U.S. equities
Fourth-quarter 2025
Class F-3 shares

CAPITAL GROUP®

Participate with growth, defend with dividends

How Capital Group's active approach can strengthen your U.S. equity allocation

Unless otherwise noted, figures shown are as of 12/31/25. See page 4 for additional information and disclosures.

Markets are changing. Are you ready?

Risks are rising, but opportunities remain

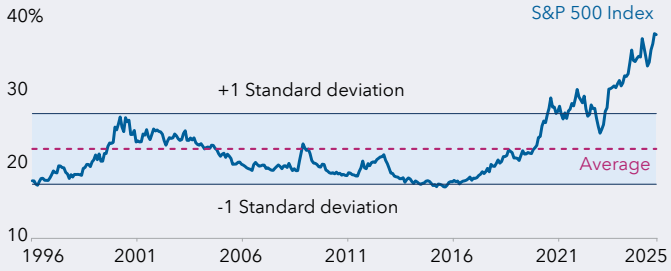
Many valuation measures look extended. Indexes are concentrated. Passive exposure is high. Yet markets are broadening, earnings growth is strong and the AI cycle is evolving.

We've delivered better outcomes

Our U.S. equity funds have delivered index-beating results. We believe greater diversification, flexible positioning, deep research and a long-term orientation promote better outcomes.

S&P 500 concentration reaches new high

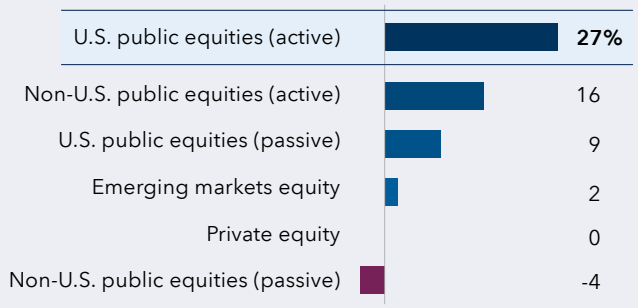
(Percentage of market capitalization in top 10 companies)



Sources: Capital Group, Morningstar, MSCI, S&P Dow Jones Indices. Figures represent the sum of the top 10 largest holdings of the index on a monthly basis.

Advisors expect to pivot into active U.S. equity strategies

(Percentage share of advisors anticipating change in asset class usage over next six months)



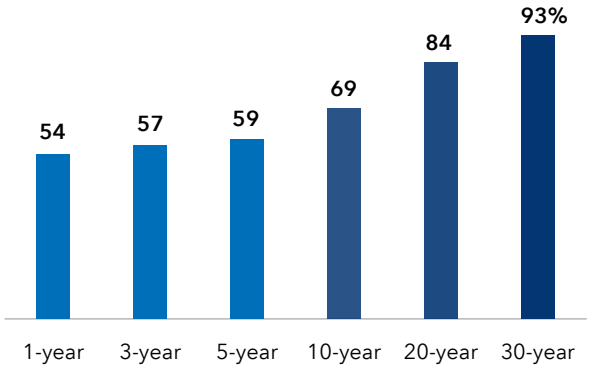
Sources: Escalent, Cogent Syndicated, Advisor Brandscape® 2025.

Better outcomes and less concentration

Figures shown are past results and are not predictive of results in future periods. Returns for mutual funds are based on Class F-3 shares. Current and future results may be lower or higher than those shown. Prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, refer to capitalgroup.com. ETF market price (MP) 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.

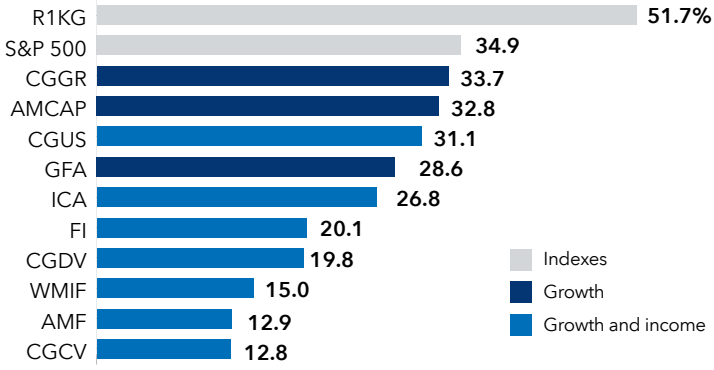
Our U.S. equity funds have outpaced their indexes

(Percentage rolling monthly success rates vs. benchmarks)



Portfolios with less concentration

(Percentage weight in Magnificent 7 stocks)



Source: Capital Group. Rolling monthly success rates are for the American Funds® and ETFs noted in the right-hand chart. Observation periods for equity funds are based on individual inception dates and are for the full lifetime of each fund. The primary benchmark for all 10 of these funds is the S&P 500. Magnificent 7: Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA and Tesla. Alphabet is represented by both Class A and Class C shares.

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

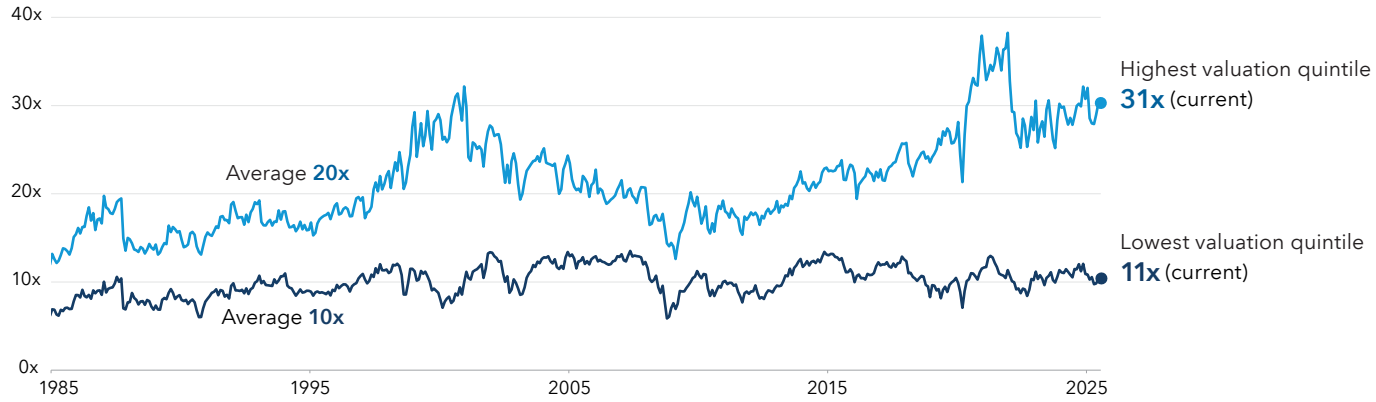
Participate with dynamic growth

- Valuations are high but supported by earnings growth.
- AI investment is bolstered by strong free cash flows.
- Opportunities also exist in areas such as consumer goods, industrials and health care.

"I am focused on both the mix of AI-related stocks I own and how I am counterbalancing them with the rest of the portfolio."

Alan Wilson
Portfolio manager

Forward P/E multiple of S&P 500 top and bottom valuation quintiles (sector-neutral)



Source: Goldman Sachs. P/E: Price-to-earnings ratio. Forward P/E represents the P/E multiple for the next fiscal year. Price-to-earnings (P/E) ratio: Stock price divided by earnings per share. Valuation: An estimate of a company's worth based on metrics including earnings, revenue or assets.

Defend with dividends

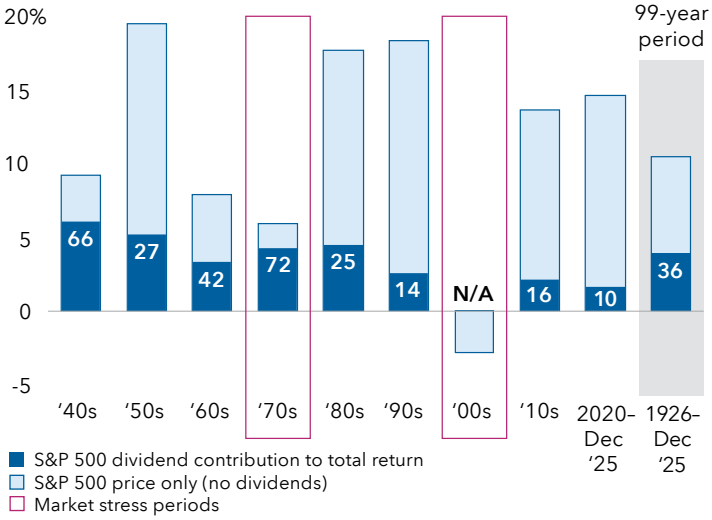
- There are times when clients need dividend returns.
- Value may not be a solution for mitigating drawdown risk; we believe quality dividend-paying companies are.
- For instance, when the S&P 500 fell 18.75% earlier this year,* the MSCI USA High Dividend Yield Index generated an excess return of 694 bps.

*Between 2/19/25 and 4/8/25

"I am actively looking for companies that are out of favor today but could do well amid volatility. These types of sectors are trading near historically low valuations with decent earnings, long-term assets and upside potential."

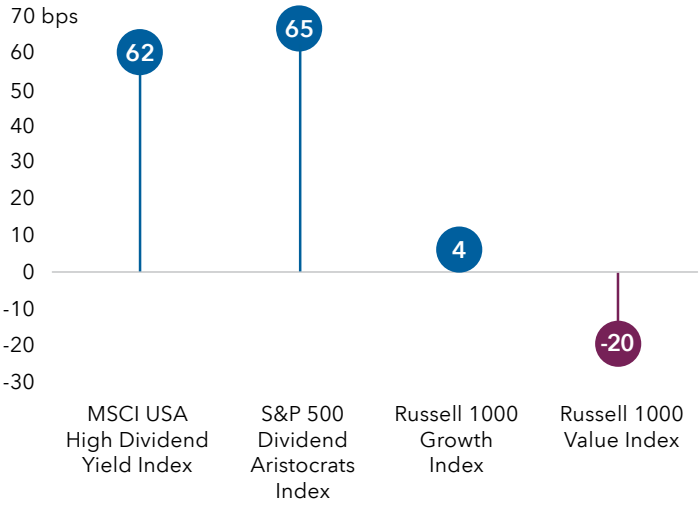
Chris Buchbinder
Portfolio manager

Dividends have bolstered total return in market downturns
(S&P 500 annualized total return by decade)



Sources: Capital Group, S&P Dow Jones Indices. Total return for the S&P 500 Index was negative for the 2000s. Dividends provided a 1.8% annualized return over the decade.
Past results are not predictive of results in future periods.

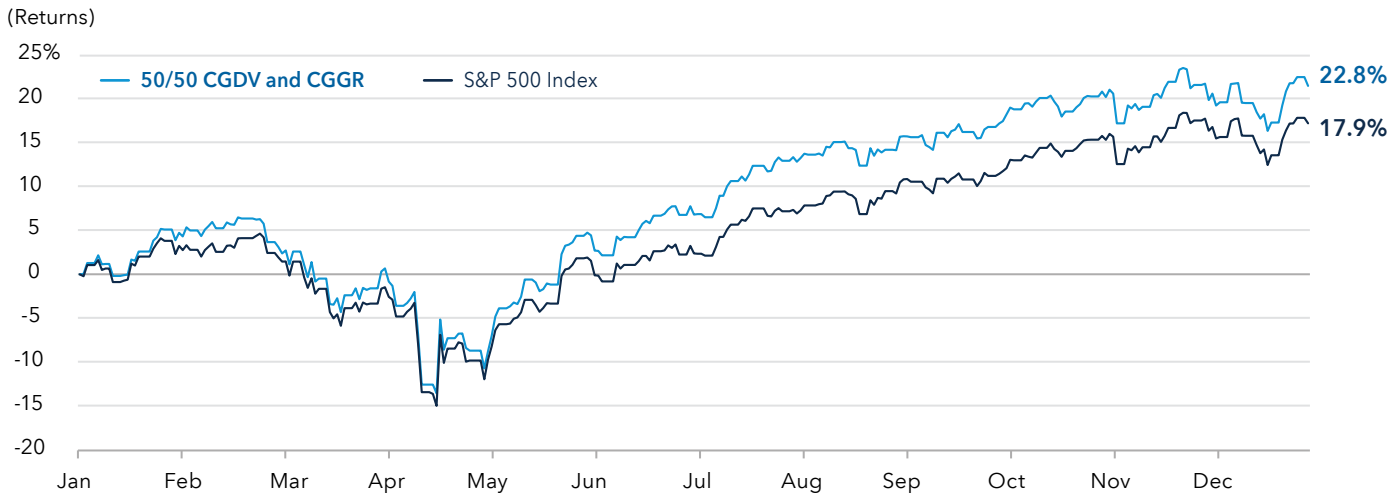
Average monthly excess return when the S&P 500 declined
(Arithmetic average of monthly excess returns for 20 years)



Source: Morningstar. The numbers represent the average of each index's monthly cumulative excess returns (in basis points) relative to the S&P 500 Index for only those months in which the S&P 500 return was negative.

How our approach to U.S. equities has outpaced the market

Hypothetical portfolio: 50% CGGR – Capital Group Growth ETF and 50% CGDV – Capital Group Dividend Value ETF vs. S&P 500



Source: Morningstar. Based on returns at net asset value. Hypothetical results are for illustrative purposes only and in no way represent the actual results of a specific investment. Past results are not predictive of results in future periods.

Putting it into practice: CGDV and CGGR are investing in a more diverse group of stocks relative to the index. CGDV's focus on companies expected to pay steady or rising dividends has led the fund to invest in quality companies that have shown strong earnings growth. CGGR's selective approach, informed by fundamental research, has pursued opportunities more broadly in new growth areas like consumer discretionary and communication services.

Scan for additional equity insights:

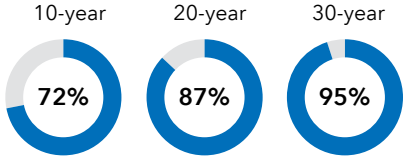
Exposure comparison (%)

	Allocations		
Sector	**CGGR**	**CGDV**	**S&P 500**
Information technology	29.9	23.7	34.4
Financials	7.7	7.2	13.4
Consumer discretionary	15.0	8.9	10.4
Communication services	17.9	5.6	10.6
Health care	11.8	13.8	9.6
Industrials	9.4	16.5	8.2
Consumer staples	1.9	7.4	4.7
Energy	1.4	5.8	2.8
Utilities	0.7	3.9	2.2
Real estate	0.6	0.9	1.8
Materials	1.6	3.8	1.8

Source: Morningstar. Lowest allocation Highest allocation

How Capital Group has delivered

Capital Group's equity-focused mutual funds have outpaced their benchmarks over their respective lifetimes over most 10-, 20- and 30-year rolling periods, on average[1]:



"Our investment process, The Capital System, combines collaborative research with diverse perspectives and a long-term view. It is built for resilience – through cycles, across styles and with conviction."

Martin Romo
Chair and chief investment officer

The Capital System™

Privately owned

We can maintain a long-term view and do what we think is best for investors.[2]

Aligned with investors

Portfolio managers invest alongside their shareholders to focus on long-term outcomes.[3]

An industry leader

An evolving product suite of mutual funds, ETFs and SMAs, along with new public-private strategies.

A top asset manager

Our assets total more than $3 trillion, making Capital Group the largest active U.S. fund manager.[4]

Low expenses

Our equity-focused mutual fund expenses are among the lowest in the industry.[5]

Investment results

Data as of 12/31/25 (Class F-3 for mutual funds)	Total returns (%) Cumulative 1 year	Average annual 5 years	Average annual 10 years	Average annual Lifetime	Gross expense ratio (%)	Inception date
Morningstar Large Growth category	15.92	11.23	14.62	–	–	
AMCAP Fund® – AMCAP	18.17	10.84	13.02	11.99	0.33	5/1/67
The Growth Fund of America® – GFA	20.29	12.16	15.51	14.21	0.29	12/1/73
CGGR – Capital Group Growth ETF (NAV)	19.75	–	–	17.18	0.39	2/22/22
CGGR – Capital Group Growth ETF (MP)	19.75	–	–	17.21		
Morningstar Large Value category	14.94	11.69	10.52	–	–	
American Mutual Fund® – AMF	16.46	12.10	11.66	11.85	0.27	2/21/50
Washington Mutual Investors Fund – WMIF	17.51	14.31	13.49	12.29	0.26	7/31/52
CGDV – Capital Group Dividend Value ETF (NAV)	25.51	–	–	17.76	0.33	2/22/22
CGDV – Capital Group Dividend Value ETF (MP)	25.49	–	–	17.78		
CGCV – Capital Group Conservative Equity ETF (NAV)	16.64	–	–	15.72	0.33	6/25/24
CGCV – Capital Group Conservative Equity ETF (MP)	16.62	–	–	15.82		
Morningstar Large Blend category	15.64	12.17	12.59	–	–	
Fundamental Investors® – FI	24.67	14.82	14.44	13.05	0.28	8/1/78
The Investment Company of America® – ICA	20.87	15.72	14.43	12.60	0.27	1/1/34
CGUS – Capital Group Core Equity ETF (NAV)	16.26	–	–	14.89	0.33	2/22/22
CGUS – Capital Group Core Equity ETF (MP)	16.21	–	–	14.92		
S&P 500 Index	17.88	14.42	14.82	–	–	
Russell 1000 Growth Index – R1KG	18.56	15.32	18.13	–	–	
Russell 1000 Value Index – R1KV	15.91	11.33	10.53	–	–	

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. The expense ratios are as of each fund's prospectus available at the time of publication. The indexes are unmanaged and therefore, have no expenses. Investors cannot directly invest in an index. There have been periods when the funds have lagged the indexes. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower. Please see capitalgroup.com for more information.

This content, developed by Capital Group, home of American Funds, should not be used as a primary basis for investment decisions and is not intended to serve as impartial investment or fiduciary advice.

Footnotes/Important information:

[1]Source: Capital Group. As of 12/31/25. Calculations cover the time frame from January 1934 through December 2025 and are based on rolling monthly periods over each of the existing funds' respective lifetimes for Class F-3 shares at net asset value.

[2]Portfolio manager compensation puts increasing emphasis on long-term results and is based on 1-, 3-, 5- and 8-year periods.

[3]Source: Morningstar. As of 2/19/25. Ninety-seven percent of American Funds assets are invested in mutual funds in which at least one manager has invested more than $1 million.

[4]Assets under management claim based on preliminary Capital Group data as of 12/31/25. Largest U.S. mutual fund manager information based on Morningstar data on open-ended mutual fund assets (excluding fund of funds) as of 12/31/25.

[5]Sources: Capital Group, Lipper. Based on American Funds expense ratios for Class F-3 shares available on December 31, 2025.

Multiple: A way to gauge company performance by dividing one metric by another. Above, it refers to the P/E ratio.

Success rate: How often a fund outpaced peers or benchmarks.

Standard deviation: A measure of return variance over time. Greater positive or negative values indicate greater volatility.

Volatility: A measure of how much a stock's price fluctuates. Higher volatility means larger price swings and more risk.

Russell 1000 Growth Index: Tracks large-cap U.S. growth stocks by market capitalization.

Russell 1000 Value Index: Tracks large-cap U.S. value stocks by market capitalization.

S&P 500 Index: A market-capitalization-weighted index of about 500 major U.S. stocks. Includes reinvested dividends but excludes fees and taxes.

S&P 500 Dividend Aristocrats Index: Equal-weighted index of S&P 500 companies that have raised dividends for more than 25 years.

MSCI USA High Dividend Yield Index: Focuses on U.S. large- and mid-cap stocks with strong, sustainable dividends, excluding REITs.

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.

If used after March 31, 2026, this brochure must be accompanied by the most recent applicable quarterly statistical updates for the products shown.

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 (MP), 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.

Portfolios are managed, so holdings will change. Certain fixed income and/or cash and equivalents holdings may be held through mutual funds managed by the investment adviser or its affiliates that are not offered to the public.

Class F-3 shares were first offered on January 27, 2017. Class F-3 share results prior to the date of first sale are hypothetical based on the results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses. Please see capitalgroup.com for more information on specific expense adjustments and the actual dates of first sale.

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. (Also applies to CGGR and CGUS).

ETF market price returns since inception are calculated using NAV for the period until market price became available (generally a few days after inception).

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Nondiversified funds, CGGR and CGCV 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 were invested in a larger number of issuers. See the applicable prospectus for details.

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Past results are not predictive of results in future periods.

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