

American Funds® Active-Passive
Model Portfolios with Vanguard
at Morgan Stanley

A photograph of a man and a woman in an office environment. The woman, wearing a green shirt, is holding a tablet and pointing at the screen. The man, wearing a blue shirt, is looking at the tablet with a focused expression. The background shows office shelves with books and papers. The image is overlaid with a blue grid pattern.

Designed to offer investors the
best of both approaches

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. Advisory services offered through Capital Research and Management Company (CRMC) and its RIA affiliates.

Tap into the strength of Capital Group and Vanguard

Capital Group's strong belief in the power of active management is now combined with the low cost of passive funds to bring investors models that can offer the benefits of both approaches. With Capital Group as strategist providing ongoing portfolio monitoring and fund selection, these active-passive models leverage the best thinking of our Custom Solutions Committee to combine the Capital Group's funds potential for excess return, and lower downside capture with the low costs and broad exposure of Vanguard's passive investments.

Two leading investment managers bring together their best thinking aligned with investor goals

The Capital Advantage®

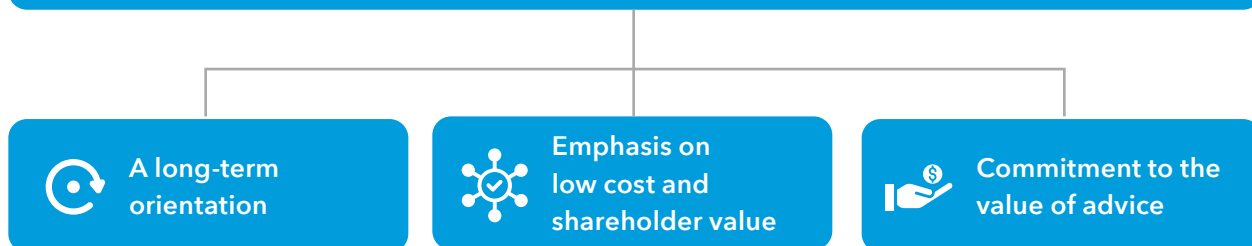
Capital Group is the largest multi-asset mutual fund manager in the U.S.¹ Deep collaborative research is the backbone of the firm and essential to delivering superior results to investors over decades, not quarters.

An indexing pioneer

Vanguard is an indexing leader. The firm has spent 50 years refining and investing in its indexing methodology to provide the tightest tracking at low cost.



We share similar investment philosophies



Sources: Capital Group, Vanguard.

Capital Group and Vanguard are partnering to provide these strategies through Morgan Stanley. The three firms are otherwise not associated.

¹As of 12/31/24. Largest multi-asset manager calculated by Capital Group is based on data (total net assets of U.S. open-end mutual funds in all U.S. Fund Allocation categories, excluding funds of funds) from Morningstar.

²As of 3/31/25.

³Source: Morningstar, "The Thrilling 36" by Russel Kinnel, August 20, 2024. Morningstar's screening took into consideration expense ratios, manager ownership, returns over manager's tenure, and Morningstar Risk, Medalist and Parent ratings. The universe was limited to share classes accessible to individual investors with a minimum investment no greater than \$50,000, did not include funds of funds, and must be rated by Morningstar analysts. Class A shares were evaluated for American Funds. The models herein use Class F-2 shares. Not all 'Thrilling' funds are available in every model. Visit [morningstar.com](https://www.morningstar.com) for more details.

⁴As of 12/31/24.

How Capital Group funds and Vanguard ETFs work together to help investors



Active investing

Capital Group funds’ flexible approach seeks to capitalize on markets in constant motion to deliver above-average, risk-adjusted results over the long term.

Excess return

Capital Group’s funds seek to provide higher returns than their benchmarks, at lower risk.



Passive complement

Together with Capital Group’s funds, select Vanguard exchange-traded funds (ETFs) seek to increase investors’ broad exposure, cost effectiveness and tax efficiency.¹

Tight index tracking

Vanguard ETFs aim to tightly track their indices.

Low cost

Capital Group funds and Vanguard ETFs offer lower-than-average expense ratios versus their industry peers.²



The combined solution

In one single solution, investors have access to objective-based strategies that align with real-life goals – at low costs and with the potential to outpace markets.

Portfolio features at Morgan Stanley



Program availability

Manage Advisory
Portfolio Solutions (MAPS)



Delivered through

Select UMA



Investment guidelines

GIMA reviewed
and approved³



Minimum investment

\$5,000

Sources: Capital Group, Vanguard and Morningstar.

¹ Refer to glossary for more information.

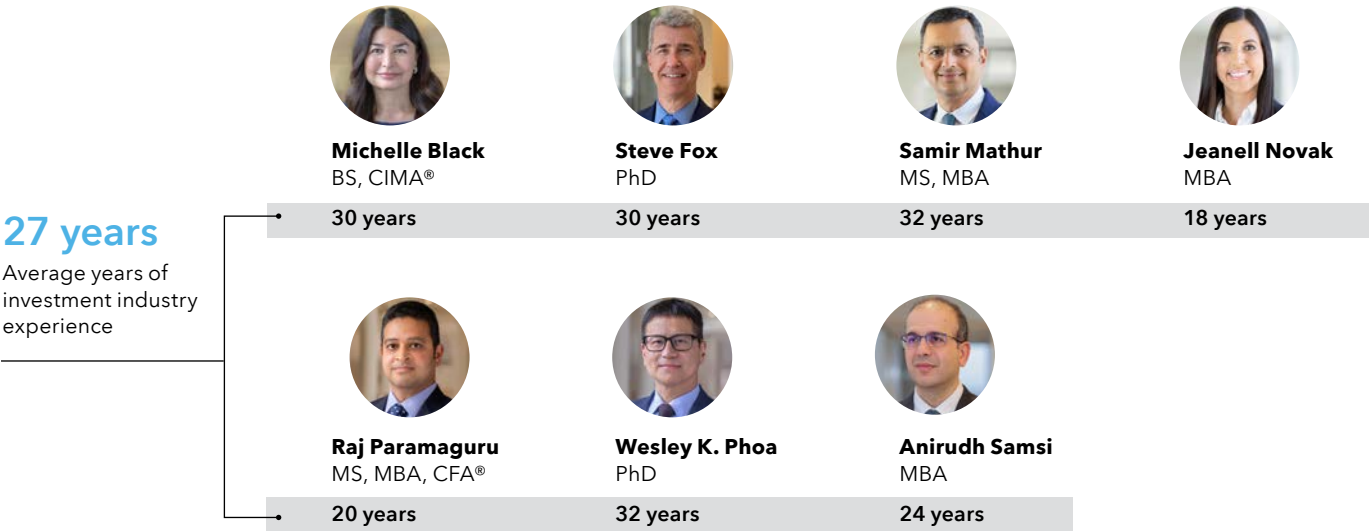
² On average, American Funds mutual fund management fees were in the lowest quintile 49% of the time, based on the 20-year period ended 12/31/24, versus comparable Lipper categories, excluding funds of funds. Based on monthly periods as of 12/31/24, 24% of Capital Group ETFs were in the lowest fee quartile when compared to other ETFs within the same Morningstar peer category. As of 12/31/24, Vanguard average ETF expense ratio was 0.05% and industry average expense ratio was 0.22%. All averages are asset-weighted. Refer to page 8 for more information.

³ Global Investment Manager Analysis (GIMA) evaluates investments in applicable advisory programs at Morgan Stanley.

A team of experienced investment professionals

The American Funds Active-Passive Model Portfolios with Vanguard represent our team’s best thinking on constructing portfolios by blending active and passive strategies. The portfolios offer rigorously researched and analyzed fund mixes regularly monitored to ensure that they remain aligned with their objectives through varying market and economic conditions.

Custom Solutions Committee (CSC)*



Investor outcomes are at the center of our investment process

Investor-objective focused

Our goal-based models add diversification by bringing together the key strengths of Capital Group and Vanguard to help investors pursue their real-life goals.

Monitoring and management

The CSC monitors results and the behavior of the underlying funds daily and quarterly and provides insight to determine rebalancing when appropriate.



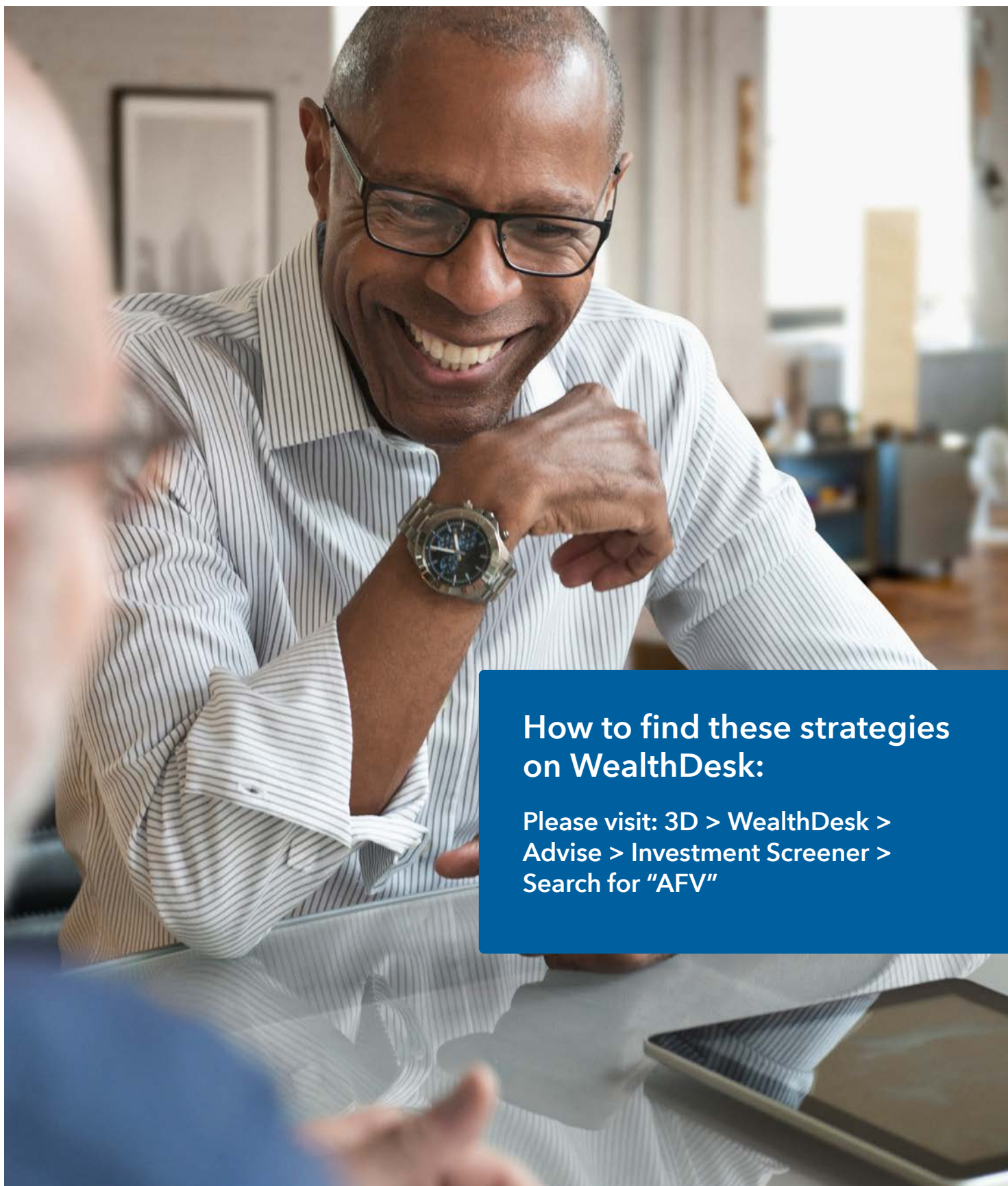
Strategic asset allocation

Viable asset allocation targets are set by leveraging historical backtesting, forward-looking simulations and quantitative and qualitative insight.

Investment selection

Adjusting the mix of American Funds, Capital Group ETFs and Vanguard ETFs to achieve the desired objective category weights, flexibility and diversification can help limit downside risk, capture upside appreciation and broaden exposure.

*Years of investment industry experience as of 12/31/24.

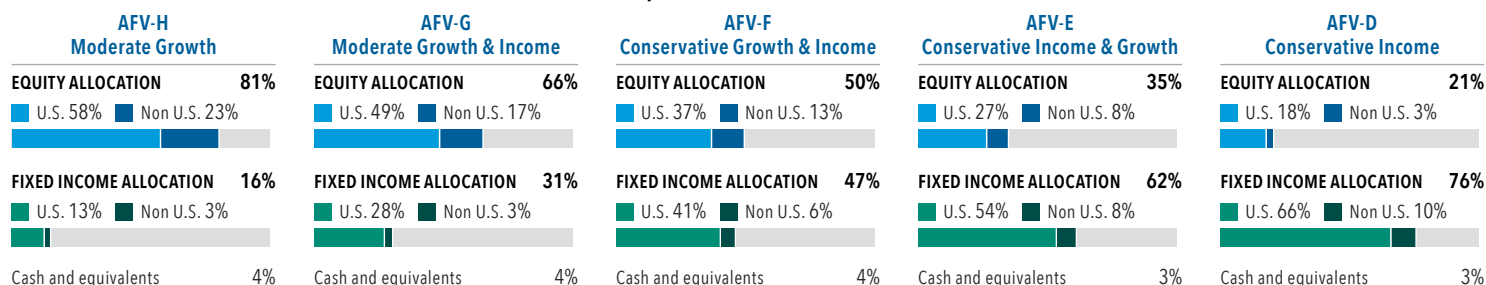


How to find these strategies on WealthDesk:

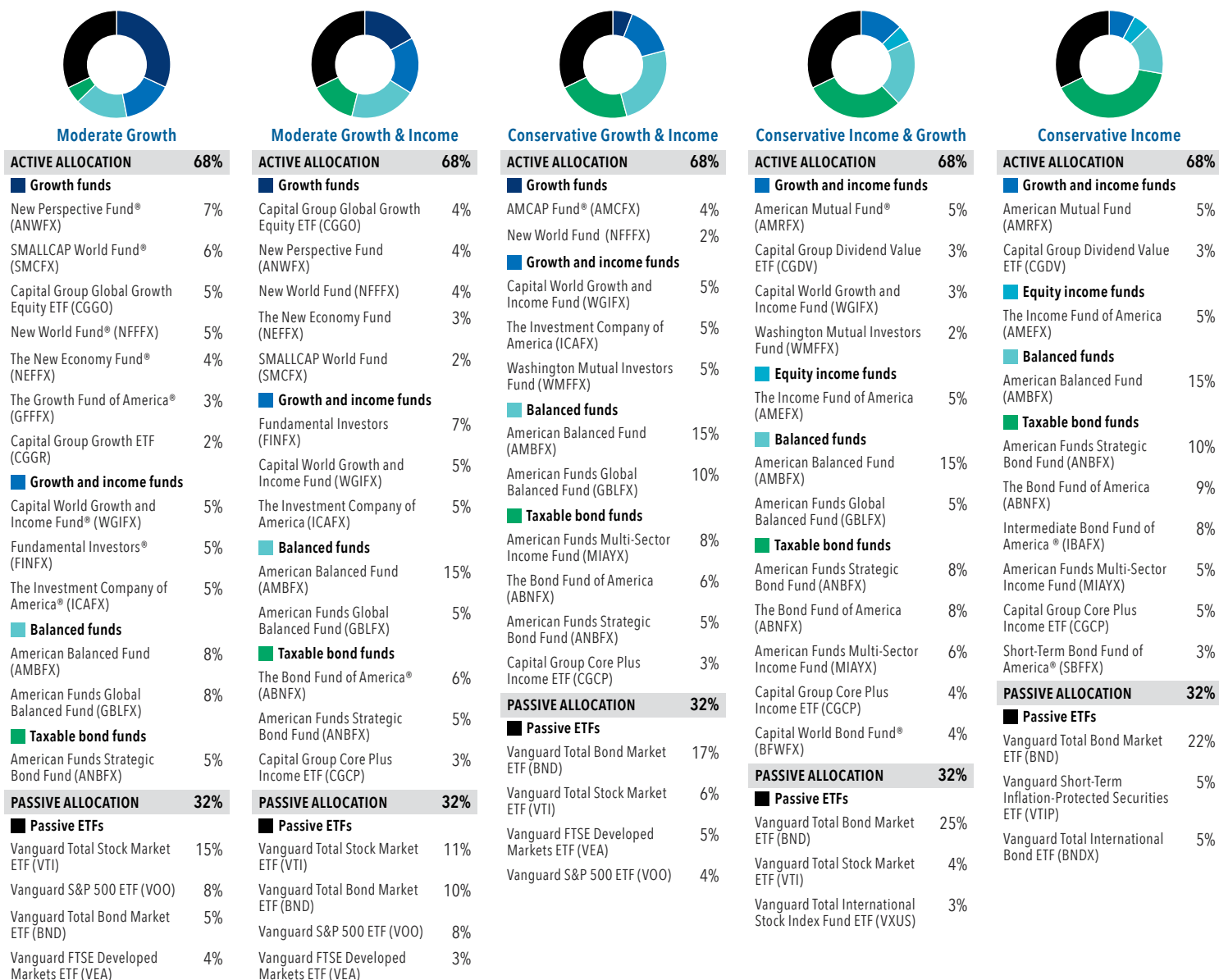
Please visit: 3D > WealthDesk >
Advise > Investment Screener >
Search for "AFV"

American Funds Active-Passive Model Portfolios with Vanguard

Asset allocation for taxable models as of March 31, 2025¹



Underlying fund allocation as of March 31, 2025¹



Moderate Growth	Moderate Growth & Income	Conservative Growth & Income	Conservative Income & Growth	Conservative Income
WEIGHTED AVERAGE EXPENSE RATIO (CLASS F-2)				
0.35%	0.31%	0.31%	0.29%	0.27%
SUGGESTED CLIENT RISK TOLERANCE CATEGORY²				
3, 4, 5	3, 4, 5	2, 3, 4, 5	1, 2, 3, 4	1, 2, 3

Sources: Capital Group, Morningstar and Morgan Stanley.

Expense ratio for the model is the weighted average of the underlying mutual funds' and exchange-traded funds' gross expense ratios as of their most recent prospectuses. Underlying mutual funds are based on Class F-2. Expense ratios do not reflect any advisory fee charged by model providers. For asset mix, due to rounding methodology, totals may not add up to 100%.

For the American Funds, cash and 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.

¹The display includes strategy identifiers for financial professionals in Morgan Stanley investment management platforms. American Funds mutual funds tickers are for Class F-2 shares.

²Refer to page 8 for more information.

American Funds Active-Passive Model Portfolios with Vanguard

Asset allocation for tax-aware (TA) models as of March 31, 2025¹

AFV-M Moderate Growth TA	AFV-L Moderate Growth & Income TA	AFV-K Conservative Growth & Income TA	AFV-J Conservative Income & Growth TA	AFV-I Conservative Income TA
EQUITY ALLOCATION 80%	EQUITY ALLOCATION 65%	EQUITY ALLOCATION 50%	EQUITY ALLOCATION 34%	EQUITY ALLOCATION 20%
U.S. 59% Non U.S. 21%	U.S. 48% Non U.S. 17%	U.S. 38% Non U.S. 12%	U.S. 27% Non U.S. 7%	U.S. 17% Non U.S. 3%
FIXED INCOME ALLOCATION 16%	FIXED INCOME ALLOCATION 31%	FIXED INCOME ALLOCATION 47%	FIXED INCOME ALLOCATION 63%	FIXED INCOME ALLOCATION 78%
U.S. 16% Non U.S. 0.2%	U.S. 31% Non U.S. 0.2%	U.S. 47% Non U.S. 0.2%	U.S. 63% Non U.S. 0%	U.S. 78% Non U.S. 0%
Cash and equivalents 4%	Cash and equivalents 4%	Cash and equivalents 3%	Cash and equivalents 3%	Cash and equivalents 3%

Underlying fund allocation as of March 31, 2025¹

Moderate Growth TA	Moderate Growth & Income TA	Conservative Growth & Income TA	Conservative Income & Growth TA	Conservative Income TA
ACTIVE ALLOCATION 68%	ACTIVE ALLOCATION 68%	ACTIVE ALLOCATION 68%	ACTIVE ALLOCATION 68%	ACTIVE ALLOCATION 68%
Growth funds	Growth funds	Growth funds	Growth funds	Growth funds
Capital Group Global Growth Equity ETF (CGGO) 11%	Capital Group Global Growth Equity ETF (CGGO) 8%	AMCAP Fund (AMCFX) 4%	AMCAP Fund (AMCFX) 4%	American Funds Global Insight Fund (AGVGX) 4%
Capital Group Growth ETF (CGGR) 8%	New World Fund (NFFFX) 4%	Capital Group Global Growth Equity ETF (CGGO) 4%	American Funds Global Insight Fund (AGVGX) 3%	Growth and income funds
New World Fund (NFFFX) 5%	Capital Group Growth ETF (CGGR) 3%	New World Fund (NFFFX) 4%	Capital Group Global Growth Equity ETF (CGGO) 3%	American Mutual Fund (AMRFX) 5%
The New Economy Fund (NEFFX) 4%	The New Economy Fund (NEFFX) 3%	Capital Group Growth ETF (CGGR) 3%	Growth and income funds	Capital Group Dividend Value ETF (CGDV) 4%
SMALLCAP World Fund (SMCFX) 4%	SMALLCAP World Fund (SMCFX) 2%	Growth and income funds	Capital World Growth and Income Fund (WGIFX) 7%	Capital Group Core Equity ETF (CGUS) 3%
Growth and income funds	Growth and income funds	Capital World Growth and Income Fund (WGIFX) 8%	Capital Group Dividend Value ETF (CGDV) 4%	Tax-exempt bond funds
Capital Group Core Equity ETF (CGUS) 8%	Capital World Growth and Income Fund (WGIFX) 8%	Capital Group Dividend Value ETF (CGDV) 6%	American Mutual Fund (AMRFX) 3%	The Tax-Exempt Bond Fund of America (TEAFX) 27%
Capital World Growth and Income Fund (WGIFX) 8%	Capital Group Core Equity ETF (CGUS) 6%	Capital Group Core Equity ETF (CGUS) 5%	Capital Group Core Equity ETF (CGUS) 3%	Limited Term Tax-Exempt Bond Fund of America (LTEFX) 15%
Fundamental Investors (FINFX) 7%	Capital Group Dividend Value ETF (CGDV) 6%	Tax-exempt bond funds	Tax-exempt bond funds	American High-Income Municipal Bond Fund (AHMFX) 10%
Tax-exempt bond funds	Fundamental Investors (FINFX) 5%	American High-Income Municipal Bond Fund (AHMFX) 14%	The Tax-Exempt Bond Fund of America (TEAFX) 20%	PASSIVE ALLOCATION 32%
American High-Income Municipal Bond Fund® (AHMFX) 10%	Tax-exempt bond funds	The Tax-Exempt Bond Fund of America (TEAFX) 12%	American High-Income Municipal Bond Fund (AHMFX) 13%	Passive ETFs
The Tax-Exempt Bond Fund of America® (TEAFX) 3%	American High-Income Municipal Bond Fund (AHMFX) 15%	Limited Term Tax-Exempt Bond Fund of America® (LTEFX) 8%	Limited Term Tax-Exempt Bond Fund of America (LTEFX) 8%	Vanguard Tax-Exempt Bond ETF (VTEB) 28%
PASSIVE ALLOCATION 32%	The Tax-Exempt Bond Fund of America (TEAFX) 8%	PASSIVE ALLOCATION 32%	PASSIVE ALLOCATION 32%	Vanguard Total Stock Market ETF (VTI) 4%
Passive ETFs	PASSIVE ALLOCATION 32%	Passive ETFs	Passive ETFs	
Vanguard Total Stock Market ETF (VTI) 13%	Passive ETFs	Vanguard Tax-Exempt Bond ETF (VTEB) 15%	Vanguard Tax-Exempt Bond ETF (VTEB) 24%	
Vanguard S&P 500 ETF (VOO) 11%	Vanguard S&P 500 ETF (VOO) 10%	Vanguard S&P 500 ETF (VOO) 7%	Vanguard S&P 500 ETF (VOO) 4%	
Vanguard FTSE Developed Markets ETF (VEA) 5%	Vanguard Total Stock Market ETF (VTI) 10%	Vanguard Total Stock Market ETF (VTI) 7%	Vanguard Total Stock Market ETF (VTI) 4%	
Vanguard Tax-Exempt Bond ETF (VTEB) 3%	Vanguard Tax-Exempt Bond ETF (VTEB) 8%	Vanguard FTSE Developed Markets ETF (VEA) 3%		
	Vanguard FTSE Developed Markets ETF (VEA) 4%			

Moderate Growth TA	Moderate Growth & Income TA	Conservative Growth & Income TA	Conservative Income & Growth TA	Conservative Income TA
WEIGHTED AVERAGE EXPENSE RATIO (CLASS F-2)				
0.33%	0.31%	0.30%	0.28%	0.27%
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Sources: Capital Group, Morningstar and Morgan Stanley.

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²Refer to page 8 for more information.

Glossary

ETF tax efficiency: ETFs' tax advantages stem from the unique way that they're structured, which allows for two main sources of tax efficiency:

- Externalization: ETFs trade in the secondary market, like a stock exchange, which largely insulates the funds from individual investors' trading activity. In other words, if an ETF investor decides to sell shares of an ETF, a majority of the time the transaction will occur in the secondary market, which does not involve any interaction with (or impact to) the fund. The secondary market is where most retail investors buy and sell securities. The most common examples are stock exchanges like the NYSE and NASDAQ, but trading in

this market can occur across several exchanges, dark pools, direct broker and market maker trades.

- In-kind redemptions: When selling activity on an exchange does result in a redemption from the fund, it is usually tax-free to remaining investors. ETFs generally satisfy redemption requests in the primary market through an in-kind delivery of securities to an intermediary (rather than cash), which means client redemptions from the fund do not generally create taxable events for remaining shareholders. The primary market is the section of the capital market where new securities are issued. It's also where authorized participants (AP) work with ETF

issuers to adjust the supply of ETF shares in the market, either creating new shares or redeeming excess shares. An authorized participant is a broker-dealer that has a contracted opportunity with the ETF issuer to create and redeem shares in the primary market to meet market demand. An ETF issuer is a firm that creates, manages and operates an ETF, establishing its strategy and working with regulators and exchanges to obtain permission to offer the fund.

Important disclosures

Model portfolios are available through Morgan Stanley Smith Barney LLC's Select UMA Investment Advisory program ("Select UMA"). The Important Information and Disclosures found at the following link are an integral part of this document and should be read carefully:

morganstanley.com/wealth-disclosures/disclosures#23.

For more information on Select UMA, please click here:

morganstanley.com/wealth-investmentsolutions/pdfs/adv/uma_adv.pdf. If you are receiving this document in hard

copy, the Important Information and Disclosures should be attached. If they are not, please request them from your Morgan Stanley Smith Barney LLC Financial Advisor.

Vanguard ETF Shares are not redeemable with the issuing Fund other than in very large aggregations worth millions of dollars. Instead, investors must buy or sell Vanguard ETF Shares in the secondary market and hold those shares in a brokerage account. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling.

Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income. Vanguard does not, and will not, make any representations about whether a model portfolio is in the best interest of any investor, is not, and will not be, responsible for the determination of whether a model portfolio is in the best interest of any investor, and is not acting as an investment advisor to any investor. Diversification does not ensure a profit or protect against a loss. Vanguard Marketing Corporation, Distributor of the Vanguard Funds.

Morningstar peer categories (page 3): Morningstar peer categories represent each fund's respective Morningstar Fee Level Group – No Load category, which are as follows: Foreign Large Blend (Vanguard FTSE Developed Markets ETF, Vanguard Total International Stock Index Fund ETF); Global Bond-USD Hedged (Vanguard Total International Bond ETF); Global Large-Stock Growth (Capital Group Global Growth Equity ETF); Municipal National Intermediate (Vanguard Tax-Exempt Bond ETF); High-Yield Municipal (American High-Income Municipal Bond Fund); Inflation Protected (American Funds Inflation Linked Bond Fund); Intermediate Core Bond (American Funds Strategic Bond Fund, The Bond Fund of

America, Vanguard Total Bond Market ETF); Intermediate Core-Plus Bond (Capital Group Core Plus Income ETF); Large Blend (Capital Group Core Equity ETF, Vanguard Total Stock Market ETF, Vanguard S&P 500 ETF); Large Growth (AMCAP Fund, American Mutual Fund, Capital Group Growth ETF, Fundamental Investors, The Growth Fund of America, The Investment Company of America, Washington Mutual Investors Fund); Large Value (Capital Group Dividend Value ETF); Moderately Aggressive Allocation (The Income Fund of America); Moderate Allocation (American Balanced Fund); Multisector Bond (American Funds Multi-Sector Income Fund); Municipal National Intermediate (The Tax-Exempt Bond Fund of America); Municipal National Short (Limited Term Tax-Exempt Bond Fund of America); Short-Term Bond (Intermediate Bond Fund of America, Short-Term Bond Fund of America); Short-Term Inflation-Protected Bond (Vanguard Short-Term Inflation-Protected Securities ETF); World Allocation (American Funds Global Balanced Fund); World Bond (Capital World Bond Fund); World Large Stock (Capital World Growth and Income Fund, New Perspective Fund, The New Economy Fund); World Small/Mid Stock (SMALLCAP World Fund).

Suggested Client Risk Tolerance category (pages 6 and 7): The suggested Client Risk Tolerance category is maintained by Morgan Stanley Wealth Management and is updated daily. Capital Group | American Funds does not maintain the classifications. Refer to Morgan Stanley Wealth Management investment platforms and WealthDesk resources for the latest information on these risk categories.

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. Rebalancing approaches may differ depending on where the account is held. 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 securities of individual issuers than a diversified fund. As a result, a single issuer could adversely affect a nondiversified fund's results more than if the fund invested a smaller percentage of assets in securities of that issuer. See the applicable prospectus for details.

Portfolios are managed, so holdings will change. Holdings are the weighted average of the underlying funds.

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