CAPITAL GROUP®

CGGR

Capital Group Growth ETF

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

From the Principal Investment Officer

CGGR seeks capital appreciation opportunities across the market, and is broad and flexible. Importantly, while we look primarily at growth stocks we are not limited to a particular style or geography. To this end, I'm happy that the portfolio managers on this fund bring a range of distinctive worldviews to the portfolio.

–Alan Wilson

Key takeaways

- **Growth:** A broad strategy that seeks growth of capital as its objective rather than growth as its investment style. The fund takes a company-by-company approach, investing primarily in faster growing companies.
- **Flexibility:** While the fund predominantly invests in U.S. growth companies, managers have flexibility to seek opportunities for capital appreciation across different geographies and are not limited to a single investment approach.
- **Long-term:** The fund takes a long-term perspective, which allows investors to leverage Capital Group's depth of fundamental equity research.

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CGGR's 10 largest equity holdings

Company	% of portfolio
Meta Platforms	8.6
Microsoft	5.7
Netflix	4.8
Alphabet	4.8
Tesla Inc.	3.6
Broadcom	3.3
NVIDIA	3.1
Regeneron Pharmaceuticals	2.5
Intuitive Surgical	2.3
Visa	2.1

Source: Capital Group, as of June 30, 2024.

Portfolios are managed, so holdings will change. Refer to CGGR's fund detail page at capitalgroup.com/CGGR for the fund's current holdings which are updated daily.

Key terms

Exchange-traded fund: An ETF is a professionally managed fund that combines diversification benefits of a mutual fund with the trading flexibility of a stock. An ETF is purchased/sold like a stock, on an exchange through a brokerage account. Investors may pay a brokerage commission or an asset-based fee, depending on the servicing arrangement with the intermediary. Investors pay the market price on a national exchange based on the bid/ask spread around the intraday net asset value of the ETF. ETFs typically have minimal to no capital gain distributions due to the vehicle structure. Investors will be taxed on capital gains realized on the sale of their fund shares.

Market capitalization: The value of a company whose shares are traded on a stock market, calculated by multiplying the total number of shares outstanding by the current share price.

S&P 500 Index: A market capitalization-weighted index based on the results of approximately 500 widely held common stocks. This index is unmanaged, and its 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.

Russell 1000 Growth Index: 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. This index is unmanaged, and its 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.

CGGR Capital Group Growth ETF

Did you know?

When it comes to ETFs, there are many funds which follow a "growth" investment style. But by investing exclusively in companies with the potential for higher growth rates, some of these funds' approaches have resulted in portfolios that are concentrated in a small number of companies, industries and/or sectors. For example, many of the most popular, index-tracking growth ETFs (categorized as US Large Growth funds by Morningstar) have nearly 50% of their assets invested in just one of the 11 sectors which make up the market. This level of concentration can introduce unexpected risks if a small group of stocks or a single sector were to lag the broader market.

As of June 30, 2024, the five largest "growth" style ETFs have on average 51% of their portfolios invested in the information technology sector on a market capitalization-weighted basis.*

CGGR sector breakdown

Sector	Investment in sector (% total equity assets)
Information technology	24.7
Communication services	19.9
Health care	15.0
Consumer discretionary	12.6
Industrials	10.7
Financials	7.1
Energy	3.7
Consumer staples	2.6
Materials	1.2
Utilities	1.1

Source: Capital Group as of June 30, 2024.

Capital Group's more than five decades of growth investing

Capital Group has been investing with growth as the objective for longer than most common "growth" style indexes have been around. Capital Group began managing U.S. equities with a growth objective in 1967. A well-known U.S. growth style market index, the Russell 1000 Growth Index was established in 1987, two decades after Capital Group launched a fund with an objective of growth of capital.

Growth as an objective, not a style

CGGR's objective is to provide growth of capital. Investing with growth as an objective, not as a style like many growth funds, allows for the fund's portfolio managers to bring different investment approaches to pursue a common objective. For instance, in addition to traditional revenue or earnings growth-driven investment opportunities, portfolio managers can invest in companies that they believe have the potential to take advantage of the economic cycle or whose business prospects are underappreciated by the market. The ETF's portfolio managers also take a long-term perspective to investing, which may allow managers to look through periods of changing sentiment and focus on future potential returns.

The blend of these approaches has resulted in a less concentrated portfolio across sectors and industries compared to growth indexes that are tracked by some of the most popular growth ETFs. Also, the composition of CGGR's portfolio was materially different than the well-known growth index as of June 30, 2024. The table below shows the three largest and three smallest relative industry positions versus the Russell 1000 Growth Index. The benefit of less concentration may include reducing potential risk if a particular sector falls out of favor. However, in a market environment where a particular sector drives market returns, less concentration in this same sector may result in laggard results compared to the index.

CGGR industry weights compared to the Russell 1000 Growth Index

	Weight in CGGR	Compared to index
Entertainment	4.8%	+3.5%
Biotechnology	5.6%	+3.4%
Aerospace & defense	3.5%	+2.9%
Semiconductors & semiconductor equipment	9.8%	–6.3%
Software	9.8%	–7.9%
Technology hardware, storage & peripherals	2.4%	–8.5%

*Source: Morningstar.

Source: Capital Group, as of June 30, 2024.

Figures shown are past results and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Investing for short periods makes losses more likely. Prices and returns will vary, so investors may lose money. Market price returns are determined using the official closing price of the fund's shares and do not represent the returns you would receive if you traded shares at other times. For current information and month-end results, visit capitalgroup.com

	Total returns as of 6/30/24					
	Cumulative		Average annual			
	Fund inception date	1 year	5 year	10 year	Since fund inception	Expense ratio* (%)
CGGR – Capital Group Growth ETF	**2/22/22**					0.39
Net asset value (NAV)		30.84	–	–	13.97	
Market price		30.86	–	–	13.99	
S&P 500 Index		24.56	–	–	12.44	
Russell 1000 Growth Index		33.48	–	–	16.46	

*The expense ratio is as of the fund's prospectus available at the time of publication.

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.

Capital Group exchange-traded funds (ETFs) are actively managed and do not seek to replicate a specific index. ETF shares are bought and sold through an exchange at the then current market price, not net asset value (NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV when traded on an exchange. Brokerage commissions will reduce returns. There can be no guarantee that an active market for ETFs will develop or be maintained, or that the ETF's listing will continue or remain unchanged.

As nondiversified funds, Capital Group ETFs have 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 invested in a larger number of issuers. See the applicable prospectus for details.

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.

If used after September 30, 2024, this material must be accompanied by the most recent Capital Group ETFs quarterly statistical update.

There may have been periods when the results lagged the index(es). The indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

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