



Model portfolios designed to meet your needs

The LPL Research American Funds Active Core portfolios¹ are designed with the most important benchmark in mind – helping you achieve your investment goals.

LPL Research

LPL Research builds and manages models, using American Funds as the core investment funds. LPL Research believes that leveraging Capital Group's diversified investment management approach and long track record of collaborative research provides a robust foundation for portfolio construction.

The LPL Research American Funds Active Core portfolios offer investors access to:

- Money management information
- Actively managed portfolios
- New asset classes or allocations

The Active Core portfolios are designed for people actively saving for long-term financial goals, like college or retirement. The five models offer a variety of options, depending on risk tolerance and time horizon.

By investing in these portfolios, you can actively approach your long-term goals.

The Capital System™

Since 1931, Capital Group has helped investors pursue long-term investor success. Our distinctive investment approach – The Capital System – is designed to deliver superior investment results. It rests on three pillars:

Collaborative research – Our portfolio managers, analysts, economists and quantitative research teams closely collaborate on our research process – sharing and debating ideas. This collaboration generates deeper insights that inform our portfolios.

Diverse perspectives – Most portfolios have multiple portfolio managers, each of whom invests part of the portfolio in their strongest individual convictions. Combining these diverse investment approaches into a single portfolio helps us pursue more consistent results, with less volatility.

Long-term view – Investment professionals invest with a long-term view, which we believe aligns our goals with the interests of our clients. Managers are rewarded more for their long-term results,² and most personally invest in the funds they manage.³ Our fund management fees are often among the lowest in the industry.⁴

¹LPL Research American Funds Active Core portfolios are centrally managed fee-based portfolios constructed by LPL Financial Research or another external strategist. Capital Group is not responsible for portfolio construction. Investment choices include mutual funds and exchange-traded products. The portfolios benefit from ongoing monitoring, rebalancing and tax management services implemented by the LPL Financial Overlay Portfolio Management Group.

²Compensation 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.

³Ninety-seven percent of American Funds assets are invested in mutual funds in which at least one manager has invested more than \$1 million. Source: Morningstar. Data as of 2/15/25.

⁴On 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.

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.

Advisory services offered through Capital Research and Management Company (CRMC) and its RIA affiliates.

For registered investment advisors and institutional investors only.

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

LPL Research American Funds Active Core portfolios

Fund allocations as of December 31, 2024

Tactical asset allocations

- American Funds equity
- American Funds balanced/equity-income
- American Funds fixed income
- Other fund managers
- Cash

	Aggressive growth (AG)	Growth (G)	Growth with income (GWI)	Income with moderate growth (IMG)	Income with capital preservation (ICP)
American Funds equity	88%	75%	54%	30%	13%
The Growth Fund of America®	8	13	14	10	6
American Mutual Fund®	5	–	–	–	–
The Investment Company of America®	21	17	11	6	2
Washington Mutual Investors Fund	27	23	16	6	2
EuroPacific Growth Fund®	8	7	5	3	–
New World Fund®	4	3	–	–	–
SMALLCAP World Fund®	15	12	8	5	3
American Funds balanced/equity-income	0%	9%	7%	12%	14%
American Balanced Fund®	–	–	–	6	7
Capital Income Builder®	–	9	7	6	7
American Funds fixed income	0%	6%	29%	49%	69%
American Funds Strategic Bond Fund	–	–	3	12	15
Intermediate Bond Fund of America®	–	–	4	6	13
American Funds Corporate Bond Fund®	–	–	2	2	3
The Bond Fund of America®	–	6	20	29	38
Total American Funds allocation	88%	90%	90%	91%	96%
Other fund manager's allocation	10%	8%	8%	7%	2%
John Hancock Disciplined Value Mid Cap Fund	10	8	8	7	2
Cash	2%	2%	2%	2%	2%

The model portfolios are monitored; allocations and funds may change. Investment allocations may not achieve model portfolio objectives. There are expenses associated with the underlying funds in addition to any fees charged by the intermediary. The cash portion of the portfolios is made up of money market instruments.

American Funds may hold cash and equivalents. Cash and equivalents for the American Funds includes short-term securities, accrued income and other assets less liabilities. It may also include investments in money market or similar funds managed by American Funds' investment adviser or its affiliates that are not offered to the public.

Tactical management is when investment managers attempt to outpace the market by predicting market activity and can add value to portfolios by anticipating market cycles and continuously changing asset allocation over time. Because of its narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies. The prices of small- and mid-cap stocks are generally more volatile than large-cap stocks. An increase in interest rates may cause the price of bond mutual funds to decline. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. Investing in mutual funds involve risk, including possible loss of principal. Investments in specialized industry sectors have additional risks, which are outlined in the prospectus. Stock investing involves risk, including loss of principal. There is no assurance that the techniques and strategies discussed are suitable for all investors or will yield positive outcomes. The purchase of certain securities may be required to implement some of the strategies. Tactical allocation may involve more frequent buying and selling of assets and will tend to generate higher transaction costs. Investors should consider the tax consequences of moving positions more frequently.

Model portfolios are provided to financial intermediaries who may or may not recommend them to clients. The portfolios consist of an allocation of funds for investors to consider and are not intended to be investment recommendations. The portfolios are asset allocations designed for individuals with different time horizons, investment objectives and risk profiles. Allocations may change and may not achieve investment objectives. If a cash allocation is not reflected in a model, the intermediary may choose to add one. Capital Group does not have investment discretion or authority over investment allocations in client accounts. Investors should talk to their financial professional for information on other investment alternatives that may be available. In making investment decisions, investors should consider their other assets, income and investments.

Model portfolios are subject to the risks associated with the underlying funds in the model portfolio. Investors should carefully consider investment objectives, risks, fees and expenses of the funds in the model portfolio, which are contained in the fund prospectuses. 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. Smaller company stocks entail additional risks, and they can fluctuate in price more than larger company stocks. The return of principal for bond funds and for funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. Investments in mortgage-related securities involve additional risks, such as prepayment risk. 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. A nondiversified fund has 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.

The attached has been given an 'Approved As Is' status by Marketing Regulatory Review. For registered investment advisers who want to use and/or customize preapproved materials, they must first review the Communications with the Public chapter of the Advisor Compliance Manual. Specifically the sections on Commonly Used Disclosures and Pre-Approved Communications. There, they will find instructions on how to use the correct Broker-Dealer disclosure, use preapproved materials, and how to meet their Books and Records requirements.

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In the LPL Financial Model Wealth Portfolios (MWP) Program, the LPL Financial Overlay Portfolio Management Group is responsible for the trading, rebalancing and implementation of trades for the client's account based on model portfolio investment recommendations it receives from Capital Group.

LPL Financial and Capital Group are not affiliates of each other and make no representation with respect to each other.

Not insured by FDIC or any other government agency	Not bank guaranteed	Not bank deposits or obligations	May lose value
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