

Capital Group Active-Passive Models

Designed for the long term

Quarterly update – Q4 2025



Featured investment professionals



Samir Mathur
Chair of the Portfolio
Solutions Committee



Mario DiVito
Multi-Asset
Investment Director



Liz Yakes
Multi-Asset Investment
Product Manager

Quarterly models summary

Key takeaways for the quarter ended December 31, 2025

- Markets closed out 2025 in positive territory, buoyed by robust earnings reports and continued U.S. Federal Reserve rate cuts.
- The Capital Group Active Passive Models all had positive absolute gross and net results for the quarter, and while a few of them led or were in line with their benchmarks on a gross basis, all of them lagged net of fees.
- While no model portfolio reallocations were made this quarter, the Portfolio Solutions Committee (PSC) and the Capital Solutions Group (CSG) continue to monitor model portfolios regularly for risks and to ensure alignment with their long-term portfolio objectives, while active 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.

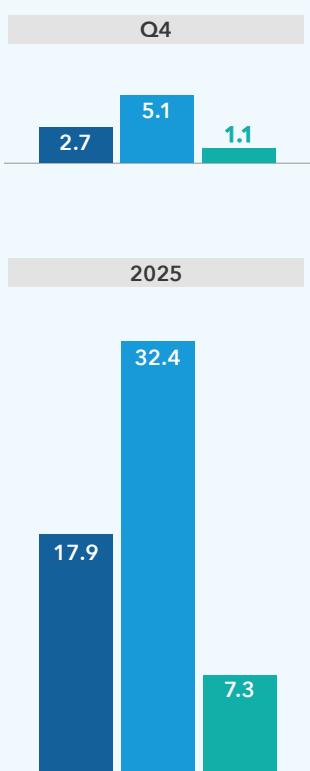
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Past results are not predictive of results in future periods.

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 ended 2025 on a positive note, driven largely by solid corporate earnings and continued U.S. Federal Reserve interest rate cuts. U.S. inflation appeared to fall, or at least stabilize, in the fourth quarter but the inflation picture was clouded by missing data due to the government shutdown.

International equities, including emerging markets, outpaced U.S. equities with the MSCI All Country World Index (ACWI) ex USA advancing 5.05%, compared to the S&P 500 Index's 2.66%. Globally, value stocks led growth while defensive stocks generally outpaced more cyclical equities (based on components of the MSCI ACWI). Health care was the highest performing sector in the S&P 500, followed by communication services, with both utilities and real estate ending in negative territory. High-dividend paying stocks lagged the broader U.S. equities market (as evidenced by the sector in the MSCI USA Index). The broad U.S. bond market advanced, boosted by high yield, mortgage-backed securities and municipal bonds (based on results from the Bloomberg U.S. Aggregate, Bloomberg U.S. Corporate High Yield and Bloomberg U.S. Municipal Bond indexes). High-yield outpaced investment-grade credit (as measured by the Bloomberg U.S. Corporate Investment Grade Index). The U.S. Treasury curve steepened over the quarter.

The Fed cut interest rates twice in the fourth quarter in response to rising unemployment, bringing the total number of cuts to three in 2025. The Bank of England also lowered their policy rate, while the European Central Bank held theirs steady and the Bank of Japan raised theirs to a 30-year high. As measured by the U.S. Dollar Index, the U.S. dollar rose modestly in the fourth quarter, but still ended down over 9% for the year.

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 active-passive growth models have substantial active and passive allocations to equities, particularly growth equities, given their capital appreciation objective. These models had positive absolute results but lagged their benchmarks.

Capital Group Active-Passive Global Growth Model Portfolio posted positive absolute returns for the quarter but lagged its benchmark.

- U.S. and non-U.S. stock selection detracted, while greater allocation to non-U.S. equities was additive.
- Selection within information technology (semiconductors) and energy boosted results; selection within communication services and financials (private equity and infrastructure firm) weighed on returns.
- CGXU - Capital Group International Focus Equity ETF was additive to relative returns; CGMM - Capital Group U.S. Small and Mid Cap ETF was a relative detractor.
- Geographic allocations to U.S. equity and non-U.S. equity ended the quarter at 54% and 45%, respectively.

Capital Group Active-Passive Growth Model Portfolio posted positive absolute returns for the quarter but lagged its benchmark.

- Non-U.S. stock selection was marginally additive, while U.S. stock selection detracted.
- Selection within information technology and health care (biotech) boosted results; selection within communication services (streaming services) and financials weighed on returns.
- CGGR - Capital Group Growth ETF and CGUS - Capital Group Core Equity ETF were relative detractors.

Capital Group Active-Passive Moderate Growth Model Portfolio 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 information technology and health care (pharmaceuticals) boosted results; selection within communication services (social media conglomerate) and financials weighed on returns.

- Fixed income was additive. Less overall exposure as well as corporate bonds boosted returns, while Treasuries and other government related debt detracted.
- CGGO - Capital Group Global Growth Equity ETF and CGUS - Capital Group Core Equity ETF were relative detractors.

Growth-and-income models

Our active-passive 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. The success metrics for these models emphasize lower volatility, strong risk-adjusted returns and yield.

Capital Group Active-Passive Growth and Income Model Portfolio 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 information technology and health care (biotech) boosted results; selection within financials (fintech) and materials weighed on returns.
- Fixed income was additive. Less overall exposure as well as forward contracts boosted returns, while Treasuries and other government related debt detracted.
- CGDV - Capital Group Dividend Value ETF was additive to relative returns; CGGR - Capital Group Growth ETF was a relative detractor.

Capital Group Active-Passive Moderate Growth and Income Model Portfolio 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 information technology (semiconductors) and greater health care exposure boosted results; selection in communication services and materials (sustainable packaging solutions) weighed on returns.
- Fixed income was additive. Less overall exposure as well as forward contracts boosted returns, while Treasuries and other government related debt detracted.
- CGDV - Capital Group Dividend Value ETF was additive to relative returns; Vanguard Total World Stock ETF was a relative detractor.

Capital Group Active-Passive Conservative Growth and Income Model Portfolio 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 information technology and health care (pharmaceuticals) boosted results; selection in industrials (professional services) and communication services weighed on returns.
- Fixed income was additive. Emerging markets bonds boosted returns, while corporate bonds and high-yield bonds marginally detracted.
- CGDV - Capital Group Dividend Value ETF was additive to relative returns; CGDG - Capital Group Dividend Growers ETF was a relative detractor.

Capital Group Active-Passive Conservative Income and Growth Model Portfolio 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 information technology (semiconductors) and health care boosted results; selection in materials and industrials (building products) weighed on returns.
- Fixed income was additive. Emerging markets bonds and corporate bonds boosted returns, while inflation-linked bonds and Treasuries detracted.
- CGDV - Capital Group Dividend Value ETF was additive to relative returns; CGCV - Capital Group Conservative Equity ETF was a relative detractor.

Preservation and income models

Capital Group Active-Passive 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.
- Selection within information technology (semiconductors) and financials boosted results; selection in communication services and consumer discretionary (home improvement retail) weighed on returns.
- Fixed income was a detractor. Corporate bonds and forward contracts boosted returns, while Treasuries and other government related bonds detracted.
- CGDV - Capital Group Dividend Value ETF was additive to relative returns; CGCV - Capital Group Conservative Equity ETF was a relative detractor.

Capital Group Active-Passive Preservation Model posted positive absolute returns that were roughly in line with its benchmark on a gross basis but lagged net of fees.

- Securitized bonds boosted returns, while inflation-linked bonds and Treasuries detracted.
- CGSD - Capital Group Short Duration Income ETF was a nominal relative contributor; Vanguard Short-Term Inflation-Protected Securities ETF was a nominal relative detractor.

Retirement income models

All three **Capital Group Active-Passive Retirement Income Models** posted positive absolute returns but lagged their respective benchmarks.

These models seek to support sustained inflation-adjusted withdrawals, within their guidance ranges, primarily through allocations to income-focused equities and a combination of higher yielding and higher quality fixed income securities.

- Non-U.S. stock selection was additive, while U.S. stock selection detracted.
- Stock selection within information technology and utilities was additive, while selection in communication services and greater exposure to industrials detracted.
- Fixed contribution was mixed across the models. Less overall exposure and corporate bonds boosted returns, while Treasuries and other government related bonds detracted.
- Across models, CGMS - Capital Group U.S. Multi-Sector Income ETF was marginally additive to relative returns; CGCV - Capital Group Conservative Equity ETF was a relative detractor.

Tax-aware portfolios

Most **Capital Group Active-Passive Tax-Aware Models** posted positive absolute returns but lagged their respective benchmarks. The lone exception was **Capital Group Active-Passive Tax-Aware Conservative Income** which posted positive absolute returns for the quarter, led its benchmark on a gross basis, but lagged net of fees.

- U.S. stock selection detracted across models, while non-U.S. selection was mixed across models.
- Stock selection within information technology, health care and utilities boosted results; selection within communication services, materials and industrials weighed on returns.
- Fixed income was mostly additive across the models. Within municipal fixed income, across many of the models, health care and special tax situation municipal bonds were positive contributors, while transportation and housing municipals detracted.
- Across many of the tax-aware models, CGDV - Capital Group Dividend Value ETF and CGHM - Capital Group Municipal High-Income ETF were relative contributors, while CGUS - Capital Group Core Equity ETF and Schwab U.S. Dividend Equity ETF™ detracted from relative returns.

Capital Group Active-Passive Tax-Exempt Preservation Model posted positive absolute returns for the quarter, led its benchmark gross of fees, but lagged its benchmark net of fees.

- Within municipal fixed income, housing and health care municipal bonds were positive contributors, while escrowed and industrial development revenue & pollution control revenue municipals nominally detracted.
- Limited Term Tax-Exempt Bond Fund of America® was a relative contributor; State Street SPDR Nuveen ICE Short Term Municipal Bond ETF was a marginal relative detractor.

Looking forward

As we enter 2026, prospects remain high for relatively stable global economic growth, supported by fiscal stimulus in the U.S. and Europe and the possibility of additional U.S. interest rate cuts. In the U.S., growth has remained solid despite an uptick in the unemployment rate, with strong holiday sales to end the year.

Within underlying funds, active equity managers are mindful of historically high valuations across global markets, creating risks of pullbacks in the new year. Markets continue to broaden, with many companies driving returns outside the Magnificent 7 and information technology stocks. Although managers have favored selective information technology companies powering developments in AI, they also are targeting secondary beneficiaries of higher AI spending, including the utilities, industrials and materials companies that are benefiting from the build-out of AI infrastructure. Returns have also broadened geographically as non-U.S. equity markets have seen strong gains after years of mild returns.

The German defense stimulus, and increased defense

spending in general, are expected to create opportunities in defense stocks. Corporate reforms in Asia may induce managements there to adopt greater capital efficiency and return more capital to shareholders. In all geographies and sectors, active managers will continue to look for companies with attractive valuations, strong business models and quality management.

Within core U.S. fixed income, active managers are seeking out select higher-quality opportunities in the credit space as historically high valuations make security selection critical. They also favor certain higher quality, higher coupon parts of the securitized market. Within the municipals market, underlying active fund managers are finding compelling opportunities as fundamentals appear strong.

As we kick off the new year, portfolio managers and analysts continue to use their deep fundamental analysis in their quest to unearth overlooked opportunities and pursue strong results for investors.



Model composite results as of December 31, 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 Active-Passive Global Growth MP Composite	11/30/2022	Gross	2.88	21.88	21.88	20.57	–	–
		Net	2.11	18.33	18.33	17.05	–	–
MSCI All Country World Index (ACWI)	–		3.29	22.34	22.34	20.65	–	–
						18.49		
Capital Group Active-Passive Growth MP Composite	11/30/2022	Gross	2.28	19.19	19.19	23.72	–	–
		Net	1.52	15.71	15.71	20.12	–	–
Growth Model Portfolio Index Blend	–		3.26	21.44	21.44	21.65	–	–
						19.21		
Capital Group Active-Passive Moderate Growth MP Composite	11/30/2022	Gross	2.34	18.65	18.65	20.86	–	–
		Net	1.57	15.19	15.19	17.34	–	–
Moderate Growth Model Portfolio Index Blend	–		3.02	19.81	19.81	18.79	–	–
							16.80	
Growth and income								
Capital Group Active-Passive Growth and Income MP Composite	11/30/2022	Gross	2.43	17.22	17.22	17.06	–	–
		Net	1.67	13.79	13.79	13.63	–	–
Growth and Income Model Portfolio Index Blend	–		2.87	18.71	18.71	16.91	–	–
						15.21		
Capital Group Active-Passive Moderate Growth and Income MP Composite	11/30/2022	Gross	2.36	16.19	16.19	14.60	–	–
		Net	1.59	12.80	12.80	11.24	–	–
Moderate Growth and Income Model Portfolio Index Blend	–		2.59	16.93	16.93	15.32	–	–
Capital Group Active-Passive Conservative Growth and Income MP Composite	11/30/2022	Gross	2.14	13.48	13.48	10.83	–	–
		Net	1.38	10.16	10.16	7.57	–	–
Conservative Growth and Income Model Portfolio Index Blend	–		2.27	14.82	14.82	13.67	–	–
Capital Group Active-Passive Conservative Income and Growth MP Composite	11/30/2022	Gross	1.78	11.83	11.83	9.42	–	–
		Net	1.02	8.56	8.56	6.20	–	–
Conservative Income and Growth Model Portfolio Index Blend	–		1.88	12.34	12.34	10.36	–	–
							9.42	
Preservation and income								
Capital Group Active-Passive Conservative Income MP Composite	11/30/2022	Gross	1.33	8.76	8.76	6.81	–	–
		Net	0.57	5.57	5.57	3.66	–	–
Conservative Income Model Portfolio Index Blend	–		1.43	8.83	8.83	8.22	–	–
Capital Group Active-Passive Preservation MP Composite	11/30/2022	Gross	1.15	6.05	6.05	4.84	–	–
		Net	0.39	2.93	2.93	1.75	–	–
Bloomberg 1-5 Year U.S. Government/Credit A+ Index	–		1.16	5.98	5.98	4.72	–	–
							4.60	

Index lifetime returns are based on composite inception dates.

Model composite results as of December 31, 2025

Model portfolio	Inception date	Cumulative total returns (%)			Average annual total returns (%)			
		QTD	YTD	1 year	3 years	5 years	10 years	Lifetime
Income								
Capital Group Active-Passive Retirement Income - Enhanced MP Composite	11/30/2022	Gross	2.25	15.36	15.36	13.15	—	—
		Net	1.48	11.99	11.99	9.83	—	—
Custom Index Retirement Income - Enhanced	—		2.59	16.93	16.93	15.32	—	—
Capital Group Active-Passive Retirement Income - Moderate MP Composite	11/30/2022	Gross	2.22	14.30	14.30	10.99	—	—
		Net	1.46	10.96	10.96	7.73	—	—
Custom Index Retirement Income - Moderate	—		2.24	14.62	14.62	12.82	—	—
Capital Group Active-Passive Retirement Income - Conservative MP Composite	11/30/2022	Gross	1.78	11.93	11.93	8.78	—	—
		Net	1.02	8.65	8.65	5.58	—	—
Custom Index Retirement Income - Conservative	—		1.96	12.88	12.88	11.27	—	—
Tax-aware growth								
Capital Group Active-Passive Tax-Aware Moderate Growth MP Composite	10/31/2023	Gross	2.26	18.18	18.18	—	—	—
		Net	1.49	14.73	14.73	—	—	—
Tax-Aware Moderate Growth Model Portfolio Index Blend	—		3.09	19.27	19.27	—	—	—
Tax-aware growth and income								
Capital Group Active-Passive Tax-Aware Growth and Income MP Composite	10/31/2023	Gross	2.45	16.50	16.50	—	—	—
		Net	1.68	13.10	13.10	—	—	—
Tax-Aware Growth and Income Model Portfolio Index Blend	—		2.98	17.83	17.83	—	—	—
Capital Group Active-Passive Tax-Aware Moderate Growth and Income MP Composite	10/31/2023	Gross	2.48	14.48	14.48	—	—	—
		Net	1.71	11.13	11.13	—	—	—
Tax-Aware Moderate Growth and Income Model Portfolio Index Blend	—		2.75	15.72	15.72	—	—	—
Capital Group Active-Passive Tax-Aware Conservative Growth and Income MP Composite	10/31/2023	Gross	2.36	12.96	12.96	—	—	—
		Net	1.59	9.65	9.65	—	—	—
Tax-Aware Conservative Growth and Income Model Portfolio Index Blend	—		2.41	12.66	12.66	—	—	—
Tax-aware preservation and income								
Capital Group Active-Passive Tax-Aware Moderate Income MP Composite	10/31/2023	Gross	2.07	10.98	10.98	—	—	—
		Net	1.30	7.72	7.72	—	—	—
Tax-Aware Moderate Income Model Portfolio Index Blend	—		2.19	10.22	10.22	—	—	—
Capital Group Active-Passive Tax-Aware Conservative Income MP Composite	10/31/2023	Gross	1.54	7.56	7.56	—	—	—
		Net	0.77	4.39	4.39	—	—	—
Tax-Aware Conservative Income Model Portfolio Index Blend	—		1.39	7.13	7.13	—	—	—
Capital Group Active-Passive Tax-Exempt Preservation MP Composite	10/31/2023	Gross	0.81	4.72	4.72	—	—	—
		Net	0.05	1.63	1.63	—	—	—
Bloomberg Municipal Bond 1-7 Year Blend Index	—		0.59	4.74	4.74	—	—	—

Past results are not predictive of results in future periods.

Index lifetime returns are based on composite inception dates.

Market index results as of December 31, 2025

Index name	Cumulative total returns (%)			Average annual total returns (%)		
	QTD	YTD	1 year	3 years	5 years	10 years
Bloomberg Municipal Bond Index	1.56	4.25	4.25	3.88	0.80	2.34
Bloomberg U.S. Aggregate Index	1.10	7.30	7.30	4.66	-0.36	2.01
Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index	1.31	8.62	8.62	10.06	4.50	6.52
MSCI All Country World Index (ACWI)	3.29	22.34	22.34	20.65	11.19	11.72
MSCI All Country World Index (ACWI) ex USA	5.05	32.39	32.39	17.33	7.91	8.41
Russell 1000 Growth Index	1.12	18.56	18.56	31.15	15.32	18.13
Russell 1000 Index	2.41	17.37	17.37	22.74	13.59	14.59
Russell 1000 Value Index	3.81	15.91	15.91	13.90	11.33	10.53
S&P 500 Index	2.66	17.88	17.88	23.01	14.42	14.82

Index lifetime returns are based on composite inception dates.

Investment and index disclosures

Appendix

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The underlying funds for each model portfolio as of December 31, 2025, are as follows (allocations may not equal 100% due to rounding):

Capital Group Active-Passive Global Growth Model: Growth (65%): CGGO - Capital Group Global Growth Equity ETF 25%, CGXU - Capital Group International Focus Equity ETF 12%, CGMM - Capital Group U.S. Small and Mid Cap ETF 8%, CGGR - Capital Group Growth ETF 7%, CGNG - Capital Group New Geography ETF 7%, CGGE - Capital Group Global Equity ETF 6%; Growth and income (7%): CGUS - Capital Group Core Equity ETF 7%; Index ETFs (28%): Vanguard Total World Stock Index Fund 11%, Vanguard Growth Index Fund 8%, Vanguard FTSE All-World ex-US Index Fund 7%, iShares Core S&P 500 ETF 2%.

Capital Group Active-Passive Growth Model: Growth (52%): CGGR - Capital Group Growth ETF 20%, CGGO - Capital Group Global Growth Equity ETF 14%, CGMM - Capital Group U.S. Small and Mid Cap ETF 8%, CGGE - Capital Group Global Equity ETF 6%, CGNG - Capital Group New Geography Equity ETF 4%; Growth and income (20%): CGUS - Capital Group Core Equity ETF 20%; Index ETFs (28%): Vanguard Total World Stock Index Fund 16%, Vanguard Growth Index Fund 8%, iShares Core S&P 500 ETF 4%.

Capital Group Active-Passive Moderate Growth Model: Growth (42%): CGGR - Capital Group Growth ETF 16%, CGGO - Capital Group Global Growth Equity ETF 12%, CGGE - Capital Group Global 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 (13%): CGUS - Capital Group Core Equity ETF 8%, CGDG - Capital Group Dividend Growers ETF 5%; Balanced (13%): CGBL - Capital Group Core Balanced ETF 13%; Bond (4%): CGCB - Capital Group Core Bond ETF 4%; Index ETFs (28%): Vanguard Total World Stock Index Fund 16%, Vanguard Growth Index Fund 6%, iShares Core S&P 500 ETF 4%, Vanguard Total International Bond Index Fund 2%.

Capital Group Active-Passive Growth and Income Model: Growth (29%): CGGE - Capital Group Global Equity ETF 14%, CGGR - Capital Group Growth ETF 6%, CGGO - Capital Group Global Growth Equity

ETF 4%, CGMM - Capital Group U.S. Small and Mid Cap ETF 3%, CGNG - Capital Group New Geography Equity ETF 2%; Growth and income (18%): CGUS - Capital Group Core Equity ETF 7%, CGDG - Capital Group Dividend Growers ETF 6%, CGDV - Capital Group Dividend Value ETF 5%; Balanced (13%): CGBL - Capital Group Core Balanced ETF 13%; Bond (13%): CGCB - Capital Group Core Bond ETF 5%, CGMS - Capital Group U.S. Multi-Sector Income ETF 5%, CGCP - Capital Group Core Plus Income ETF 3%; Index ETFs (27%): Vanguard Total World Stock Index Fund 10%, iShares Core S&P 500 ETF 6%, iShares Core U.S. Aggregate Bond ETF 3%, iShares Core Dividend Growth ETF 2%, Schwab U.S. Dividend Equity ETF 2%, Vanguard High Dividend Yield Index Fund 2%, Vanguard Total International Bond Index Fund 2%.

Capital Group Active-Passive Moderate Growth and Income Model: Growth (21%): CGGE - Capital Group Global Equity ETF 11%, CGGR - Capital Group Growth ETF 4%, CGGO - Capital Group Global Growth Equity ETF 2%, CGNG - Capital Group New Geography Equity ETF 2%, CGMM - Capital Group U.S. Small and Mid Cap ETF 2%; Growth and income (17%): CGDG - Capital Group Dividend Growers ETF 10%, CGDV - Capital Group Dividend Value ETF 5%, CGUS - Capital Group Core Equity ETF 2%; Balanced (16%): CGBL - Capital Group Core Balanced ETF 16%; Bond (19%): CGCB - Capital Group Core Bond ETF 7%, CGMS - Capital Group U.S. Multi-Sector Income ETF 7%, CGCP - Capital Group Core Plus Income ETF 5%; Index ETFs (27%): Vanguard Total World Stock Index Fund 10%, iShares Core U.S. Aggregate Bond ETF 5%, iShares Core Dividend Growth ETF 3%, Vanguard Total International Bond Index Fund 3%, iShares Core S&P 500 ETF 2%, Schwab U.S. Dividend Equity ETF 2%, Vanguard High Dividend Yield Index Fund 2%.

Capital Group Active-Passive Conservative Growth and Income Model: Growth and income (25%): CGDG - Capital Group Dividend Growers ETF 19%, CGDV - Capital Group Dividend Value ETF 6%; Income (8%): American High-Income Trust 5%, American Funds Emerging Markets Bond Fund 3%; Balanced (5%): CGBL - Capital Group Core Balanced ETF 5%; Bond (35%): CGMS - Capital Group U.S. Multi-Sector Income ETF 20%, CGCB - Capital Group Core Bond ETF 8%, CGCP - Capital Group Core Plus Income ETF 7%; Index ETFs (27%): Vanguard Total World Stock Index Fund 7%, iShares Core U.S. Aggregate Bond ETF 5%, Schwab U.S. Dividend Equity ETF 5%, Vanguard High Dividend Yield Index Fund 5%, iShares Core Dividend Growth ETF 3%, Vanguard Total International Bond Index Fund 2%.

Capital Group Active-Passive Conservative Income and Growth Model:

Growth and income (19%): CGDG - Capital Group Dividend Growers ETF 8%, CGDV - Capital Group Dividend Value ETF 7%, CGCV - Capital Group Conservative Equity ETF 4%; Income (2%): American Funds Emerging Markets Bond Fund 2%; Balanced (4%): CGBL - Capital Group Core Balanced ETF 4%; Bond (48%) CGCB - Capital Group Core Bond ETF 19%, CGMS - Capital Group U.S. Multi-Sector Income ETF 16%, CGCP - Capital Group Core Plus Income ETF 13%; Index ETFs (27%): Vanguard Total World Stock Index Fund 9%, iShares Core U.S. Aggregate Bond ETF 4%, Vanguard Short-Term Treasury Index Fund 4%, Schwab U.S. Dividend Equity ETF 3%, Vanguard Total International Bond Index Fund 3%, Vanguard High Dividend Yield Index Fund 2%, Vanguard Short-Term Inflation-Protected Securities Index Fund 2%.

Capital Group Active-Passive Conservative Income Model: Growth and income (14%): CGCV - Capital Group Conservative Equity ETF 7%, CGDG - Capital Group Dividend Growers ETF 4%, CGDV - Capital Group Dividend Value ETF 3%; Bond (60%): CGCB - Capital Group Core Bond ETF 25%, CGSD - Capital Group Short Duration Income ETF 15%, CGCP - Capital Group Core Plus Income ETF 14%, CGMS - Capital Group U.S. Multi-Sector Income ETF 6%; Index ETFs (26%): Vanguard Short-Term Treasury Index Fund 11%, Vanguard Total International Bond Index Fund 7%, Schwab U.S. Dividend Equity ETF 2%, Vanguard High Dividend Yield Index Fund 2%, Vanguard Short-Term Inflation-Protected Securities Index Fund 2%, Vanguard Total World Stock Index Fund 2%.

Capital Group Active-Passive Preservation Model: Income (54%): Intermediate Bond Fund of America 33%, Short-Term Bond Fund of America 21%; Bond (20%): CGSD - Capital Group Short Duration Income ETF 20%; Index ETFs (26%): Vanguard Short-Term Treasury Index Fund 17%, Vanguard Total International Bond Index Fund 4%, iShares MBS ETF 3%, Vanguard Short-Term Inflation-Protected Securities Index Fund 2%.

Capital Group Active-Passive Retirement Income Model – Enhanced: Growth (18%): CGGE - Capital Group Global Equity ETF 10%, CGGO - Capital Group Global Growth Equity ETF 8%; Growth and income (15%): CGDG - Capital Group Dividend Growers ETF 10%, CGCV - Capital Group Conservative Equity ETF 5%; Balanced (10%): CGBL - Capital Group Core Balanced ETF 10%; Bond (30%): CGMS - Capital Group U.S. Multi-Sector Income ETF 17%, CGCP - Capital Group Core Plus Income ETF 8%, CGCB - Capital Group Core Bond ETF 5%; Index ETFs (27%): iShares Core Dividend Growth ETF 6%, Schwab U.S. Dividend Equity ETF 4%, Vanguard Growth Index Fund 4%, Vanguard High Dividend Yield Index Fund 4%, Vanguard Total World Stock Index Fund 4%, Vanguard Developed Markets Index Fund 3%, Vanguard Total International Bond Index Fund 2%.

Capital Group Active-Passive Retirement Income Model – Moderate: Growth (7%): CGGE - Capital Group Global Equity ETF 7%; Growth and income (24%): CGDG - Capital Group Dividend Growers ETF 17%, CGCV - Capital Group Conservative Equity ETF 5%, CGDV - Capital Group Dividend Value 2%; Balanced (10%): CGBL - Capital Group Core Balanced ETF 10%; Bond (32%): CGCO - Capital Group Core Plus Income ETF 11%, CGMS - Capital Group U.S. Multi-Sector Income ETF 11%, CGCB - Capital Group Core Bond ETF 7%, CGSD - Capital Group Short Duration Income ETF 3%; Index ETFs (27%): iShares Core Dividend Growth ETF 4%, iShares MBS ETF 4%, Vanguard Developed Markets Index Fund 4%, Schwab U.S. Dividend Equity ETF 3%, Vanguard High Dividend Yield Index Fund 3%, Vanguard Total International Bond Index Fund 3%, iShares Core S&P 500 ETF 2%, iShares U.S. Treasury Bond ETF 2%, Vanguard Short-Term Treasury Index Fund 2%.

Capital Group Active-Passive Retirement Income Model – Conservative: Growth and income (24%): CGDG - Capital Group Dividend Growers ETF 17%, CGCV - Capital Group Conservative Equity ETF 7%; Balanced (11%): CGBL - Capital Group Core Balanced ETF 11%; Bond (38%): CGCB - Capital Group Core Bond ETF 13%, CGMS - Capital Group U.S. Multi-Sector Income ETF 11%, CGCP - Capital Group Core Plus Income ETF 8%, CGSD - Capital Group Short Duration Income ETF 6%; Index ETFs (27%): Vanguard Short-Term Inflation-Protected Securities Index Fund 5%, iShares MBS ETF 3%, iShares U.S. Treasury Bond ETF 3%, Vanguard High Dividend Yield Index Fund 3%, Vanguard Total International Bond Index Fund 3%, iShares Core Dividend Growth ETF 2%, iShares Core U.S. Aggregate Bond ETF 2%, Schwab U.S. Dividend Equity ETF 2%, Vanguard Developed Markets Index Fund 2%, Vanguard Short-Term Treasury Index Fund 2%.

Capital Group Active-Passive Tax-Aware Moderate Growth Model

Portfolio: Growth (55%): CGGR - Capital Group Growth ETF 21% CGGE - Capital Group Global Equity ETF 12%, CGGO - Capital Group Global Growth Equity ETF 12%; CGMM - Capital Group U.S. Small and Mid Cap ETF 7%, CGNG - Capital Group New Geography Equity ETF 3%; Growth and income (7%): CGUS - Capital Group Core Equity ETF 7%; Tax-exempt (10%): CGHM - Capital Group Municipal High-Income ETF 6%, CGMU - Capital Group Municipal Income ETF 4%; Index ETFs (28%): Vanguard Total World Stock Index Fund 15%, Vanguard Growth Index Fund 7%, iShares Core S&P 500 ETF 3%, iShares National Muni Bond ETF 3%.

Capital Group Active-Passive Tax-Aware Growth and Income Model:

Growth (30%): CGGE - Capital Group Global Equity ETF 10%, CGGO - Capital Group Global Growth Equity ETF 10%, CGGR - Capital Group Growth ETF 4%, CGMM - Capital Group U.S. Small and Mid Cap ETF 4%, CGNG - Capital Group New Geography Equity ETF 2%; Growth and income (28%): CGUS - Capital Group Core Equity ETF 20%, CGDV - Capital Group Dividend Value ETF 5%, CGDG - Capital Group Dividend Growers ETF 3%; Tax-exempt (15%): CGHM - Capital Group Municipal High-Income ETF 10%, CGMU - Capital Group Municipal Income ETF 5%; Index ETFs (27%): Vanguard Total World Stock Index Fund 12%, iShares Core S&P 500 ETF 5%, iShares National Muni Bond ETF 4%, Vanguard Tax-Exempt Bond Index Fund 4%, iShares Core Dividend Growth ETF 2%.

Capital Group Active-Passive Tax-Aware Moderate Growth and Income Model:

Growth (23%): CGGE - Capital Group Global Equity ETF 10%, CGGO - Capital Group Global Growth Equity ETF 6%, CGMM - Capital Group U.S. Small and Mid Cap ETF 3%, CGGR - Capital Group Growth ETF 2%, CGNG - Capital Group New Geography Equity ETF 2%; Growth and income (23%): CGUS - Capital Group Core Equity ETF 9%, CGDV - Capital Group Dividend Value ETF 8%, CGDG - Capital Group Dividend Growers ETF 6%; Tax-exempt (27%): CGHM - Capital Group Municipal High-Income ETF 17%, CGMU - Capital Group Municipal Income ETF 10%; Index ETFs (10%): Vanguard Total World Stock Index ETF 10%.

Capital Group Active-Passive Tax-Aware Conservative Growth and Income Model:

Growth (8%): CGGE - Capital Group Global Equity ETF 8%; Growth and income (28%): CGDV - Capital Group Dividend Value ETF 12%, CGDG - Capital Group Dividend Growers ETF 9%, CGCV - Capital Group Conservative Equity ETF 4%, CGUS - Capital Group Core Equity ETF 3%; Tax-exempt (37%): CGHM - Capital Group Municipal High-Income ETF 23%, CGMU - Capital Group Municipal Income ETF 11%, CGSM - Capital Group Short Duration Municipal Income ETF 3%; Index ETFs (27%): Vanguard Total World Stock Index Fund 10%, iShares National Muni Bond ETF 5%, Vanguard Tax-Exempt Bond Index Fund 5%, Schwab U.S. Dividend Equity ETF 4%.

Capital Group Active-Passive Tax-Aware Moderate Income Model:

Growth (4%): CGGE - Capital Group Global Equity ETF 4%; Growth and income (22%): CGDV - Capital Group Dividend Value ETF 12%, CGDG - Capital Group Dividend Growers ETF 6%, CGCV - Capital Group Conservative Equity ETF 4%; Tax-exempt (47%): CGHM - Capital Group Municipal High-Income ETF 19%, CGMU - Capital Group Municipal Income ETF 18%, CGSM - Capital Group Short Duration Municipal Income ETF 10%; Index ETFs (27%): Vanguard Total World Stock Index Fund 7%, Vanguard Tax-Exempt Bond Index Fund 6%, iShares National Muni Bond ETF 5%, iShares Short-Term National Muni Bond ETF 5%, Schwab U.S. Dividend Equity ETF 4%.

Capital Group Active-Passive Tax-Aware Conservative Income Model:

Growth and income (14%): CGDV - Capital Group Dividend Value ETF 6%, CGCV - Capital Group Conservative Equity ETF 5%, CGDG - Capital Group Dividend Growers ETF 3%; Tax-exempt (60%): CGSM - Capital Group Short Duration Municipal Income ETF 25%, CGMU - Capital Group Municipal Income ETF 22%, CGHM - Capital Group Municipal High-Income ETF 13%; Index ETFs (26%): iShares Short-Term National Muni Bond ETF 7%, Vanguard Tax-Exempt Bond Index Fund 5%, iShares National Muni Bond ETF 4%, Vanguard Total World Stock Index Fund 4%, Schwab U.S. Dividend Equity ETF 3%, SPDR Nuveen ICE Short-Term Municipal Bond ETF 3%.

Capital Group Active-Passive Tax-Exempt Preservation Model: Tax-

exempt (74%) Limited Term Tax-Exempt Bond Fund of America 40%, CGSM - Capital Group Short Duration Municipal Income ETF 34%; Index ETFs (26%): iShares Short-Term National Muni Bond ETF 14%, State Street® SPDR® Nuveen ICE Short Term Municipal Bond ETF 12%.

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

Model portfolio index

Index/Index blends for American Funds 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 American Funds 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 ACWI ex USA indexes.

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

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

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

Conservative Growth and Income – 35% S&P 500, 35% Bloomberg U.S. Aggregate, 15% MSCI ACWI 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 ACWI ex USA indexes.

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

Preservation – Bloomberg 1-5 Year U.S. Government/Credit A+ Index.

Retirement Income - Enhanced – 45% S&P 500, 35% Bloomberg U.S. Aggregate and 20% MSCI ACWI ex USA indexes.

Retirement Income - Moderate – 50% Bloomberg U.S. Aggregate, 35% S&P 500 and 15% MSCI ACWI ex USA indexes.

Retirement Income - Conservative – 60% Bloomberg U.S. Aggregate, 30% S&P 500 and 10% MSCI ACWI ex USA indexes

Tax-Aware Moderate Growth – 60% S&P 500, 25% MSCI ACWI ex USA and 15% Bloomberg Municipal Bond indexes.

Tax-Aware Growth and Income – 50% S&P 500, 25% MSCI ACWI ex USA and 25% Bloomberg Municipal Bond indexes.

Tax-Aware Moderate Growth and Income – 45% S&P 500, 20% MSCI ACWI ex USA and 35% Bloomberg Municipal Bond indexes.

Tax-Aware Conservative Growth and Income – 35% S&P 500, 15% MSCI ACWI ex USA, 35% Bloomberg Municipal Bond and 15% Bloomberg High Yield indexes.

Tax-Aware Moderate Income – 25% S&P 500, 10% MSCI ACWI ex USA and 65% Bloomberg Municipal Bond indexes.

Tax-Aware Conservative Income – 40% Bloomberg Municipal Bond, 40% Bloomberg Municipal 1-7 Years Blend and 20% S&P 500 indexes.

Tax-Exempt Preservation – Bloomberg Municipal Bond 1-7 Year Blend Index.

The Magnificent Seven stocks consist of Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA and Tesla.

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.

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.

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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 High Yield Municipal Bond Index is a market-value-weighted index composed of municipal bonds rated below BBB/Baa.

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

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.

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.

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.

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