

# American Funds Strategic Bond Fund

Fiscal year-end summary: 12/31/24  
Growth-and-income fund



The fund seeks to maximize total return consistent with the preservation of capital.

Ticker symbols: A shares: ANBAX C shares: ANBCX F-1 shares: ANBEX F-2 shares: ANBFX F-3 shares: ANBGX R-3 shares: RANCX

## The "core" problem

Reliance on Treasuries and other safe-haven securities potentially limits returns for traditional core funds. Some investment firms created funds to address this problem by focusing on below-investment-grade (BB/Ba and below) bonds. Yet, these holdings, such as high-yield corporate debt, face new, more challenging liquidity structures and may be more volatile. This could cause such funds to behave more like an equity fund.

## A distinctive strategy

American Funds Strategic Bond Fund instead uses a combination of top-down and bottom-up research to seek to generate returns primarily through liquid interest rate, yield curve and inflation strategies, while secondarily adding value via credit strategies and opportunistic global positions. We believe this philosophy of "majoring in rates and minoring in credit" should lead our fund to maintain low correlation to equities relative to our peers.

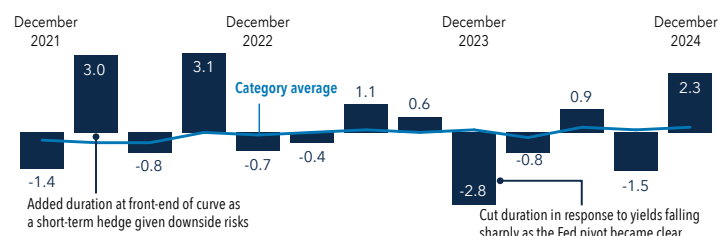
## Fund characteristics

Relatively small concentration in high-yield bonds, designed for low correlation to equities.

- Up to 35% of the portfolio may be invested in emerging market issuers.
- Investments in U.S. Treasuries and agency mortgage-related securities are expected to provide a high level of portfolio liquidity.
- Investments in Treasury Inflation-Protected Securities should serve as a source of inflation protection.
- Corporates and municipal bonds may offer additional income potential.

Figures shown are past results for Class A shares and are not predictive of results in future periods. 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. Unless otherwise indicated, results shown are at net asset value and do not reflect a sales charge. If the 3.75% maximum Class A sales charge had been deducted, results would have been lower. For current information and month-end results, visit [capitalgroup.com](https://capitalgroup.com).

## Rates: Active duration positioning



As of December 31, 2024.

Sources: Capital Group, Bloomberg Index Services Limited, Morningstar. Category is the Morningstar Core-Plus Bond Category.

Duration is a measure of the sensitivity of the price of a bond to a change in interest rates.

Bloomberg U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market.

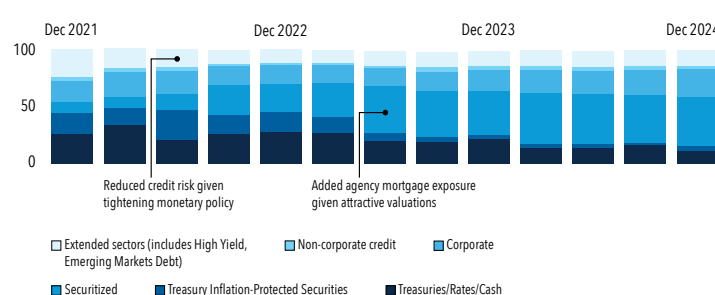
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**Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

## Credit: Active sector positioning

Portfolio composition by sector (%) on a quarterly basis



Source: Capital Group. As of 12/31/24. Dark blue shades indicate securities that have typically been highly liquid.

## Experienced portfolio management

The fund's four portfolio managers have a median 24 years of investment industry experience as of the prospectus dated 3/1/25.



Xavier Goss  
22 years



Damien McCann  
25 years



Tim Ng  
20 years



Ritchie Tuazon  
25 years

### Asset mix at 12/31/24

U.S. Treasury securities	12.1%
U.S. corporate bonds	26.9
Non-U.S. corporate bonds	7.8
Non-U.S. governments bonds	4.7
Mortgage/Asset-backed securities	43.7
Municipal securities	1.6
Other	0.7
Cash & equivalents <sup>1</sup>	2.5

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.

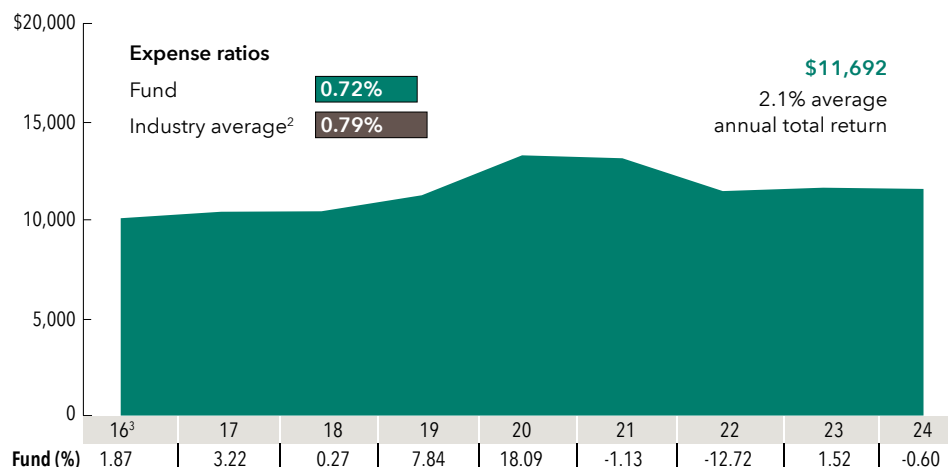
### Quality summary at 12/31/24

U.S. Treasuries/Agencies	12.4%
AAA/Aaa through A	36.3
BBB/Baa	13.1
BB/Ba or below	7.3
Unrated	4.1
Average life (years)	—

### Yield

As of 3/31/25	30-day SEC yield	12-month distribution rate
Fund	5.08%	3.09%
Industry average <sup>2</sup>	—	4.23

### Results of a hypothetical \$10,000 investment (3/18/16-12/31/24)



Average life includes the impact of callable bonds. Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch, as an indication of an issuer's credit-worthiness. If agency ratings differ, a security will be considered to have received the highest of those ratings, consistent with applicable investment policies. Securities in the Unrated category have not been rated by any of the rating agencies referenced above; however, the investment adviser performs its own credit analysis and assigns comparable ratings that are used for compliance with applicable investment policies. 12-month distribution rates are calculated at net asset value by Lipper. The SEC yield reflects the rate at which the fund is earning income on its current portfolio of securities, while the distribution rate reflects the fund's past dividends paid to shareholders. Accordingly, the fund's SEC yield and distribution rate may differ.

Average annual total returns for periods ended 3/31/25 after payment of the 3.75% maximum up-front sales charge for Class A shares:

**1 year: 1.39%**

**5 years: -0.96%**

**Lifetime (since 3/18/16): 1.72%**

**Expense ratio: 0.72%**

<sup>1</sup>Cash & equivalents includes short-term securities, accrued income and other assets less liabilities. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

<sup>2</sup>Source for industry average: Lipper Core Plus Bond Funds Average, which is composed of funds that invest at least 85% of their net assets in domestic investment-grade debt issues (rated in the top four grades) with any remaining investment in non-benchmark sectors such as high-yield, global and emerging market debt. These funds maintain dollar-weighted average maturities of five to 10 years.

<sup>3</sup>For the period 3/18/16 (the fund's inception date) to 12/31/16.

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

If used after 6/30/25, this sheet must be accompanied by a current American Funds quarterly statistical update. This sheet must be preceded or accompanied by a prospectus or summary prospectus for the fund.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Past results are not predictive of results in future periods. The expense ratio is as of

the fund's prospectus available at the time of publication. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower. Visit [capitalgroup.com](https://capitalgroup.com) for more information.

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. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. The return of principal for bond portfolios and for portfolios with significant underlying bond holdings is not guaranteed. Investments are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Frequent and active trading of portfolio securities may occur, which may involve correspondingly greater transaction costs, adversely affecting the results. The use of derivatives involves a variety of risks, which may be different from, or greater than, the risks associated with investing in traditional securities, such as stocks and bonds.

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