Funds Retirement Income Model Portfolio – Moderate. Please refer to page 12 for additional disclosure.

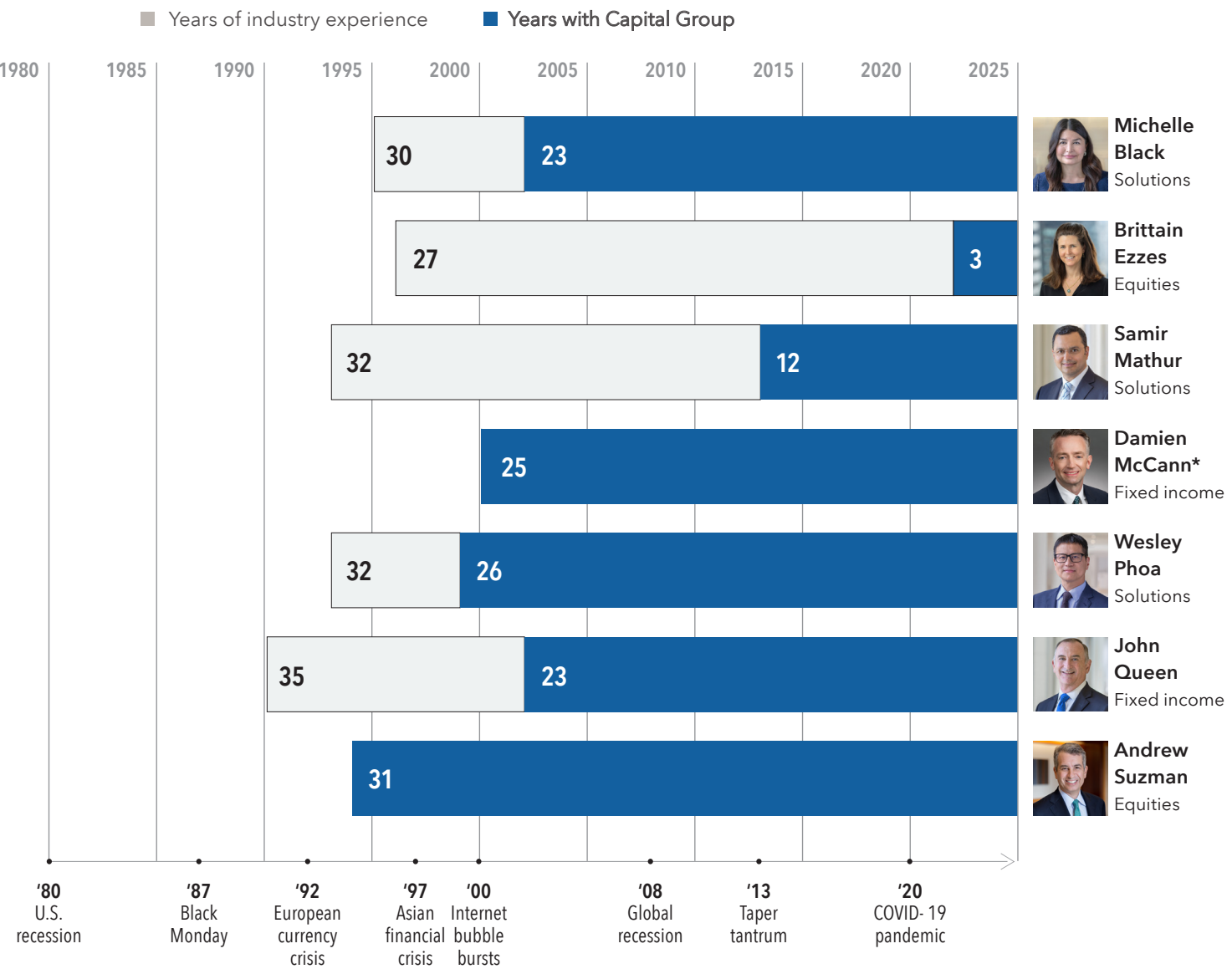
² Source: Morningstar, "The Thrilling 36" by Russel Kinnel, August 2024. Morningstar's screening took into consideration expense ratios, manager ownership, returns over manager's tenure, and Morningstar Risk, Analyst and Parent ratings. The universe was limited to share classes accessible to individual investors with a minimum investment no greater than \$50,000 and did not include funds of funds. Class A shares were evaluated for American Funds. Refer to morningstar.com for more details. The funds named to the list were American Balanced Fund, American Mutual Fund, Capital Income Builder, The Growth Fund of America, The Income Fund of America, The New Economy Fund and New Perspective Fund. Not all funds are in all models or portfolio strategies.

³ Source: Cogent Syndicated December 2024, Advisor Use of Model Portfolios and SMAs: Examining the competitive landscape for third-party model providers and asset managers. 396 registered financial advisors who have an active book of business of at least \$5M in assets under management (AUM) across five channels, with an average AUM of \$289M and median AUM of \$99M, participated in a web survey conducted from September 24 to October 7, 2024. Most recognized for third-party models accolade survey question: Assume you were considering investing client assets in model portfolios. Which firm's third-party models (asset managers) would you be most likely to consider? Most recognized for third-party asset allocation question: Which company or companies are described by this statement: Is a leader in asset allocation? Model provider selected most often question: Which of these third-party model portfolio providers are you currently using? Capital Group compensated Cogent for access to this report and to license its content for use herein.

2. Who are the people managing and monitoring the strategies?

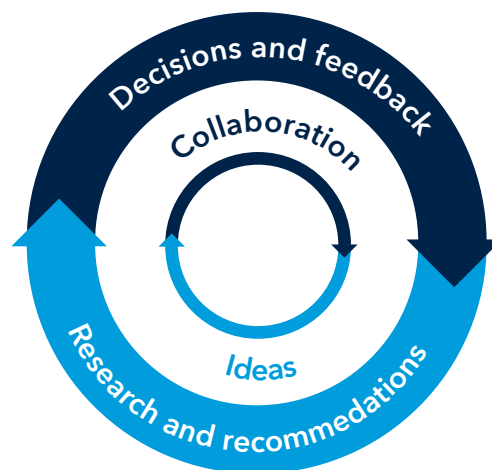
Capital Group Portfolio Solutions Committee

The Capital Group Portfolio Solutions Committee (PSC) are the people who build and oversee the model portfolios. This group of seven portfolio managers has an average 30 years of investment industry experience and are focused on helping investors realize their objectives.



Years of experience as of December 31, 2024. Investment professional responsibilities may have changed since that date.
*Joined the committee on January 1, 2025.

CSG includes four portfolio managers, three business managers and 14 analysts, supported by more than 20 technology, operations and oversight staff.



Portfolio Solutions
Committee

Capital Solutions
Group

Capital Solutions Group (CSG)

The PSC is supported by the Capital Solutions Group (CSG). The CSG is a think tank composed of investment professionals and support staff with a wealth of knowledge and experience on a diverse array of subject matter. They seek to combine their knowledge and analytical abilities to anticipate what investors might need in the future.



Eswarie Balan
14 years in industry
BA, MA, CFA®



Michelle Black
30 years in industry
BS, CIMA®, CPWA®



Glenn Cagan
15 years in industry
BS, CFA®



Swati Chandra
19 years in industry
BS, MBA, CFA®



Denis Chaves
17 years in industry
BS, MS, MBA, PhD



Grace Chen
9 years in industry
BS, MFE



Linxi Chen*
6 years in industry
BS, PhD



Eugene Han
9 years in industry
BA, MM, MPP



Shan Khoja*
5 years in industry
BS



Katie Kilday
19 years in industry
BA, CFA®



Ilia Lanski
25 years in industry
MS, PhD



Boqiu Lu
15 years in industry
BA, MS, MFE



Samir Mathur
32 years in industry
BS, MS, MBA



Michele Mazzoleni*
11 years in industry
BA, MS, PhD



Jeanell Novak
18 years in industry
BA, MBA



Chima Nwadike
19 years in industry
BA, MS, IMC



Raj Paramaguru
20 years in industry
BS, MS, MBA, CFA®



Wesley Phoa
32 years in industry
BS, PhD



Pooja Saksena
18 years in industry
BS, MFE, MISM



Andrew Shannon
14 years in industry
BS, MBA, CIMA®



Ella Sinfield
5 years in industry
BS

Years of experience as of December 31, 2024. Investment professional responsibilities may have changed since that date.

*Joined the group on January 1, 2025.

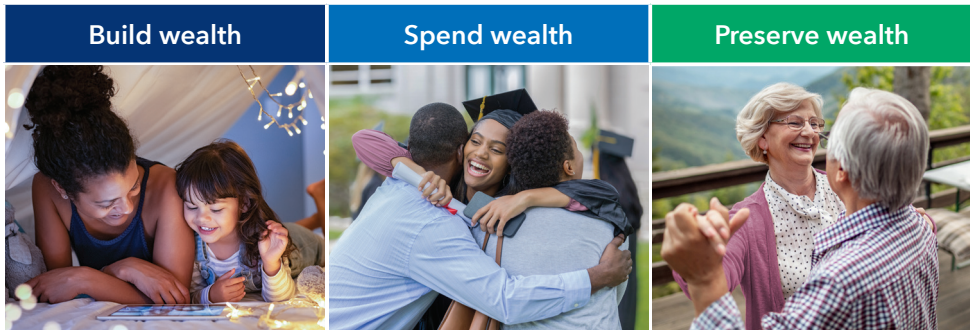
3. Does their philosophy align with my investor's goals?

We believe in building objective-based models using two layers of active management.

How do we measure success?

Beating an index is not the sole measure of success. In some cases, it may not even be an investor's primary concern. Helping investors achieve their goals is how we measure success.

Investor goals



What metrics do we consider?

Different life stages call for different objectives. And we understand that different objectives require different ways to gauge success.

Outcome metrics	Long-term growth of capital			Long-term growth of capital and income			Current income and capital preservation		
Higher return									
Higher risk-adjusted return									
Higher yield									
Lower volatility									
Minimize drawdowns									

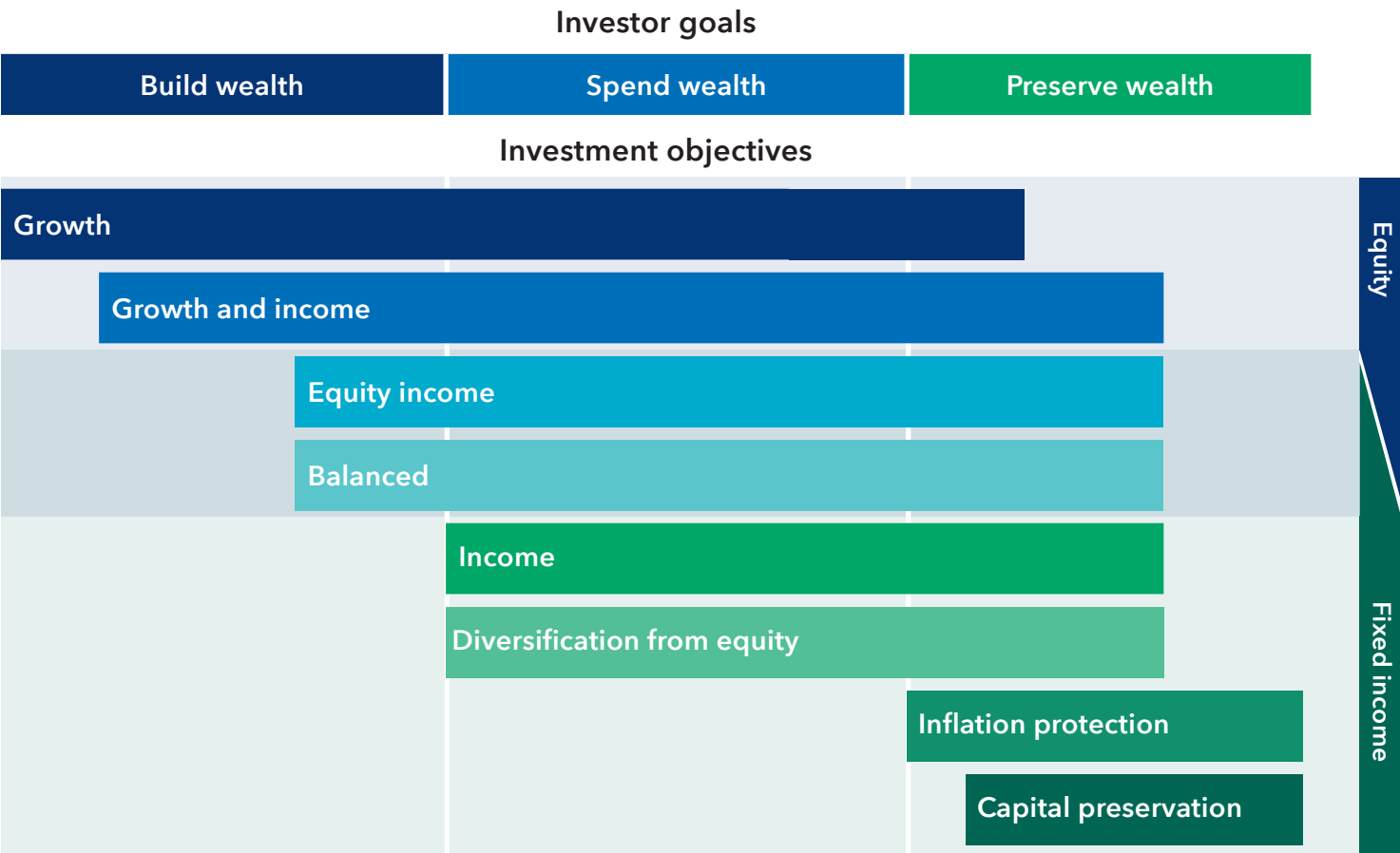
Primary factor Secondary factor

Source: Capital Group.

We find that most goals fall into three broad categories: building, spending and preserving wealth.

Within these categories, each goal is addressed by portfolios with investment objectives like growth, growth and income, and income and preservation. The mix of objectives targeted by each portfolio will differ depending on the goal, as shown in the exhibit below.

Each portfolio’s success in achieving the desired investor goal is defined by its ability to deliver a specific mix of quantitative investment metrics, such as risk-adjusted returns, maximum drawdown and yield.



4. What makes the strategist different?



"Portfolio construction is about real people with real financial goals – so that's where we start."

– **WESLEY PHOA**
Solutions Portfolio Manager

We are focused on helping investors achieve their financial goals. To do that, Capital Group employs two layers of active management to our models. The first layer is bottom-up security selection by portfolio managers in each of the underlying funds.

The second layer is the construction and oversight of the model portfolios by the Portfolio Solutions Committee, with support from the Capital Solutions Group. This approach is guided by The Capital System™, which is built on the foundation of a long-term view, deep fundamental research, extensive experience and a commitment to low expenses.

Our two-layer system is distinctive among investment managers. It adds another layer of due diligence and collaboration and promotes a thoughtful and thorough process. And it's an important component of Capital Group's five pillars of model portfolio differentiation.

Five pillars of model portfolio differentiation



**Objective-based
process**



**Two layers of
active management**



**Flexibility of
underlying funds**



**Recharacterization
of equity**



**Focused roles of
fixed income**

Anatomy of a model portfolio

A model portfolio is composed of different layers, with each individual layer working together with the others to pursue the objectives of the portfolio as a whole.

Hypothetical model allocation

70% Equity/30% Fixed income

Primary goal: Capital appreciation

Secondary goal: Income

8% SMALLCAP World Fund®
7% The Growth Fund of America®
Equity focused funds that seek capital appreciation and provide diversification.

20% Capital World Growth and Income Fund®
20% The Investment Company of America®
10% Washington Mutual Investors Fund
Components that seek growth opportunities and to provide income through dividends, which helps lower the risk of the model or overall portfolio.

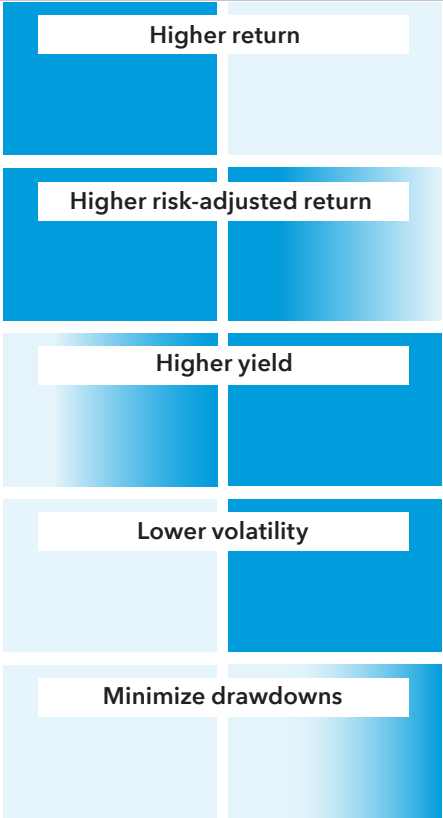
10% Capital Income Builder®
Invests in a mix of stocks and bonds in pursuit of its income objectives, which may have the potential to lead to equity-like returns with relatively less volatility than global markets.

10% American Balanced Fund®
Flexible component that balances growth opportunities, income and capital preservation across equity and fixed income asset classes.

5% American Funds® Multi-Sector Income Fund
Seeks to provide high income with an expanded opportunity set across credit sectors.

5% American Funds® Strategic Bond Fund
5% The Bond Fund of America®
Components in aggregate may help diversification from equities while providing flexibility to navigate various fixed income environments.

SUCCESS METRICS



■ Primary factor ■ Secondary factor

Hypothetical model allocation

50% Equity/50% Fixed income

Primary goal: High income

Secondary goal: Capital appreciation

10% Washington Mutual Investors Fund
10% American Mutual Fund®
Focuses on dividend-paying equities, seeking opportunities for capital appreciation and income.

19% The Income Fund of America®
19% Capital Income Builder
The combination of these underlying funds seeks to provide above average income through a mix of dividend paying equities, quality bonds and some high yield bonds. Higher dividend equities may help lower overall portfolio risk.

10% American High-Income Trust®
Seeks income opportunities from higher yielding bonds to help reinforce the model's focus on high current income.

16% American Funds Multi-Sector Income Fund
Seeks high income with an expanded opportunity set across credit sectors. Helps reinforce the model's focus on high current income.

16% The Bond Fund of America
The fund invests in high-quality bonds to diversify from equities and complement income-focused counterparts.

Disclosures

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**Learn more about
our models.**

