

# Capital Group Active-Passive Retirement Income Model – Enhanced

Data as of March 31, 2025



## Seeks current income, long-term growth and conservation of capital, utilizing both active and passive ETFs

### Model description

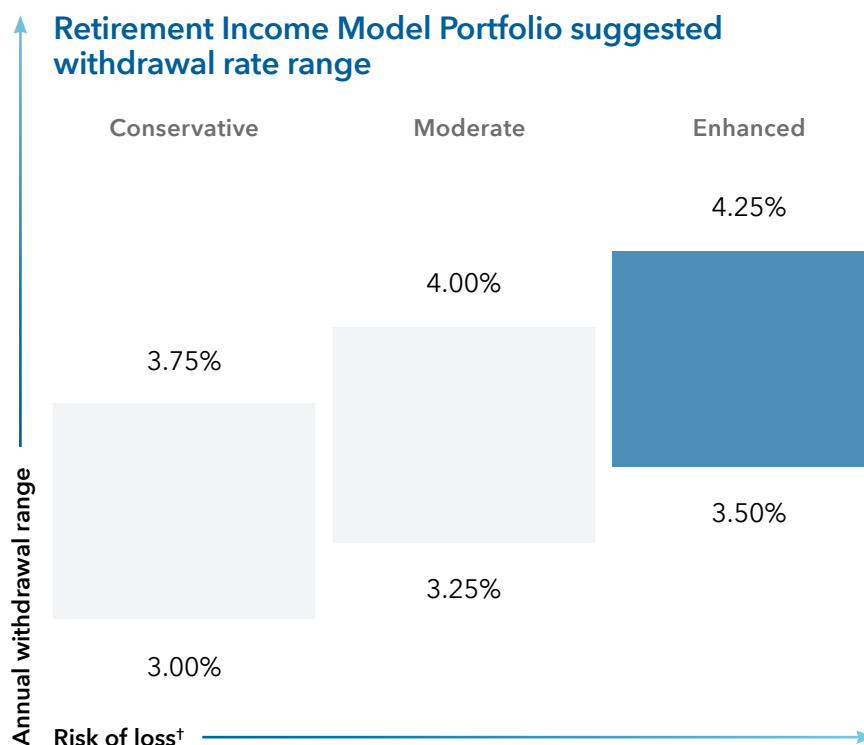
Seeks to support sustained, inflation-adjusted withdrawals and the accomplishment of three investment objectives: current income, long-term growth of capital and conservation of capital. Emphasis is placed on income and growth of capital, through allocation to primarily income-focused equities, as well as fixed income. Uses active Capital Group exchange-traded funds (ETFs) and passive exchange-traded funds.

### Created by Capital Group

In creating the Capital Group Active-Passive Retirement Income Model – Enhanced, the Portfolio Solutions Committee (PSC) relied on their in-depth understanding of the underlying funds. Our models are constructed and monitored by the PSC, seasoned investment professionals with support from the Capital Solutions Group, while the underlying funds are managed by their respective portfolio managers. The Portfolio Solutions Committee has an average of 30 years of investment industry experience.\*

### For investors who ...

- Seek a broadly diversified portfolio, with a focus on income, to help them pursue their retirement goals.
- Are in, or near, retirement and want an investment that supports periodic withdrawals while seeking to preserve as much principal as possible.
- Desire a potentially higher level of income and growth of capital in exchange for potentially greater downside risk.
- Seeks the tax advantages of the ETF vehicle and greater transparency of the underlying holdings.
- Value a diversified and experienced active investment manager, complemented by passive investment strategies, to help them accomplish their goal.



\* As of December 31, 2024

† Risk of loss is defined by the Portfolio Solutions Committee as an increased exposure to equities, which can lead to greater volatility in the portfolio and potentially impact both withdrawal rates and whether overall assets invested will decline over time.

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

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.

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

Data as of March 31, 2025

Underlying funds	Weight
CGMS – Capital Group U.S. Multi-Sector Income ETF	17%
CGBL – Capital Group Core Balanced ETF	10%
CGDG – Capital Group Dividend Growers ETF	10%
CGGE – Capital Group Global Equity ETF	10%
CGCP – Capital Group Core Plus Income ETF	8%
CGGO – Capital Group Global Growth Equity ETF	8%
DGRO – iShares Core Dividend Equity ETF	6%
CGCV – Capital Group Conservative Equity ETF	5%
CGCB – Capital Group Core Bond ETF	5%
SCHD – Schwab US Dividend Equity ETF <sup>TM</sup>	4%
VUG – Vanguard Growth Index Fund ETF	4%
VYM – Vanguard High Dividend Yield Index Fund ETF	4%
VT – Vanguard Total World Stock Index Fund ETF	4%
VEA – Vanguard FTSE Developed Markets Index Fund ETF	3%
BNDX – Vanguard Total International Bond Index Fund ETF	2%

Top five industry	Weight
Semiconductors & semiconductor equipment	8.4%
Banks	5.7%
Aerospace & defense	5.4%
Software	5.2%
Oil, gas & consumable fuels	4.9%

Top five equity holdings	Weight
Microsoft	1.9%
Broadcom	1.6%
Apple	1.4%
TSMC	1.1%
Philip Morris International	1.0%

Fixed income quality breakdown <sup>3</sup>	Weight
Investment grade (BBB/Baa and above)	72.6%
Non-Investment grade (BB/Ba and below)	27.4%

## Capital Group Active-Passive Retirement Income Model – Enhanced

Asset mix <sup>1</sup>	Weight
<b>Total equities</b>	
U.S. equities	43.7%
Non-U.S. equities	18.3%
<b>Total fixed income</b>	
U.S. fixed income	30.1%
Non-U.S. fixed income	5.2%
Cash and equivalents <sup>2</sup>	2.6%

## The Portfolio Solutions Committee

This model is actively monitored by the committee – a group of senior investment professionals with varied backgrounds and approaches, and decades of investment industry experience. They regularly review the model's results and holdings to keep it aligned with its objectives.



Michelle Black  
30 years



Brittain Ezzes  
27 years



Samir Mathur  
32 years



Damien McCann  
25 years



Wesley Phoa  
32 years



John Queen  
35 years



Andrew Suzman  
31 years

Investment industry experience as of December 31, 2024.

<sup>1</sup>Totals may not reconcile due to rounding.

<sup>2</sup>For Capital Group ETFs, cash and equivalents includes short-term securities, accrued income and other assets less liabilities. 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.

<sup>3</sup>Bond ratings are based on a model portfolio's underlying funds' holdings and investment policies. Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch, as an indication of an issuer's creditworthiness. For most American Funds and Capital Group ETFs, if agency ratings differ, a security will be considered to have received the highest of those ratings; and securities in the Unrated category have not been rated by any of the rating agencies referenced above; however, the investment adviser performs its own credit analysis and assigns comparable ratings that are used for compliance with applicable investment policies. Please see each fund's most recent prospectus for details.

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 bonds 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.

Portfolios are managed, so holdings will change. Holdings-based information is based on the weighted average of the underlying funds.

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