

Quarter highlights

- All funds rose in value over the quarter, with funds with higher concentrations in equities outpacing those with a fixed income focus.
- Within equity-focused funds, those with a growth focus rose more than those with a growth-and-income and equity-income focus, as mega-cap, growth stocks returned to favor.
- Additionally, funds with higher concentrations of U.S. equities fared better than those with greater concentrations in non-U.S. stocks.
- Within fixed income focused funds, those with higher exposures to high-yield bonds and non-U.S. bonds outpaced those with larger weightings to high-quality U.S. bonds.

Market review

Global stocks (MSCI ACWI Index) advanced in a volatile quarter marked by erratic trade policy, surging technology stocks and a ceasefire in the Iran-Israel war. The quarter opened with a wave of new U.S. tariffs, sending stocks sharply lower, and ended with a powerful rally as some levies were paused, and global trade negotiations progressed.

Information technology stocks rallied, supported by renewed enthusiasm for advancements in artificial intelligence (AI). AI-related stocks such as chipmaker NVIDIA and software giant Microsoft were among the biggest gainers for the quarter. Energy stocks slipped on lower oil prices, and health care stocks came under pressure amid a proposal to lower U.S. prescription drug costs.

Bonds generally posted solid gains. U.S. Treasuries advanced amid market expectations that the Federal Reserve would begin cutting interest rates as soon as its July meeting. European bonds rallied as the European Central Bank slashed its key policy rate for the eighth time in the past 12 months.

In foreign exchange markets, the U.S. dollar fell against the euro, the yen, the pound sterling and most emerging markets currencies. After a strong run up last year, the U.S. Dollar Index lost 7% in the second quarter, bringing its year-to-date decline to 10.7%, as capital flows shifted to non-U.S. assets.

Portfolio review

All funds rose in value over the quarter, with funds with higher concentrations in equities outpacing those with a fixed income focus.

Within equity-focused funds, those with a growth focus rose more than those with a growth-and-income and equity-income focus, as mega-cap, growth stocks returned to favor.

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

Within fixed income focused funds, those with higher exposures to high-yield bonds and non-U.S. bonds outpaced those with larger weightings to high-quality U.S. bonds.

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.

continued on back

Figures shown are past results 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. For current information and month-end results, visit capitalgroup.com.

Class F-2 share returns for periods ended 6/30/25

	Total returns (%)			Average annual total returns (%)				Expenses (%)
	QTD	YTD	1 year	3 years	5 years	10 years	Fund lifetime*	
American Funds Global Growth Portfolio	15.21	11.91	16.75	18.01	11.82	10.02	11.38	0.55
American Funds Growth Portfolio	16.12	10.25	17.93	20.51	13.46	11.28	12.82	0.47
American Funds Growth and Income Portfolio	10.49	9.83	16.03	15.61	11.78	9.62	10.50	0.44
American Funds Moderate Growth and Income Portfolio	8.21	9.00	14.07	12.35	9.54	8.19	9.10	0.45
American Funds Conservative Growth and Income Portfolio	5.30	8.15	13.58	9.97	8.35	6.72	7.25	0.40
American Funds Tax-Aware Conservative Growth and Income Portfolio	5.18	6.38	10.56	10.40	8.24	7.15	7.92	0.43
American Funds Preservation Portfolio	1.49	3.64	6.65	3.51	1.31	1.95	1.75	0.38
American Funds Tax-Exempt Preservation Portfolio	1.15	2.04	4.02	2.95	1.16	1.81	1.92	0.37
S&P 500 Index	10.94	6.20	15.16	19.71	16.64	13.65	—	—
MSCI All Country World Index (ACWI)	11.53	10.05	16.17	17.35	13.65	9.99	—	—
Bloomberg 1-5 Year U.S. Government/Credit A+ Index	1.45	3.51	6.27	3.49	1.03	1.77	—	—
Bloomberg Municipal Bond 1-7 Year Blend Index	1.17	2.09	4.04	2.66	1.07	1.75	—	—

*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.

The S&P 500 Index is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Capital Group. Copyright © 2025 S&P Dow Jones Indices LLC, a division of S&P Global, and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part is prohibited without written permission of S&P Dow Jones Indices LLC.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (msci.com)

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

Portfolios are managed, so holdings will change. Visit capitalgroup.com for current allocations.

Allocations may not achieve investment objectives. The portfolios' risks are related to the risks of the underlying funds as described herein, in proportion to their allocations.

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 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. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds.

Income from municipal bonds may be subject to state or local income taxes and/or the federal alternative minimum tax. Certain other income, as well as capital gain distributions, may be taxable.

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.

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.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower. Refer to capitalgroup.com for more information. Expense ratios are as of each fund's prospectus available at the time of publication.

The market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the funds have lagged the indexes.

All Capital Group trademarks mentioned are owned by The Capital Group Companies, Inc., an affiliated company or fund. All other company and product names mentioned are the property of their respective companies.

Capital Client Group, Inc.