

Emphasis on tax-exempt income and capital preservation using active and passive investments

Model description

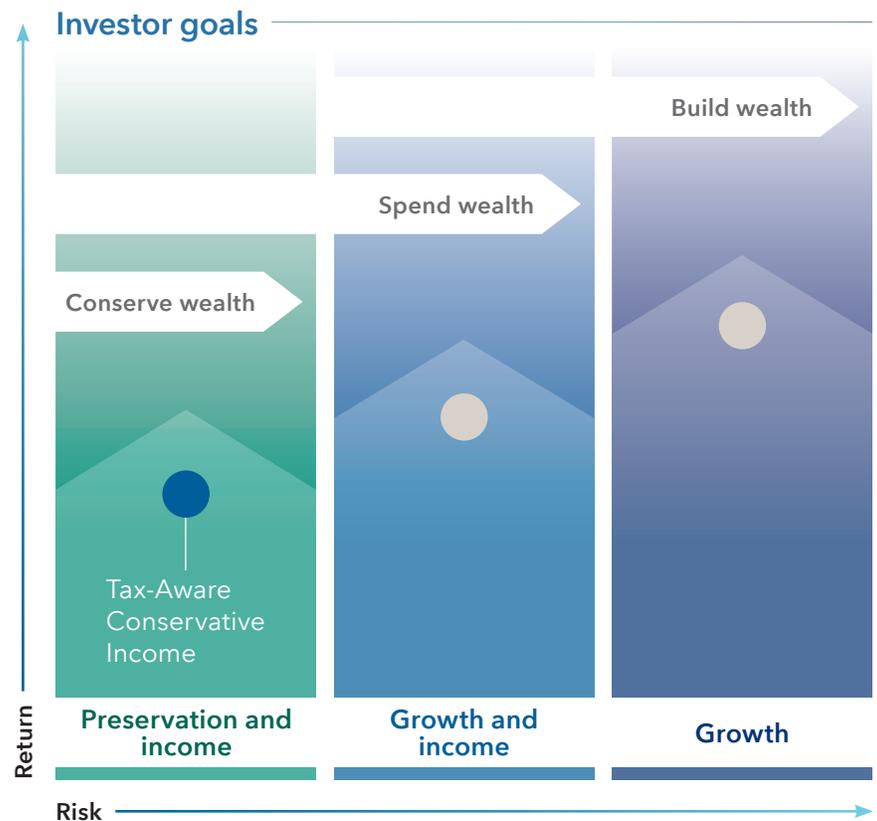
Seeks current income and preservation of capital primarily through a diversified portfolio of higher quality, tax-exempt, fixed income securities and dividend-paying equities. Uses active American Funds® mutual funds, Capital Group exchange-traded funds (ETFs) and third-party passive ETFs.

Created by Capital Group

In creating the Capital Group Active-Passive Tax-Aware Conservative Income Model, our seasoned portfolio managers relied on their in-depth understanding of the underlying funds. The models are constructed and monitored by the Portfolio Solutions Committee, with support from the Capital Solutions Group. The active underlying funds are managed by their respective portfolio managers, while the passive ETFs aim to replicate the index they are based on. The Portfolio Solutions Committee has an average of 31 years of investment industry experience.*

For investors who ...

- Seek a broadly diversified portfolio with a focus on income and capital preservation to help them pursue their long-term investment goals.
- Seek to avoid wide market fluctuations but still seek the potential for modest growth of capital.
- Are tax-sensitive.
- Value a diversified and experienced active investment manager, complemented by passive investment funds, to help them accomplish their goals.



*As of December 31, 2023.

Model portfolios are only available through registered investment advisers. This content is intended for registered investment advisers and their clients.

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.

Underlying funds

	Weight (%)
Capital Group Short Duration Municipal Income ETF (CGSM)	25
Capital Group Municipal Income ETF (CGMU)	22
American High-Income Municipal Bond Fund®	13
iShares Short-Term National Muni Bond ETF (SUB)	7
Capital Group Dividend Value ETF (CGDV)	6
American Mutual Fund®	5
SPDR® Nuveen Bloomberg Short Term Municipal Bond ETF (SHM)	5
Vanguard Tax-Exempt Bond Index Fund ETF (VTEB)	5
iShares National Muni Bond ETF (MUB)	4
Capital Group Dividend Growers ETF (CGDG)	3
Vanguard Total World Stock Index Fund ETF (VT)	3
Schwab US Dividend Equity ETF™ (SCHD)	2

Top five industry

at 9/30/24

Aerospace & defense	7.2%
Semiconductors & semiconductor equipment	6.6
Banks	6.1
Software	5.4
Oil, gas & consumable fuels	4.7

Top five equity holdings

at 9/30/24

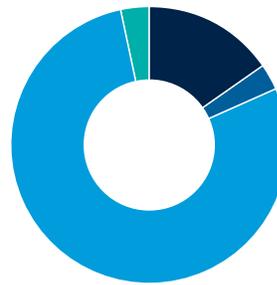
Microsoft	7.0%
Apple	0.6
RTX Corp	0.5
AbbVie	0.4
GE Aerospace	0.4

Fixed income quality breakdown³

at 9/30/24

Investment grade (BBB/Baa and above)	79.9%
Non-Investment grade (BB/Ba and below)	20.1

Capital Group Active-Passive Tax-Aware Conservative Income Model



as of 9/30/24

Asset mix (%)¹

Total equities

U.S. equities	15.3
Non-U.S. developed equities	3.2

Total fixed income

U.S. fixed income	78.5
Non-U.S. fixed income	0.0
Cash and equivalents ²	3.1

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.



Alan Berro
38 years



Michelle Black
29 years



Brittain Ezzes
26 years



Samir Mathur
31 years



Wesley Phoa
30 years



John Queen
34 years



Andrew Suzman
30 years

Investment industry experience as of December 31, 2023.

¹Totals may not reconcile due to rounding.

²For American Funds and 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 advisor or its affiliates that are not offered to the public.

³Bond 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 a rating agency, 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. Small-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. 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 securities of individual issuers than a diversified fund. As a result, a single issuer could adversely affect a nondiversified fund's results more than if the fund invested a smaller percentage of assets in securities of that issuer. 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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