

Quarter highlights

- In general, funds with a fixed income focus outpaced those with an equity focus over the quarter.
- Within equities, funds with higher concentrations of non-U.S. equities fared better than those with greater concentrations in U.S. stocks.
- Additionally, funds with a growth-and-income and equity-income focus held up better than those with a growth focus.
- Within fixed income, funds with higher exposures to inflation-linked and non-U.S. bonds rose the most, while those with larger weightings to high-yield bonds trailed.

Market review

U.S. and international equities diverged as investors weighed the implications of a brewing trade war, waning consumer confidence and high valuations in the technology sector. After two years in a row of 20%-plus gains (S&P 500 Index), U.S. stocks entered correction territory, falling roughly 10% in mid-March before recovering some of the losses. European stocks rallied as investors rotated into value-oriented areas of the market.

Technology stocks fell the most, pressured by valuation concerns and worries that a strong run-up in artificial intelligence stocks had gone too far (MSCI ACWI). The consumer discretionary sector also slipped on sharp declines in U.S. consumer confidence. Amid rising market volatility, energy and utilities stocks fared better as investors favored solid, dividend-paying companies.

Bonds generally posted solid returns. U.S. Treasuries rallied as interest rates moved lower. The U.S. Federal Reserve took no action at its March meeting, leaving policy rates unchanged. Corporate bonds rose despite signs of weakening U.S. economic growth. Outside the U.S., European bonds rallied, driven by gains in the U.K., France and Germany.

In foreign exchange markets, the U.S. dollar fell against the euro, the yen, the pound sterling and most emerging markets currencies. Following a remarkable run in 2024, the U.S. Dollar Index slipped nearly 4% in the first three months of 2025 as capital flows shifted into non-U.S. assets.

Portfolio review

In general, funds with a fixed income focus outpaced those with an equity focus over the quarter.

Within equities, funds with higher concentrations of non-U.S. equities fared better than those with greater concentrations in U.S. stocks.

Additionally, funds with a growth-and-income and equity-income focus held up better than those with a growth focus, reflecting the rotation out of mega-cap, growth stocks into higher yielding sectors of the markets.

Within fixed income, funds with higher exposures to inflation-linked and non-U.S. bonds rose the most, while those with larger weightings to high-yield bonds trailed given the darkening economic outlook.

Figures shown are past results and are not predictive of results in future periods.

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

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Class F-2 share returns for periods ended 3/31/25

	Total returns (%)			Average annual total returns (%)				Expenses (%)
	QTD	YTD	1 year	3 years	5 years	10 years	Fund lifetime*	
American Funds Global Growth Portfolio	-2.87	-2.87	3.16	5.35	13.37	8.61	10.39	0.55
American Funds Growth Portfolio	-5.05	-5.05	3.94	6.75	14.87	9.86	11.78	0.47
American Funds Growth and Income Portfolio	-0.60	-0.60	6.79	6.76	12.93	8.53	9.86	0.44
American Funds Moderate Growth and Income Portfolio	0.73	0.73	6.71	5.31	10.48	7.30	8.61	0.45
American Funds Conservative Growth and Income Portfolio	2.70	2.70	8.55	5.09	9.05	6.08	6.97	0.40
American Funds Tax-Aware Conservative Growth and Income Portfolio	1.14	1.14	6.56	5.62	9.00	6.54	7.65	0.43
American Funds Preservation Portfolio	2.12	2.12	6.02	2.39	1.40	1.77	1.67	0.38
American Funds Tax-Exempt Preservation Portfolio	0.88	0.88	3.18	2.22	1.38	1.63	1.87	0.37
S&P 500 Index	-4.27	-4.27	8.25	9.06	18.59	12.50	—	—
MSCI All Country World Index (ACWI)	-1.32	-1.32	7.15	6.91	15.18	8.84	—	—
Bloomberg 1-5 Year U.S. Government/Credit A+ Index	2.03	2.03	5.59	2.66	0.95	1.62	—	—
Bloomberg Municipal Bond 1-7 Year Blend Index	0.91	0.91	2.72	2.16	1.35	1.61	—	—

*Funds' inception date: May 18, 2012

S&P 500 Index is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. **MSCI ACWI** is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global developed and emerging markets, consisting of more than 40 developed and emerging market country indexes. Results reflect dividends net of withholding taxes. **Bloomberg 1-5 Year U.S. Government/Credit A+ Index** is a market value-weighted index that tracks the total return results of fixed-rate, publicly placed, dollar-denominated obligations issued by the U.S. Treasury, U.S. government agencies, quasi-federal corporations, corporate or foreign debt guaranteed by the U.S. government, and U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity and quality requirements, with maturities of one to five years, including A-rated securities and above. **Bloomberg Municipal Bond 1-7 Year Blend Index** is a market value-weighted index that includes investment-grade tax-exempt bonds with maturities of one to seven years. **U.S. Dollar Index** is a market index benchmark used to measure the value of the U.S. dollar relative to other widely-traded international currencies.

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