

American Funds® Strategic Bond Fund

Class R-3 | RANCX for the year ended December 31, 2024



This annual shareholder report contains important information about American Funds Strategic Bond Fund (the "fund") for the period from January 1, 2024 to December 31, 2024. You can find additional information about the fund at capitalgroup.com/mutual-fund-literature-R3. You can also request this information by contacting us at (800) 421-4225.

What were the fund costs for the last year? (based on a hypothetical \$10,000 investment)

Share class	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Class R-3	\$95	0.95%

Management's discussion of fund performance

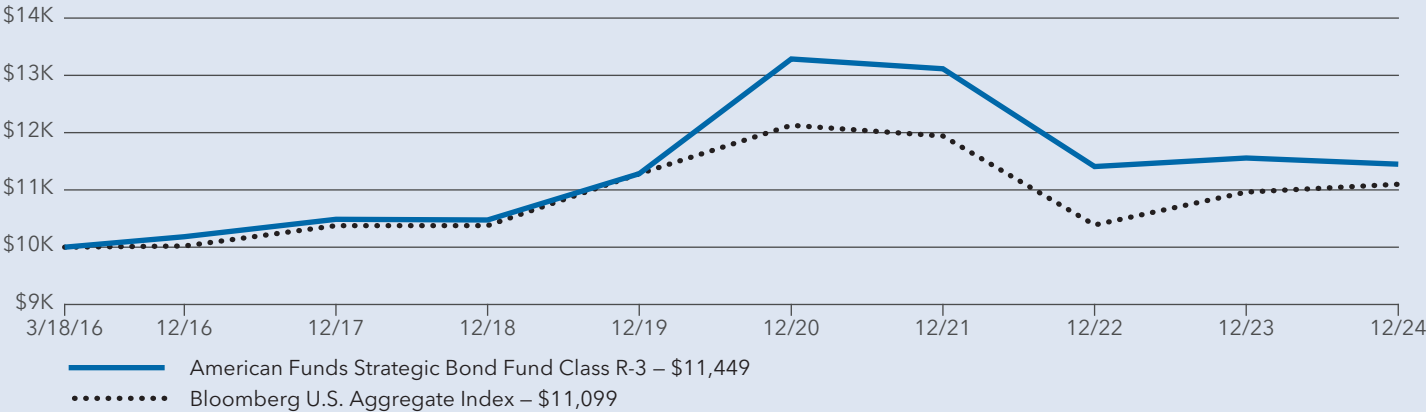
The fund's Class R-3 shares lost 0.94% for the year ended December 31, 2024. That result compares with a 1.25% gain for the Bloomberg U.S. Aggregate Index. For information on returns for additional periods, including the fund lifetime, please refer to capitalgroup.com/mutual-fund-returns-R3.
For the year ended December 31, 2024, the fund's distributions exceeded total taxable income resulting in a return of capital for tax purposes. For additional information, please refer to [2024 year-end distributions | Capital Group](#).

What factors influenced results

During the fund's fiscal year, the U.S. Federal Reserve (Fed) lowered its policy rate three times. Following its first rate cut in September 2024, the Fed made additional rate reductions in November and December. While ultra-short bond yields have fallen significantly since the Fed's initial rate cut, longer term yields have increased. The upward trend in long-term yields reflected the bond market's expectations for stronger U.S. economic growth.
The fund's interest rate positioning contributed positively to relative returns. Being underweight duration for most of the first half of the year helped returns as rates rose. Positioning to benefit from the yield curve steepening also proved beneficial to the fund's relative returns. The curve began steepening in June as markets prepared for the Fed to begin its interest rate cutting cycle, resulting in the end of the curve's long-running inversion.
The fund's defensive positioning in sector allocation was a drag on relative returns. In particular, the hedging of credit risk in investment grade (IG) and high yield (HY) corporate bond markets was a detractor. Spreads for both IG and HY corporates narrowed in 2024, helped by positive fundamentals, interest rate cuts from the Fed and the anticipation of pro-business policies from the incoming administration.

How a hypothetical \$10,000 investment has grown

Figures assume reinvestment of dividends and capital gains.



Average annual total returns

	1 year	5 years	Since inception ¹
American Funds Strategic Bond Fund – Class R-3 ²	(0.94)%	0.29%	1.55%
Bloomberg U.S. Aggregate Index ³	1.25%	(0.33)%	1.19%

¹ Class R-3 shares were first offered on March 18, 2016.

² Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower.

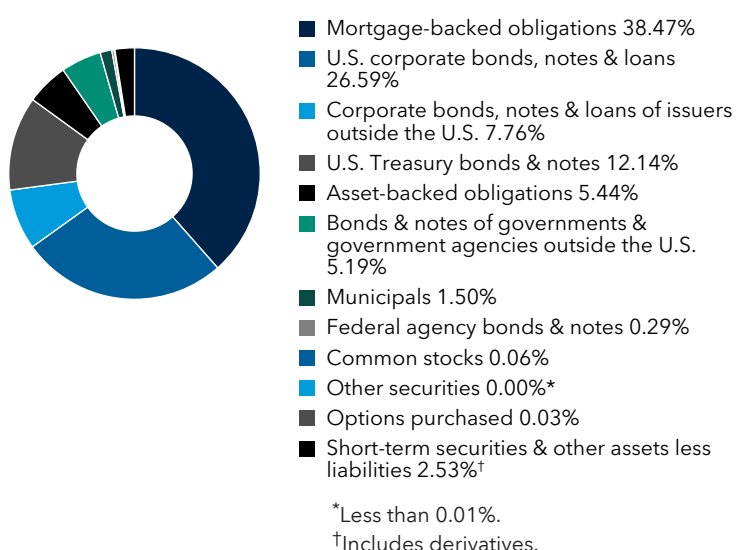
³ Results assume all distributions are reinvested. Any market index shown is unmanaged, and therefore, has no expenses. Investors cannot invest directly in an index. Source(s): Bloomberg Index Services Ltd.

The fund's past performance is not a predictor of its future performance. The line chart and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or redemption of fund shares.

Key fund statistics

Fund net assets (in millions)	\$19,097
Total number of portfolio holdings	2,197
Total advisory fees paid (in millions)	\$52
Portfolio turnover rate including mortgage dollar roll transactions	313%
Portfolio turnover rate excluding mortgage dollar roll transactions	56%

Portfolio holdings by asset type (percent of net assets)



Availability of additional information



Scan the QR code to view additional information about the fund, including its prospectus, financial information, holdings and information on proxy voting. Or refer to the web address included at the beginning of this report.

Important information

To reduce fund expenses, only one copy of most shareholder documents will be mailed to shareholders with multiple accounts at the same address (householding). If you would prefer that your documents not be househanded, please contact Capital Group at (800) 421-4225, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by Capital Group or your financial intermediary.