



The
Capital
System™

**A distinctive investment
approach designed to
deliver superior results
for investors**

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

Improving people's lives through successful investing

We believe having multiple managers in a portfolio better positions us to deliver the strong results investors seek. Because they reflect diverse viewpoints, our portfolios have the potential to deliver more consistent results across market cycles.

"The Capital System strives to be durable, dependable and dynamic. While it has evolved over time, a constant has always been our ability to include diverse viewpoints within a single portfolio, which improves the potential for better long-term investment results."

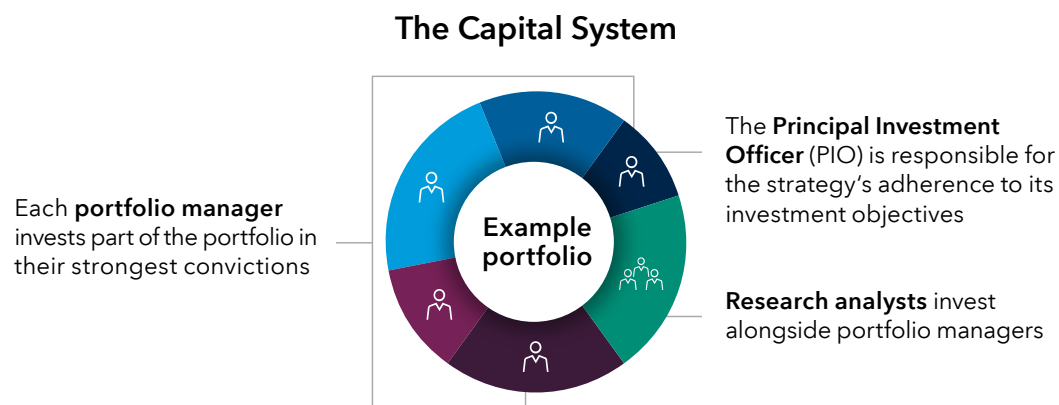


Martin Romo

Chair and CIO of Capital Group
32 years at Capital Group
San Francisco office

A distinctive investment approach

The Capital System™ powers our pursuit of superior long-term investment results across asset classes. It combines independence and teamwork. A portfolio has multiple managers, and each invests part of the portfolio in their strongest convictions. Managers exchange ideas, but make their own investment decisions. As a result, portfolios reflect the best ideas of many people, not just one "star manager."



How is it different than the rest of the industry?



We don't rely on one manager always being right. We avoid the disruptions seen when a "star manager" leaves.



Our managers don't get bogged down by the need to reach consensus or hold a vote.

The example is illustrative.

While ETFs, separately managed accounts (SMAs) and some mutual funds do not have a dedicated research portfolio (or dedicated research portfolio sleeve for SMAs), investment analysts' views may be expressed within the holdings and risk profile of the respective vehicle.

Our approach puts investors first

Our investment philosophy is based on doing what we believe is right for investors. The Capital System is rooted in three core pillars that are deeply ingrained in our investment culture.



Collaborative research

Collaboration across portfolio managers, analysts, economists and quantitative research teams **generates deeper insights**.

Diverse perspectives

Leveraging the best ideas of multiple investment professionals helps us pursue **more consistent results across market cycles with less volatility**.

Long-term view

Managers are discouraged from engaging in short-term thinking. Investing with a long-term view helps **align our goals with those of investors**.

An investment approach spanning asset classes and vehicles

We have developed compelling investment capabilities across equity, fixed income and solutions leveraging the pillars of The Capital System. We continuously evolve to reflect the growing needs of investors to access our strategies in the vehicles of their choice.

An investment culture like no other

Our system works because of our distinct investment culture, which is rooted in mutual respect and an openness to other people's views.

"As investment professionals we can put aside our egos and truly listen and learn from each other; yet we respect each other's right to make our own decisions."



Kirstie Spence

Fixed income portfolio manager
29 years at Capital Group
London office

Our analysts manage money alongside our portfolio managers

Unusual in the industry, our analysts don't just conduct research and make recommendations, they also have the opportunity to invest in their strongest convictions.

"The opportunity for analysts to invest helps us attract and retain talent. Here, the analyst role isn't just a stepping stone to portfolio manager. People can spend their entire careers as analysts here, building decades-long relationships in their industries. And we believe analysts' investing helps our investment results."



Greg Miliotes

Equity portfolio manager
18 years at Capital Group
San Francisco office

Collaborative research

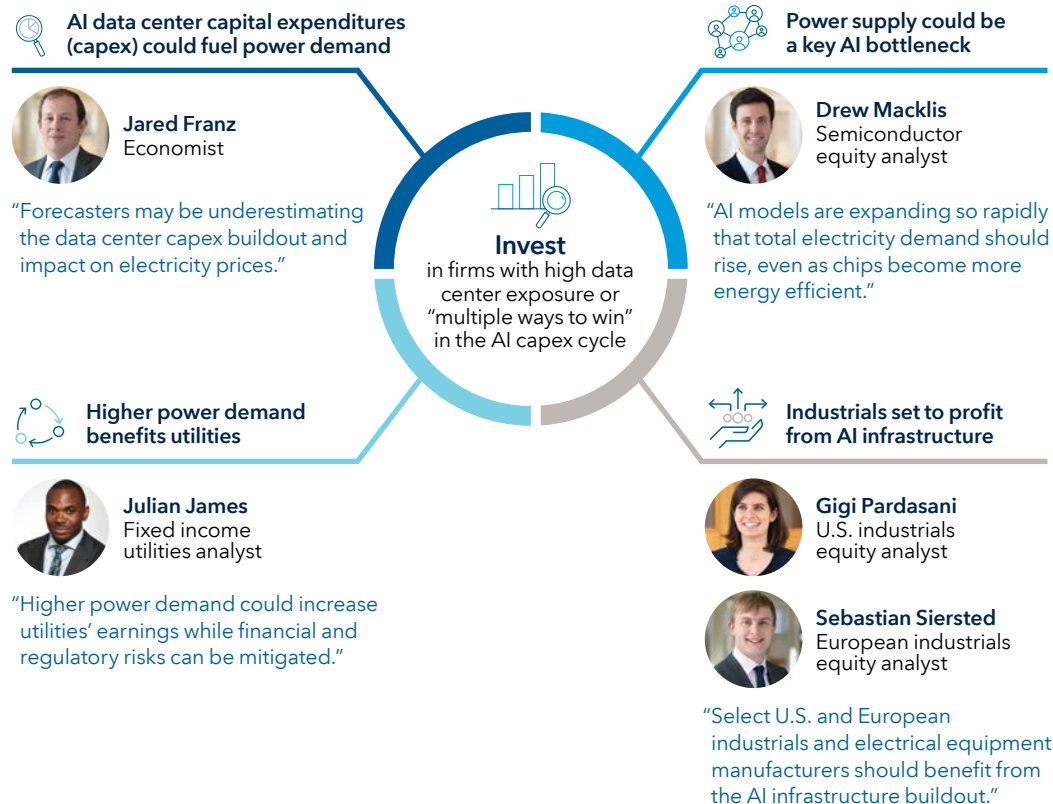
Collaboration generates deeper insights

Portfolio managers, analysts, economists and quantitative research teams closely collaborate. This allows us to develop and stress-test our best ideas across asset classes and both sides of the balance sheet – improving our ability to deliver superior investment results and understand risk.

CASE STUDY

Research in action: Finding opportunities in data center infrastructure

Analysts sought to identify companies that might benefit from the anticipated buildout of data centers related to artificial intelligence (AI).



For illustrative purposes only.

Capital expenditure (capex) is money invested for acquisitions, upgrades, renovations and adoption. It can be tangible (i.e., real estate) or intangible (i.e., licenses, software).

Diverse perspectives

Leveraging the best thinking of multiple investment professionals to help deliver more consistent results

For each portfolio, we build a team of managers with different but complementary styles, viewpoints and experiences. Portfolios reflect the best thinking of many investment professionals instead of one star manager. Each manager's approach is expected to fare differently in different market conditions – adding another layer of diversification to the portfolio. Risks are independently monitored to ensure they are intentional and properly sized.

Building teams is both an art and a science

We analyze qualitative and quantitative criteria and historical results to understand how managers and portfolios generated results under various market conditions. Building a balanced team helps us pursue consistent results across market cycles with less volatility.

Qualitative criteria

Tenure
Demographics
Experience
Backgrounds
Location






Quantitative criteria

Relative returns
Factor exposures
Overlap and correlation
Concentration and turnover
Volatility

CASE STUDY

Diverse approaches in a global equity strategy

This sample of managers differ in their investment styles, backgrounds, portfolio concentrations and holding periods.

					
	Brady Enright	Anne-Marie Peterson	Patrice Collette	Andraz Razen	Steven Watson
Coverage background	Small cap, commercial services and supplies	U.S. retail and restaurants	European health care, chemicals and insurance	Small cap, U.S. health care and supplies	Asia/Europe property and transport
Number of holdings	57	29	31	18	54
Assets in top 10 holdings	31%	64%	60%	89%	35%
P/E ratio	25.4	42.4	18.3	33.6	18.2
Years at firm	28	20	25	20	35
3-year avg. turnover	22%	18%	2%	1%	18%

Source: Capital Group. As of 12/31/24. Data based on each portfolio manager's portion of the representative account of the Capital Group New Perspective Composite. Portfolios are managed, so holdings will change. Number of holdings is a 3-year average.

CASE STUDY

Manager diversity in a fixed income strategy

The table ranks returns in the strategy for each manager and the research analyst portfolio for the last six years. Combining multiple managers with different investment approaches can potentially lead to a smoother pattern of returns for a strategy as a whole.

	RANK	2019	2020	2021	2022	2023	2024
Highest return	1st	Manager A	Manager B	Research Portfolio	Research Portfolio	Research Portfolio	Manager D
	2nd	Index	Manager D	Manager D	Manager D	Manager B	Manager C
	3rd	Manager B	Manager C	Strategy	Strategy	Index	Strategy
	4th	Manager C	Strategy	Manager C	Manager C	Strategy	Manager B
	5th	Strategy	Manager A	Manager A	Manager B	Manager A	Research Portfolio
	6th	Manager D	Index	Manager B	Manager A	Manager D	Manager A
Lowest return	7th	Research Portfolio	Research Portfolio	Index	Index	Manager C	Index

Source: Capital Group. Analysts collectively invest in a Research Portfolio, which is a significant part of most strategies. Manager diversity chart is shown for illustrative purposes only, is based on gross of fees data and is not representative of all Capital Group strategies.

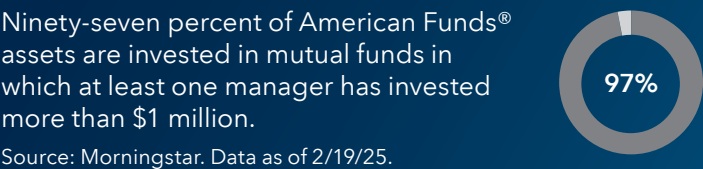
Invested for the long term

Privately held and employee-owned* since 1931

We avoid the short-term quarterly earnings pressures many public firms face.

*Capital Group is owned by key investment professionals, senior business leaders and recent retirees.

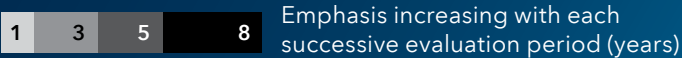
Managers personally invest in their own funds



Source: Morningstar. Data as of 2/19/25.

Long-term manager evaluation periods and tenure

Capital Group compensation basis puts greater emphasis on long-term results



Average portfolio manager's experience



We strive to keep fees low for our investors

Our mutual fund management fees have been among the lowest in the industry.†

†On average, our mutual fund management fees were in the lowest quintile 49% of the time, based on the 20-year period ended December 31, 2024, versus comparable Lipper categories, excluding funds of funds. Source: Capital Group.

Long-term view

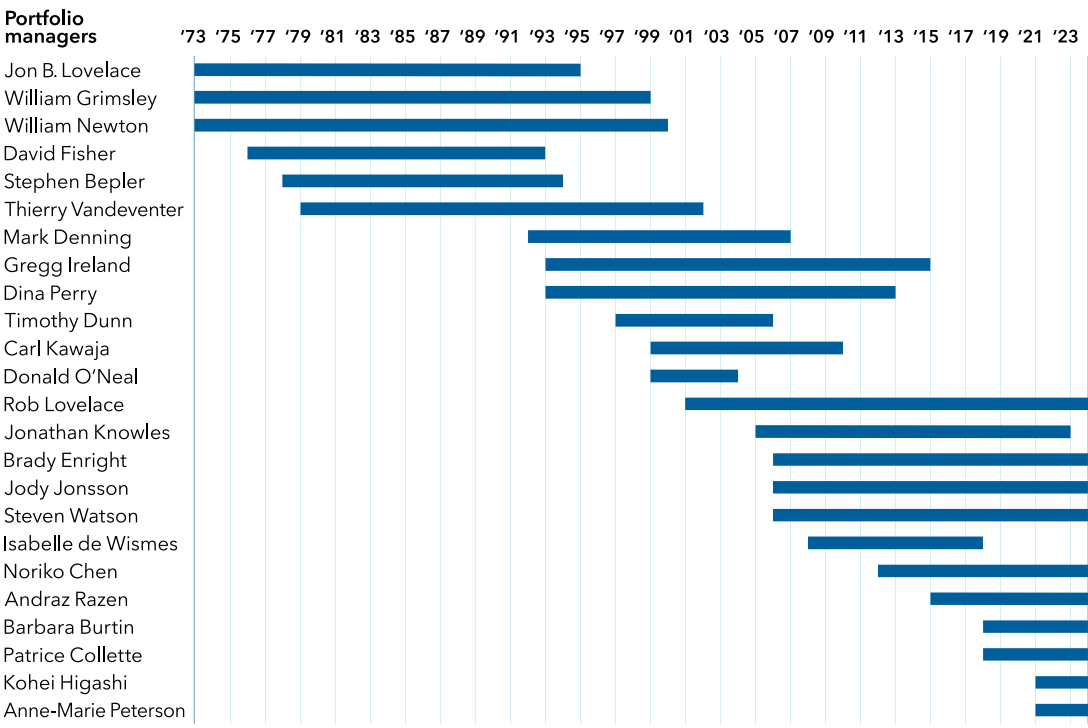
Investors' long-term interests drive our decision-making

Our enduring commitment to a long-term perspective is ingrained in our investment approach and culture – from seamless leadership succession planning to rewarding managers more for their long-term investment results. Our long-term view aligns our goals with those of investors, curbs excessive short-term risk-taking and helps us grow at scale so we can offer competitive fees.

Seamless succession planning is built into The Capital System

Over its more than 50-year history, the New Perspective strategy has gradually added new managers and transitioned veteran managers out with minimal disruption.

CASE STUDY Smooth transitions in Capital Group's New Perspective strategy



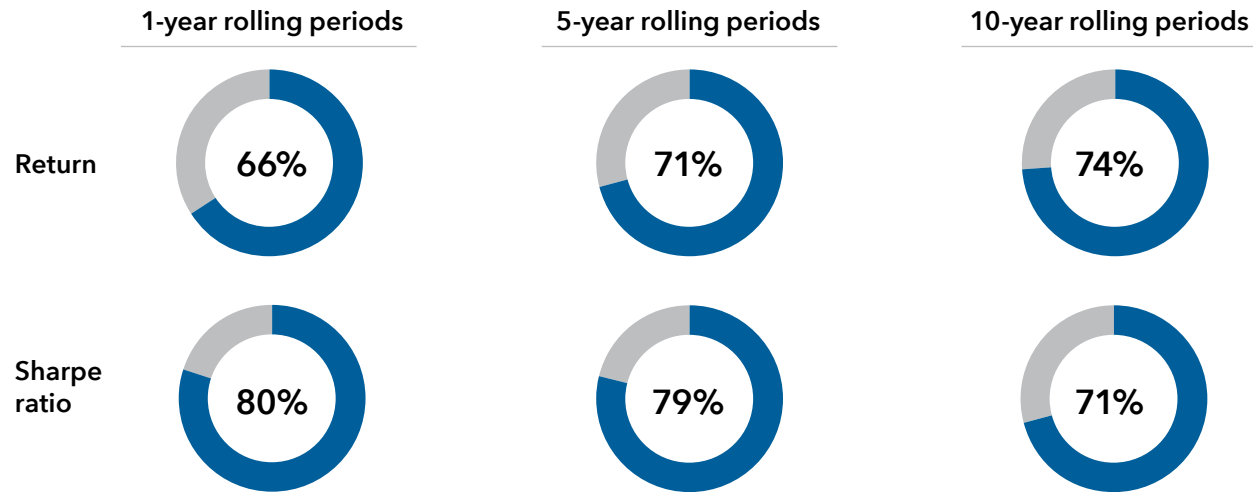
Source: Capital Group. Data includes all currently disclosed portfolio managers and all previous managers disclosed for a period greater than one year. As of 12/31/24.

A history of strong investment results

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.

Percentage of all funds whose average rolling results outpaced more than half of their respective Morningstar peers

For the 40 years ended December 31, 2024



Sharpe ratio uses standard deviation (a measure of volatility) and return in excess of the risk-free rate to determine reward per unit of risk. The higher the number, the better the portfolio's historical risk-adjusted performance.

Rolling returns are calculated monthly.

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.

There have been periods when the funds have lagged their indexes.

Sources: Capital Group, Morningstar. Based on a comparison of each fund (ETFs and mutual funds) with its respective Morningstar category peers. For each fund, we calculated the average rolling Sharpe ratio and return over the 40-year period (or the fund's lifetime, if it lacks a 40-year history). That average rolling return and Sharpe ratio were compared against the equivalent averages of each fund's respective Morningstar peers on a percentile basis. Mutual fund data are based on the following fund share classes: Class F-2, Class M, Class 529-A, Class 1, Class P-2 and Class 4. One share class was used per fund. The analysis uses Morningstar hypothetical methodology to calculate hypothetical fund results for periods before a share class's inception. For those periods, Morningstar uses results for the oldest share class (unless the newer share class is more expensive).

The Capital System is powered by Capital Group's global resources and scale

Source: Capital Group. As of 12/31/24.

477 Investment professionals across the globe

\$2.8T Assets under management

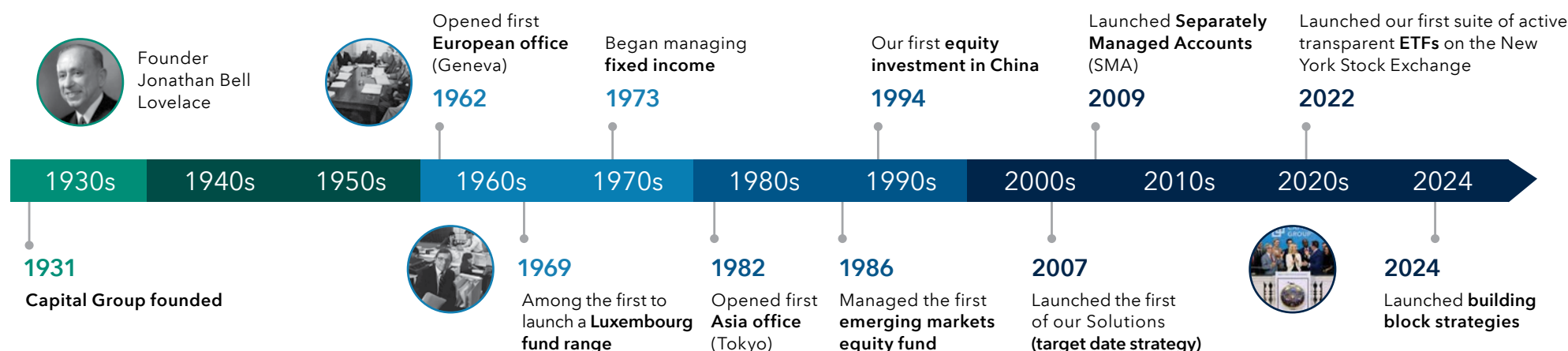
11 Research offices worldwide

21K Company meetings in 2024 worldwide

51 Countries visited in 2024

44 Languages spoken

For over 90 years, we have helped investors pursue their financial goals



Holdings of fully transparent ETFs are disclosed daily and may have more flexibility in the types of securities in which they invest compared to other ETF structures.

Capital Group manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organization; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.

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.

Price-to-earnings (P/E) is a ratio comparing a company's stock price to its earnings per share.

Compensation paid to our investment professionals is heavily influenced by results over one-, three-, five- and eight-year periods, with increasing weight placed on each succeeding measurement period to encourage a long-term investment approach.

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