

Capital Group Global Allocation Fund (LUX)

Trends Summit 2024

13 March 2024

FOR PROFESSIONAL / QUALIFIED INVESTORS ONLY  
Marketing communication



CELEBRATING  
**10**  
YEARS OF  
CAPITAL GROUP  
GLOBAL ALLOCATION  
FUND (LUX)

A simpler approach  
to multi-asset  
investing.

# Important information

Please read the important information below carefully:

**Where we present results data, please note invested capital is at risk; funds/strategies aim to achieve a positive return over the long term although there is no guarantee this will be achieved over that or any time period. Some of the information in this presentation may include forecasts, hypothetical data, company examples and segments, which are shown for illustrative purposes only. Where applicable, totals may not reconcile due to rounding.**

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Where applicable, fixed income assets are managed by Capital Fixed Income Investors. All asset values in USD, unless otherwise specified.

To find out more about Capital Group's funds or strategies, along with available share classes, please visit [capitalgroup.com](https://capitalgroup.com).

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# One of the world's largest investment managers

Capital Group's employee ownership and focus on delivering consistent, positive results for long-term investors has helped make us one of the largest investment managers in the world

## Our credentials



**90+ years**  
of investing since 1931



**479**  
Capital Group investment professionals

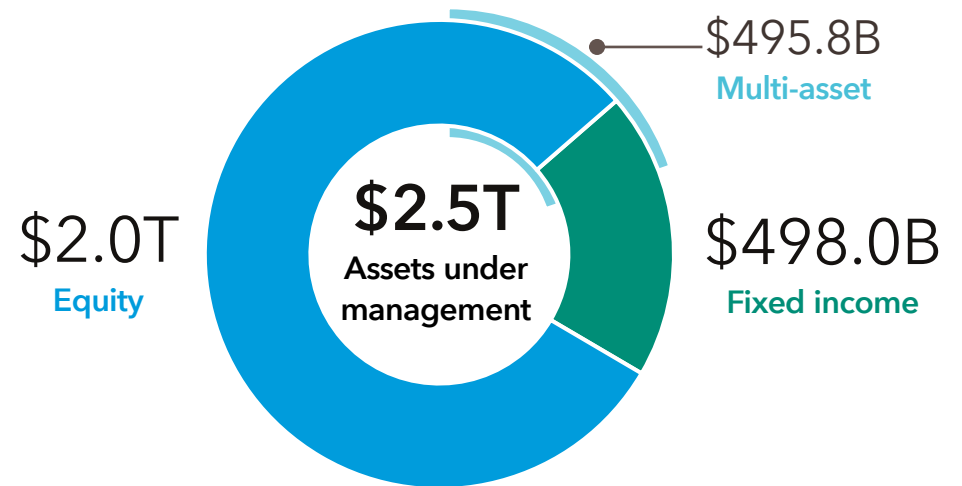


**28 years**  
average investment experience  
of our portfolio managers

## Aligned with investor success

Multiple portfolio managers offer high conviction investing with natural diversification

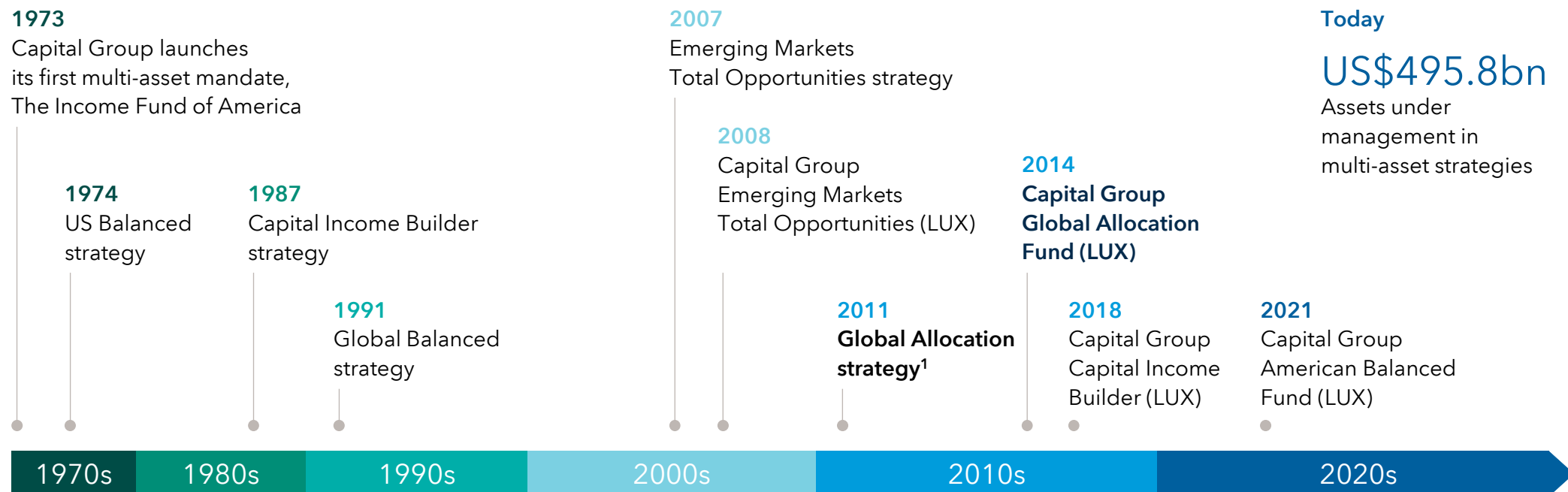
Employee ownership provides long-term stability and alignment with clients



Assets under management are preliminary for 31 December 2023.

# A long history of multi-asset investing

Over 50 years of multi-asset investing experience



**Past results are not a guarantee of future results. American Funds are not registered for sale outside of the United States.**

Assets under management are preliminary for 31 December 2023.

1. Refers to Capital Group Global Balanced (American Funds). American Funds are not registered for sale outside of the United States.

# Summary

Capital Group Global Allocation Fund (LUX)

## The opportunity

Seeking a smoother return profile than global equities

## A solution

A simpler approach to multi-asset investing

## Results

A proven track record of strong risk-adjusted returns



**Past results are not a guarantee of future results.**

# Capital Group Global Allocation Fund (LUX)

A global multi-asset portfolio that avoids the complexity of many other multi-asset funds

## ✓ A long history of multi-asset investing

Capital Group has over 50 years of multi-asset investing experience.

## ✓ A simpler approach to multi-asset investing

A core portfolio of liquid, high-quality equities and bonds derived from a blend of bottom-up, fundamental research and top-down insights.

## ✓ Proven track record of strong risk-adjusted returns

The fund has exhibited an attractive Sharpe ratio versus peers since inception.

## Investment objective

The fund seeks the balanced accomplishment of three objectives: long-term growth of capital, conservation of principal and current income by investing in equities and bonds as well as other fixed income securities from around the world.

Key facts	Strategy <sup>1</sup>	Fund
Launch date	Feb 2011	Jan 2014
Size	€ 27 bn	€ 1.1 bn
Number of holdings		245



Analyst-driven %  
100  
Data Coverage %  
100

Class B in EUR. Overall rating among 1,041 USD Moderate Allocation funds as at 31 December 2023. Morningstar Medalist Rating™ as at 16 August 2023.

**Past results are not a guarantee of future results.**

As at 31 January 2024.

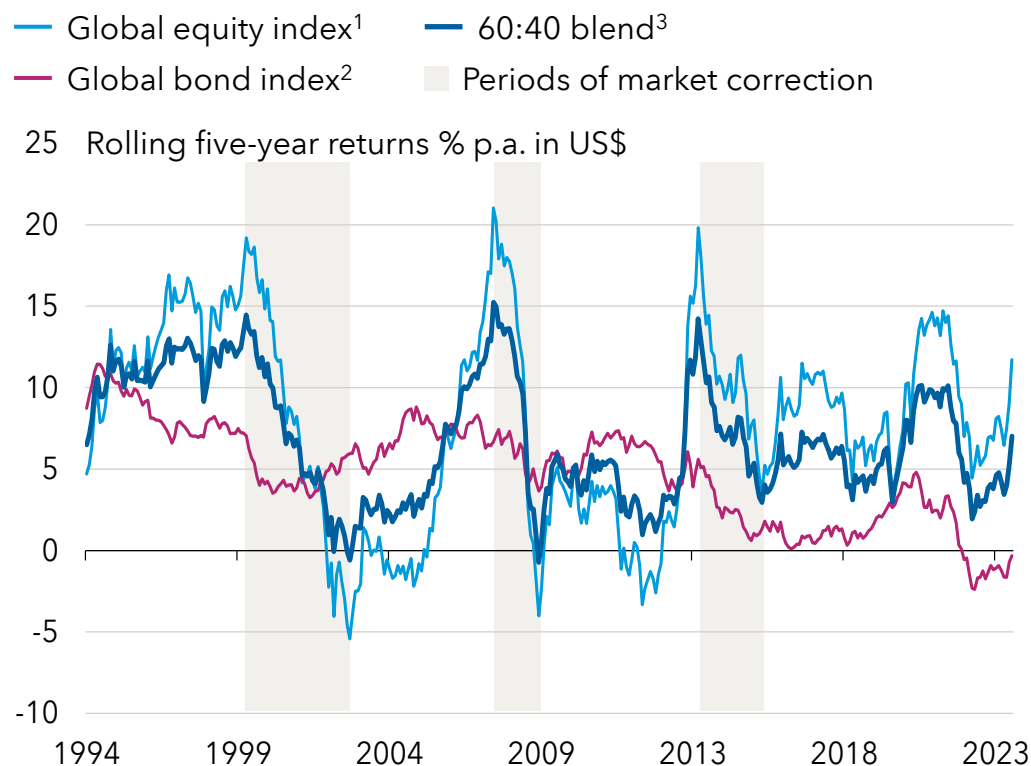
1. Based on the composite of the strategy.

## The opportunity

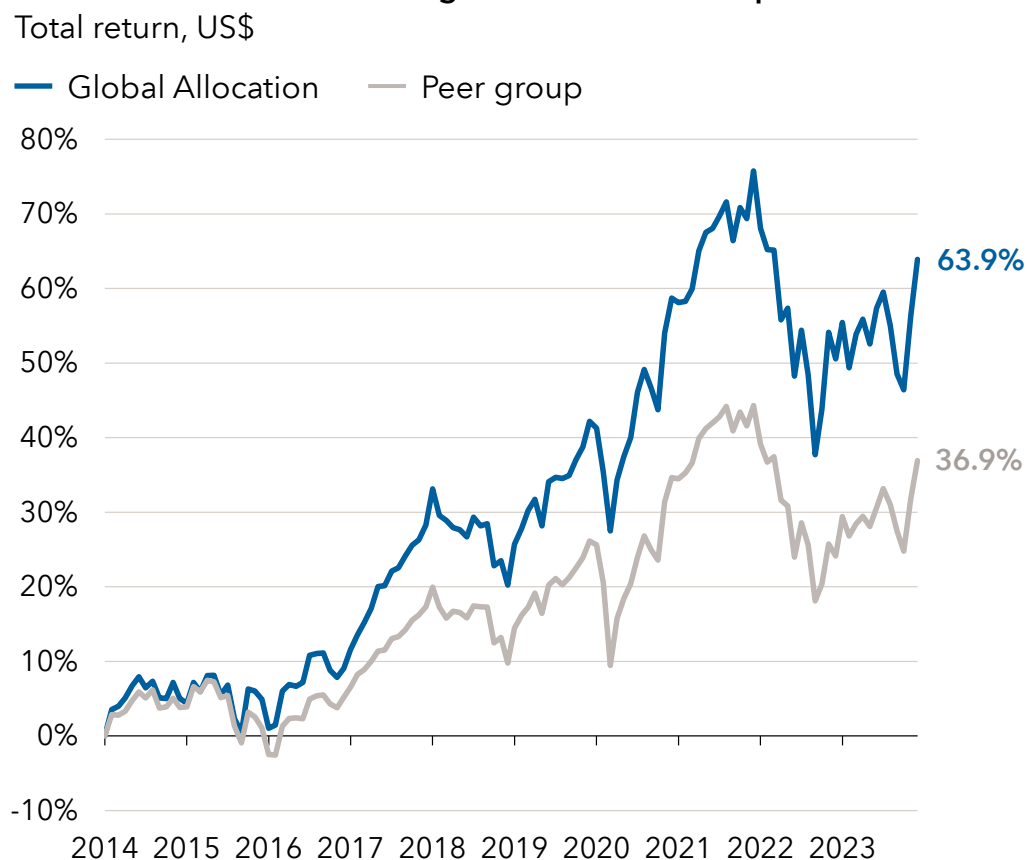
Seeking a smoother return profile  
than global equities

# Best of both worlds

**A balanced approach could provide a smoother return profile versus global equities and a stronger return profile versus global bonds over time**



**Global Allocation has a strong track record versus peers**



**Past results are not a guarantee of future results. Investors cannot invest directly in an index.**

Data as at 31 December 2023. All returns in US\$ terms.

Global Allocation: Capital Group Global Allocation Fund (LUX). Net of management fees and expenses for the Z share class as a representative share class.

Peer group: EAA Fund USD Moderate Allocation peer group average. Source: Morningstar

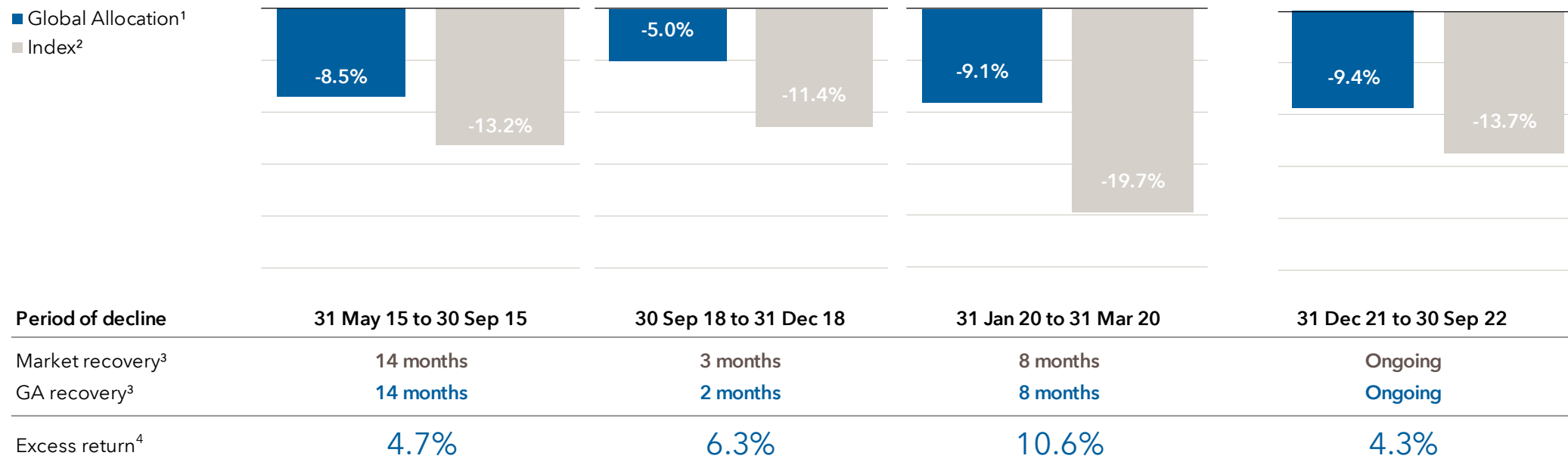
1. MSCI All Country World Index (net dividends reinvested). Source: MSCI

2. Bloomberg Global Aggregate Bond Total Return Index. Source: Bloomberg

3. 60% MSCI All Country World Index (net dividends reinvested) and 40% Bloomberg Global Aggregate Bond Total Return Index. Sources: MSCI, Bloomberg



# A proven track record of enhanced resilience during equity market declines



**The information in relation to the index is provided for context and illustration only. The fund is an actively managed UCITS. It is not managed in reference to a benchmark. Past results are not a guarantee of future results.**

Data from inception on 31 January 2014 to 31 December 2023 in EUR terms. Global Allocation / GA: Capital Group Global Allocation Fund (LUX).

1. Capital Group Global Allocation Fund (LUX) monthly returns. Net of management fees and expenses for the B share class as a representative share class.

2. The index shown is MSCI All Country World Index (net dividends reinvested). Down market defined as when the index falls more than 10%.

3. Recovery is defined as the time taken for the index value to return from the point of its maximum drawdown to its position before the drawdown started.

4. Excess returns are calculated arithmetically.

**A solution**

A simpler approach to  
multi-asset investing

# Capital Group Global Allocation Fund (LUX)

## Key facts

### ✔ What it is

A **bottom-up** research-driven global multi-asset portfolio designed to capture **growth, preserved capital and provide income**

### ✔ What it does

Invests in global equities and bonds with **little exposure to small caps and high-yield bonds**

### ✔ Who it's for

Long-term investors **looking for stable growth** over time with **income** as an important but **secondary consideration**

### ✘ What it isn't

A dynamic, **top-down portfolio overlay asset allocation** fund

### ✘ What it doesn't do

Does not make extensive use of exotic or derivative instruments to adjust asset allocation. There is **no portfolio overlay** or **quantitative trading technique**.

### ✘ Who it isn't for

Investors **looking for momentum-driven strategies**, or who have short time horizons

Past results are not a guarantee of future results.

# Building a balanced portfolio in practice

How The Capital System™ allows us to build an actively balanced portfolio

The team benefits from experience

**28 years**

The team's average investment experience

**18 years**

The team's average experience at Capital Group

## Global balanced portfolio managers

- Invest across **equities** and **fixed income**
- Focus on capital growth and income



**Hilda L. Applbaum**  
San Francisco



**Anirudh Samsi**  
San Francisco



**Tomonori Tani**  
San Francisco



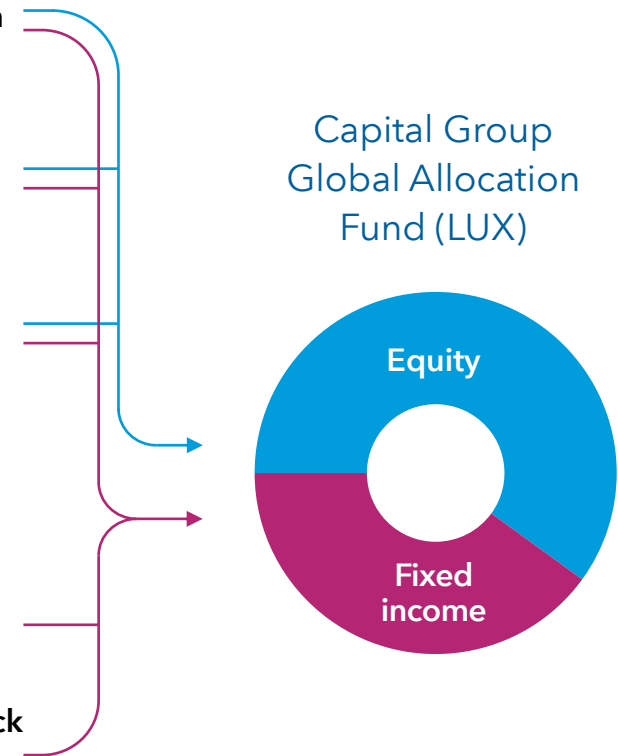
**Philip Chitty**  
London



**Andrew A. Cormack**  
London

## Global fixed income portfolio managers

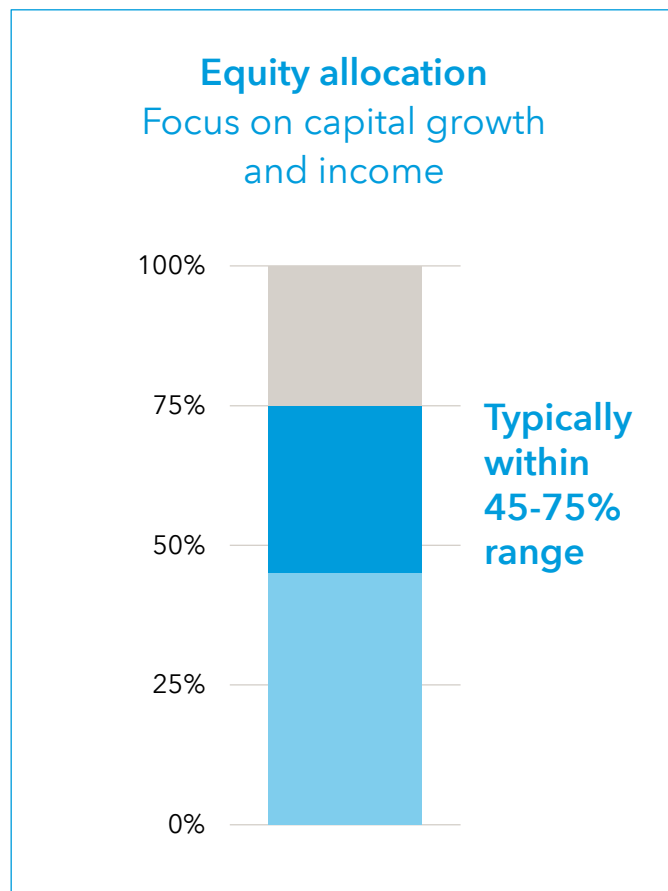
- Solely investing in **fixed income** securities
- Focus on capital preservation and income



Reflects current portfolio manager team as at 31 December 2023. Years with Capital Group and in profession as at 31 December 2023.

# Our philosophy

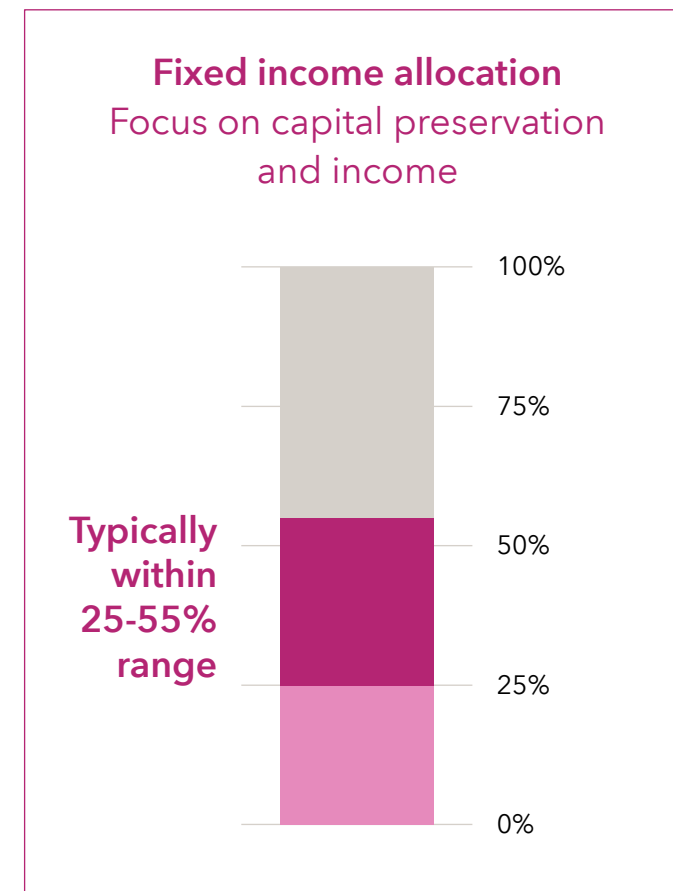
A research-driven global multi-asset portfolio for investors seeking growth with capital preservation, and income



Individual managers combine bottom-up security analysis with top-down macro insights

**Allocation between equity and fixed income will vary depending on the convictions of individual portfolio managers**

- The fund's exposure to:
- emerging markets has consistently been less than 25%<sup>1</sup>
  - high yield bonds has consistently been less than 5%<sup>1</sup>



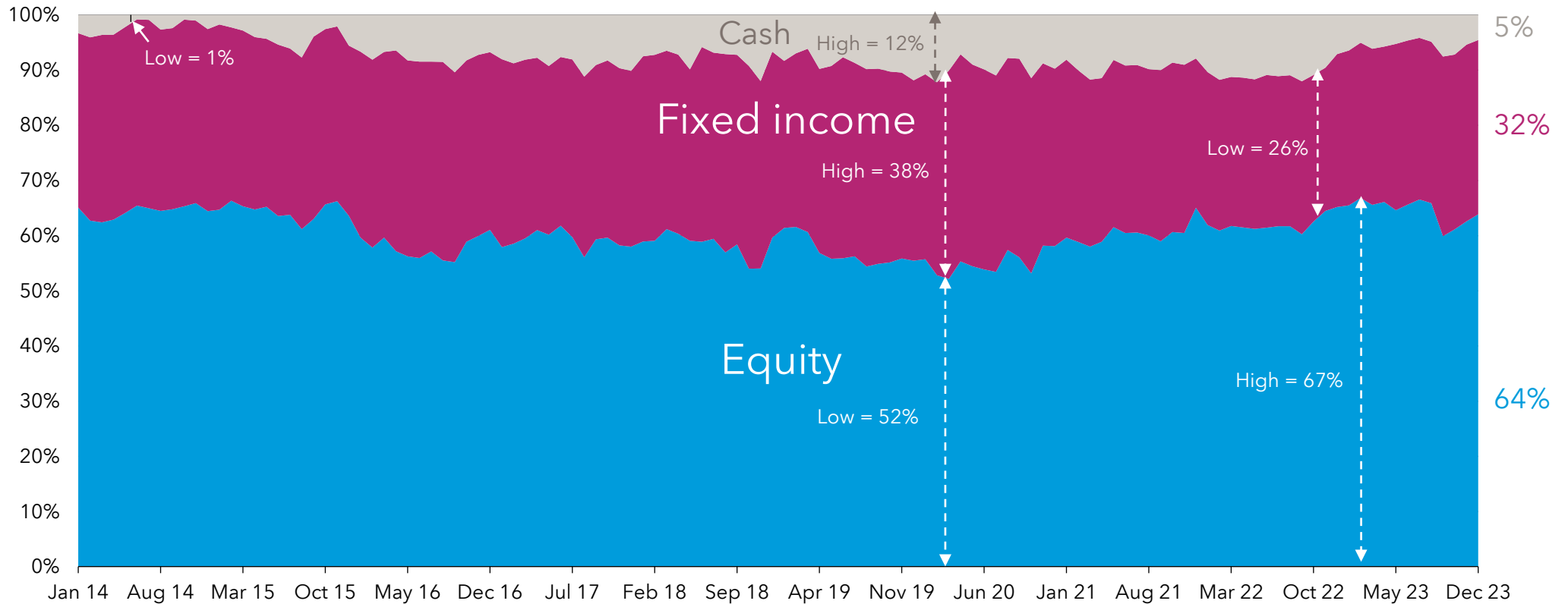
Refers to Capital Group Global Allocation Fund (LUX).

1. Since the inception of Capital Group Global Allocation Fund (LUX) on 31 January 2014.

# Asset allocation driven by fund objective

Flexibility to balance growth and downside protection across the market

Capital Group Global Allocation Fund (LUX) total portfolio



**Past results are not a guarantee of future results.**  
Data from inception on 31 January 2014 to 31 December 2023.

## Results and positioning

A proven track record of strong risk-adjusted returns

Past results are not a guarantee of future results.

# Capital Group Global Allocation Fund (LUX)

Investment results as at 31 December 2023 in USD terms (after fees and expenses – Z share class)

## Results summary, %

Year	Fund <sup>1</sup>	Peer group median <sup>2</sup>	Excess return <sup>3</sup>
2014 From 31 January	4.7	4.0	0.7
2015	0.0	-2.4	2.4
2016	4.0	3.2	0.8
2017	17.9	12.6	5.4
2018	-6.4	-7.0	0.7
2019	18.4	14.9	3.5
2020	11.6	8.5	3.1
2021	10.6	6.9	3.8
2022	-14.3	-15.3	0.9
2023 YTD	9.0	10.7	-1.7
<b>Annualised lifetime return</b>	<b>5.1</b>	<b>3.3</b>	<b>1.8</b>
1 year	9.0	10.7	-1.7
3 years p.a.	1.1	0.3	0.8
5 years p.a.	6.4	4.8	1.6
<b>Standard deviation<sup>4</sup></b>	<b>9.6</b>	<b>9.2</b>	<b>0.4</b>

### Past results are not a guarantee of future results.

1. After management fees and expenses for the Z share class, as a representative share class. Fund results are based on close of market returns (T+1).
2. Morningstar Peer Group is (5-95%): EAA Fund USD Moderate Allocation (oldest share class). Source: Morningstar
3. The excess return is calculated arithmetically
4. Annualised standard deviation of returns calculated on a monthly basis since inception of the fund.



# Capital Group Global Allocation Fund (LUX)

Investment results as at 31 January 2024 in EUR terms (after fees and expenses - B share class)

## Results summary, %

Year		Fund <sup>1</sup>	Index <sup>2</sup>	Excess return <sup>3</sup>
2014	From 31 January	15.9	16.9	-1.0
2015		10.4	8.6	1.8
2016		6.2	8.8	-2.7
2017		2.4	2.9	-0.4
2018		-2.4	-1.3	-1.1
2019		19.7	20.7	-1.0
2020		1.6	4.6	-3.0
2021		18.2	17.0	1.2
2022		-9.5	-11.9	2.4
2023		4.5	11.5	-7.0
2024	1 month	1.6	1.5	0.1

## Results summary, %

Year	Fund <sup>1</sup>	Index <sup>2</sup>	Excess return <sup>3</sup>
<b>Annualised lifetime return</b>	<b>6.5</b>	<b>7.5</b>	<b>-1.0</b>
1 year	4.8	9.1	-4.3
3 years p.a	4.2	5.2	-1.0
5 years p.a	5.8	7.0	-1.2
10 years p.a	6.5	7.5	-1.0
<b>Total value</b>	<b>€1,141 million</b>		



Analyst-driven %  
100  
Data Coverage %  
100

Class B in EUR. Overall rating among 1,041 USD Moderate Allocation funds as at 31 December 2023.  
Morningstar Medalist Rating™ as at 16 August 2023.

**The information in relation to the index is provided for context and illustration only. The fund is an actively managed UCITS. It is not managed in reference to a benchmark. Past results are not a guarantee of future results.**

1. After management fees and expenses for the B share class, as a representative share class. Fund results are based on close of market returns (T+1).
2. The index shown is 60% MSCI All Country World Index (net dividends reinvested) / 40% Bloomberg Global Aggregate Bond Total Return Index. Sources: MSCI, Bloomberg
3. The excess return is calculated arithmetically.

# Capital Group Global Allocation Fund (LUX)

Investment results as at 31 January 2024 in EUR terms (after fees and expenses – B share class)

## Results summary, %

Year	Fund <sup>1</sup>	Index <sup>2</sup>	Excess return <sup>3</sup>
1 year	4.8	9.1	-4.3
3 years p.a	4.2	5.2	-1.0
5 years p.a	5.8	7.0	-1.2
10 years p.a	6.5	7.5	-1.0
<b>Annualised lifetime return</b>	<b>6.5</b>	<b>7.5</b>	<b>-1.0</b>
<b>Total value</b>	<b>€1,141 million</b>		

## Rolling 1 year results to 31 January, %

Year	Fund <sup>1</sup>	Index <sup>2</sup>	Excess return <sup>3</sup>
2020	15.3	16.3	-1.0
2021	1.5	3.5	-2.1
2022	14.2	14.2	0.0
2023	-5.3	-6.4	1.0
2024	4.8	9.1	-4.3



Analyst-driven %  
100  
Data Coverage %  
100

Class B in EUR. Overall rating among 1,041 USD Moderate Allocation funds as at 31 December 2023.  
Morningstar Medalist Rating™ as at 16 August 2023.

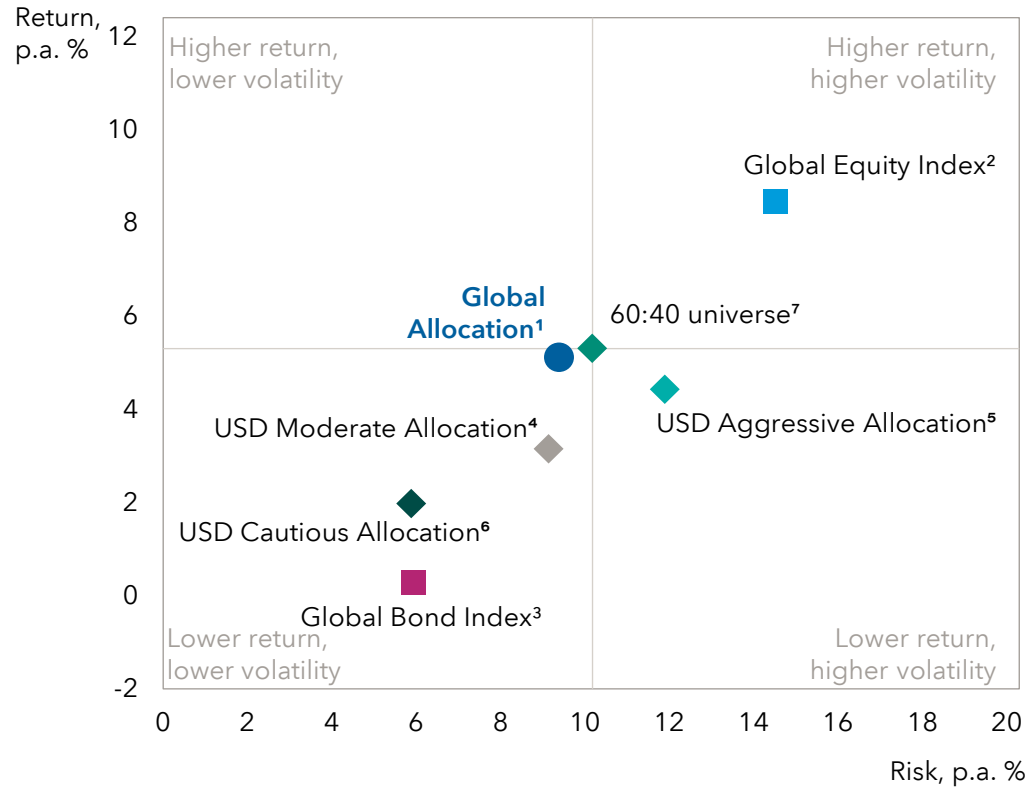
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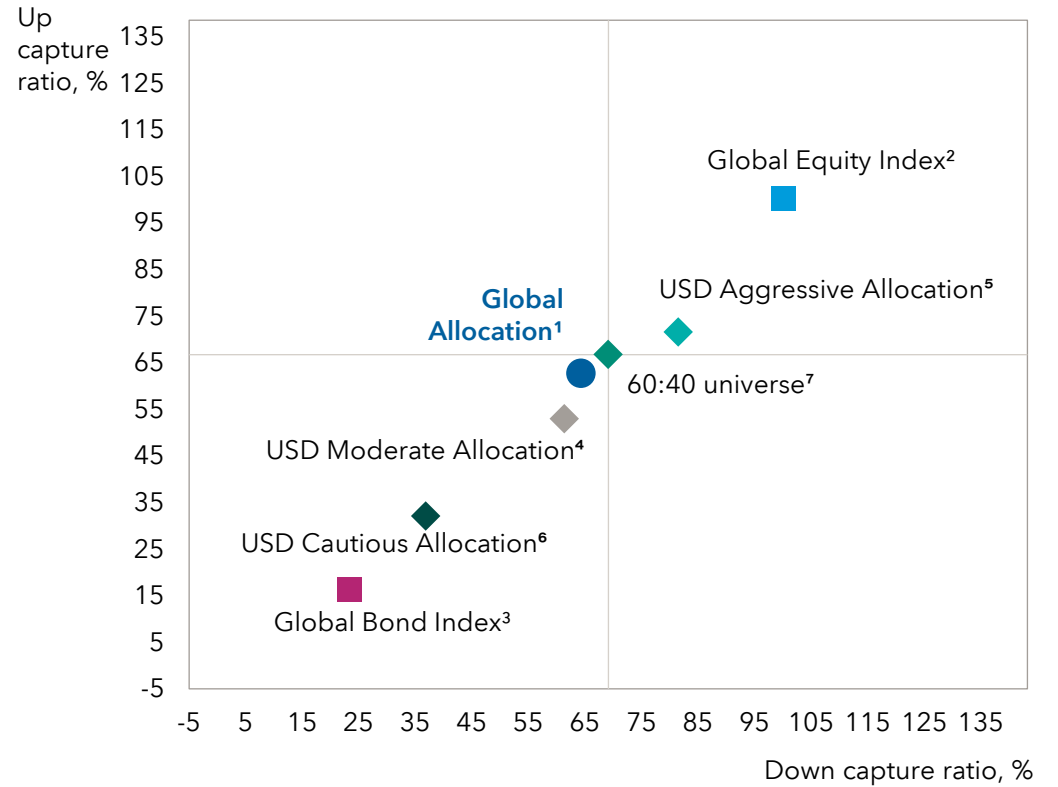
# An attractive risk-return profile

## Capital Group Global Allocation Fund (LUX)

### Risk-reward profile



### Upside-downside capture ratio



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Data from 31 January 2014 to 31 December 2023. Results are in US\$ terms.

1. Capital Group Global Allocation Fund (LUX) net of management fees and expenses for the Z share class, as a representative share class.

2. MSCI All Country World Index with net dividends reinvested. Source: MSCI

3. Bloomberg Global Aggregate Bond Total Return Index. Source: Bloomberg

4. Morningstar category peer group median: EAA Fund USD Moderate Allocation (oldest share class). Source: Morningstar

5. Morningstar category peer group median: EAA Fund USD Aggressive Allocation (oldest share class). Source: Morningstar

6. Morningstar category peer group median: EAA Fund USD Cautious Allocation (oldest share class). Source: Morningstar

7. 60:40 universe: 60% MSCI All Country World Index (net dividends reinvested) / 40% Bloomberg Global Aggregate Bond Total Return Index. Sources: MSCI, Bloomberg

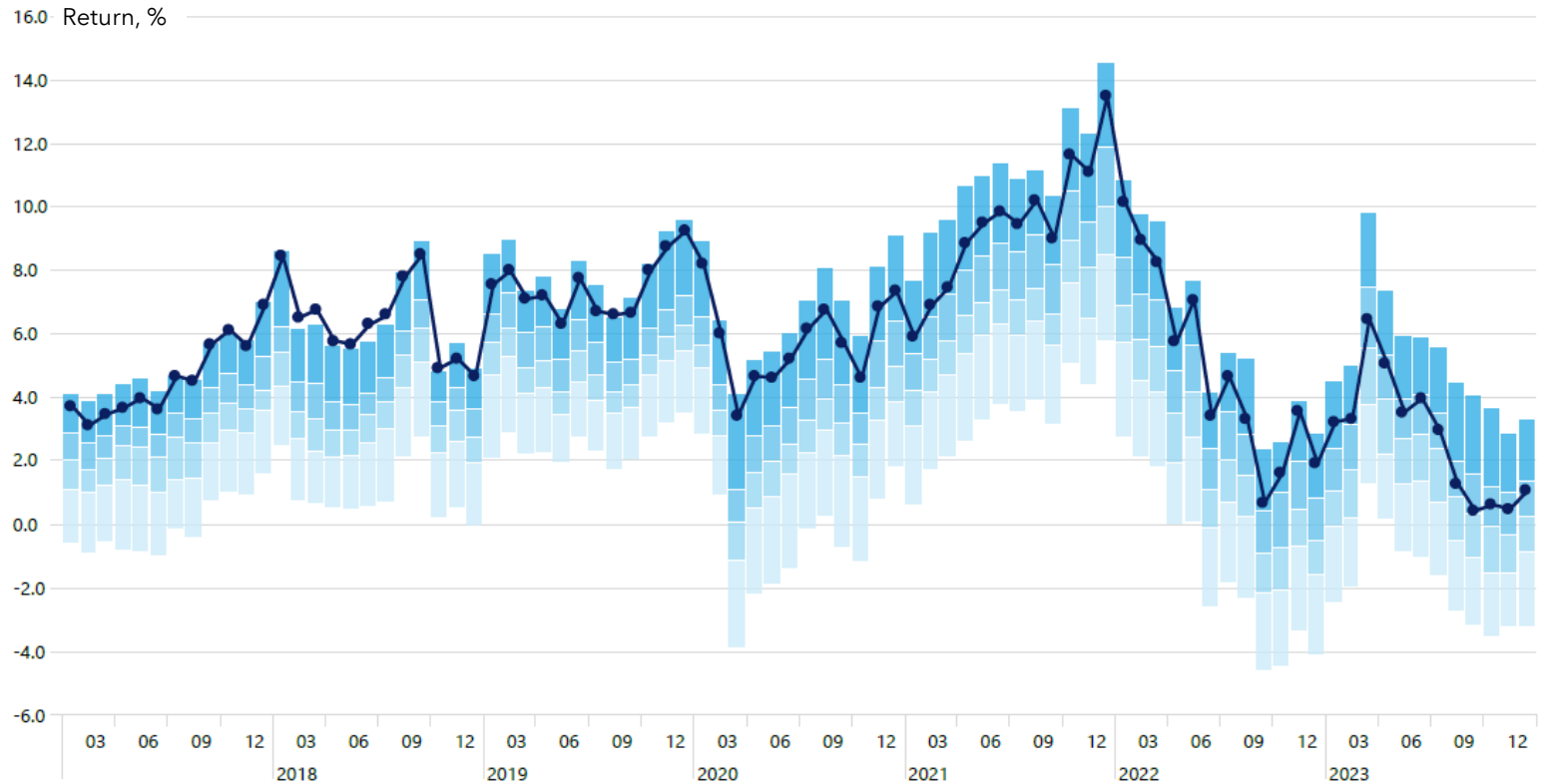
# A track record of superior results

## Capital Group Global Allocation Fund (LUX) in practice

### Rolling 3-year returns

Time period: Inception to 31 December 2023

■ Top quartile ■ 2nd quartile ■ 3rd quartile ■ Bottom quartile ● Capital Group Global Allocation Fund (LUX) (Z shares) (after fees)<sup>1</sup>



### Past results are not a guarantee of future results.

Peer Group (5-95%): EAA Fund USD Moderate Allocation (oldest share class). Based on monthly returns in US\$, from 1 February 2014. Source: Morningstar Direct

1. Results shown are asset-weighted and based on initial weights and monthly returns. Net of management fees and expenses for a representative Luxembourg fund share class (Z), as a representative share class. In the case of investors investing with the help of a distributor or intermediary, Class Z shares would only apply to distributors and intermediaries who are directly compensated by investors through separate fee arrangements.

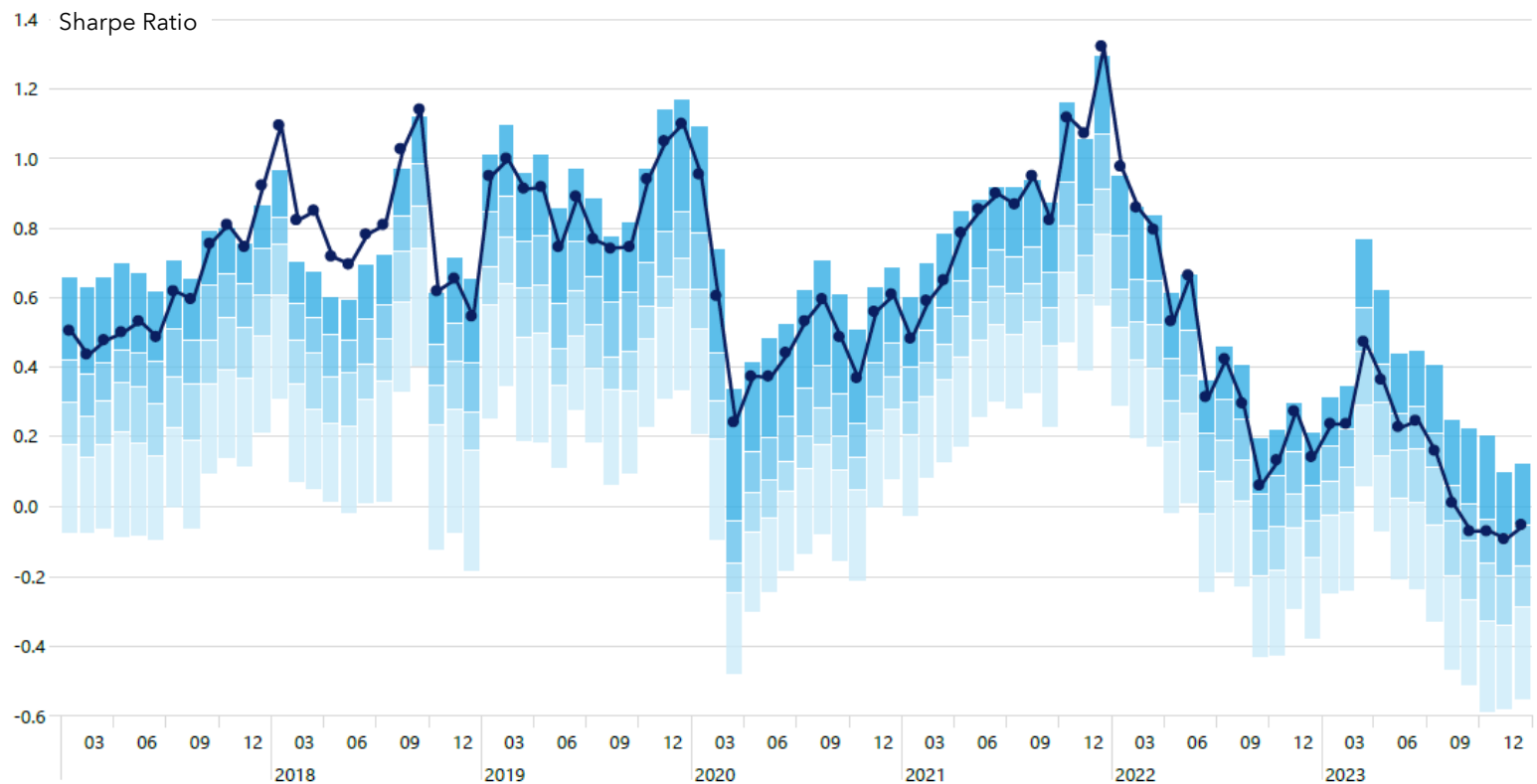
# A track record of superior risk-adjusted results

## Capital Group Global Allocation Fund (LUX) in practice

### Rolling 3-year Sharpe Ratio

Time period: Inception to 31 December 2023

■ Top quartile ■ 2nd quartile ■ 3rd quartile ■ Bottom quartile ● Capital Group Global Allocation Fund (LUX) (Z shares) (after fees)<sup>1</sup>



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# 2023 macro outlook reflected through Global Allocation

1. From falling rates to rising rates
2. From narrow to broad market leadership
3. From global to regional supply chains

## Diversify

Diversification is key, because of the many macro and geopolitical uncertainties

## High quality equities

A more defensive approach to equity investing while still seeking growth and a resilient pattern of returns

## High quality bonds

Higher yields have improved investment case for bonds. High-rated bonds **should** be less correlated with equities as growth slows

## Capital Group Global Allocation

Balanced fund investing in high quality equities and bonds with the flexibility to adapt to changing markets

By combining core equities and high quality bonds, Global Allocation has offered relative stability in times of volatility

## Capital Group Global Allocation

Seeks quality companies with durable competitive advantages, strong business models and sustainable pricing power

Invests in companies that offer a combination of income and capital appreciation

## Capital Group Global Allocation

Invests in high quality investment-grade credit and Treasuries

The fixed income portion of the portfolio is AA rated vs. the index<sup>1</sup>, which is rated A

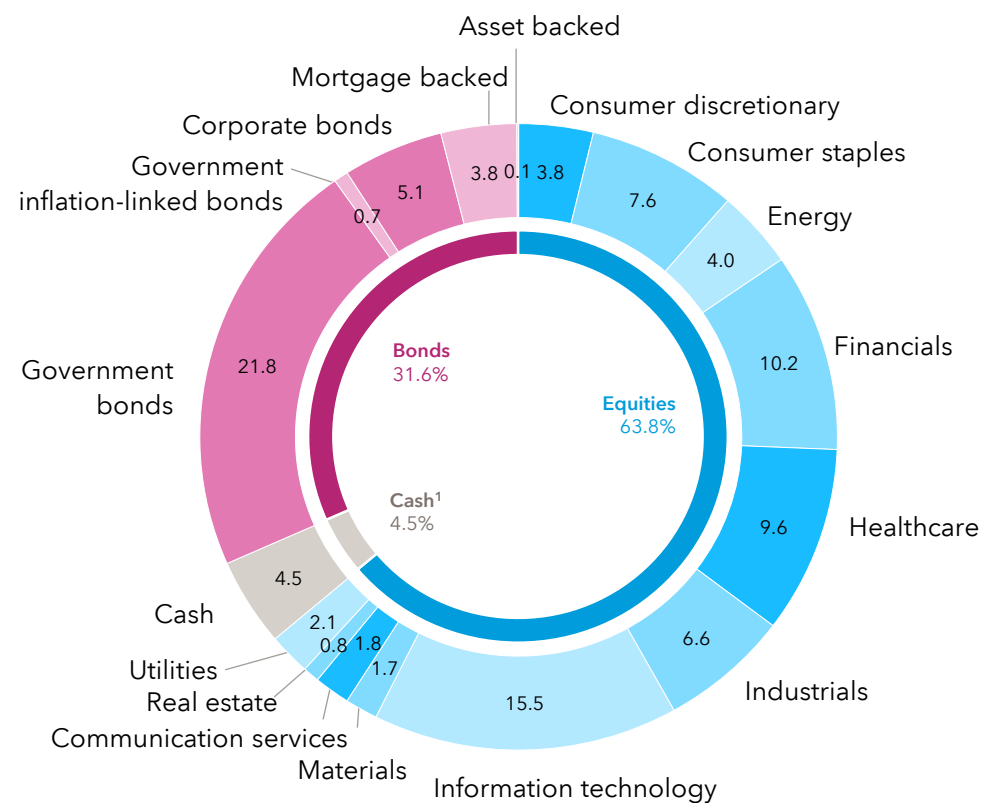
As at 31 December 2023.

Global Allocation / Capital Group Global Allocation: Capital Group Global Allocation Fund (LUX)

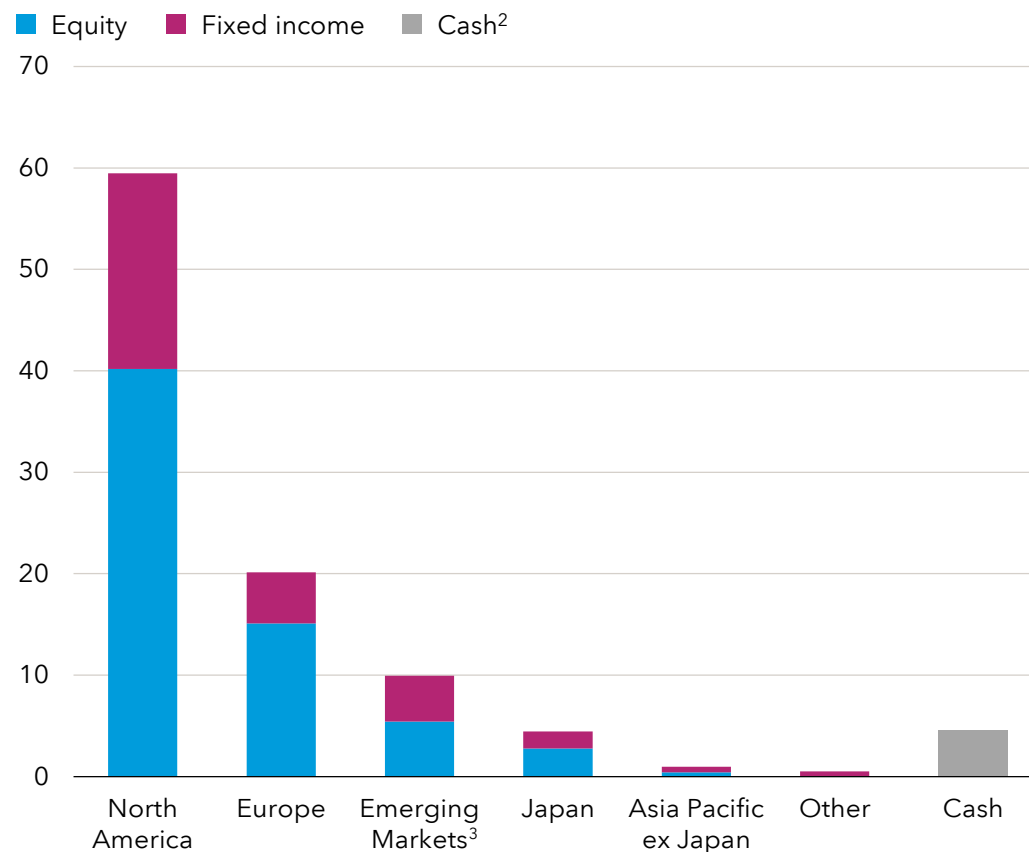
1. 60% MSCI All Country World Index (net dividends reinvested) / 40% Bloomberg Global Aggregate Bond Total Return Index

# Overall portfolio at a glance

Total portfolio breakdown by sector (%)



Total portfolio breakdown by region<sup>1</sup> (%)



Refers to Capital Group Global Allocation Fund (LUX) as at 31 December 2023.

1. Equity region based on MSCI country classification. Fixed income regions are based on MSCI regional classifications. Emerging markets includes frontier markets.

2. Cash includes accruals and forward contracts.

3. Exposure to China was 1.3%.

# Top 10 equity holdings

The Capital System™ combines concentration and diversification in a single portfolio

Issuer	Sector	Country	Weight (%)	Number of portfolio managers who hold in their portfolio
Broadcom	Information Technology	United States	4.7	3
TSMC	Information Technology	Taiwan	2.8	2
Microsoft	Information Technology	United States	2.5	3
AstraZeneca	Health Care	United Kingdom	2.4	3
Philip Morris	Consumer Staples	United States	2.3	2
UnitedHealth	Health Care	United States	2.1	3
Nestlé	Consumer Staples	Switzerland	2.0	3
JPMorgan	Financials	United States	1.9	2
Visa	Financials	United States	1.9	2
Constellation Software	Information Technology	Canada	1.8	1
<b>Total</b>			<b>24.5</b>	

Data is for the representative account Capital Group Global Allocation Fund (LUX). Data as at 31 December 2023.



# Long-term capital growth potential: Artificial intelligence (AI)

Secular growth themes to drive capital appreciation potential and dividend growth

	Broadcom	Microsoft	TSMC
<b>Company background</b>	A global technology leader that designs, develops and supplies semiconductor and infrastructure software solutions	The world's leading software developer and provider of enterprise computer solutions	The world's largest contract manufacturer of semiconductors and leader in cutting-edge chip production
<b>Time held in fund<sup>1</sup></b>	6.7 years	9.9 years	9.1 years
<b>Portfolio weight</b>	4.7%	2.5%	2.8%
<b>Current dividend yield<sup>2</sup></b>	1.7%	0.7%	1.9%
<b>Long-term drivers of capital appreciation potential</b>	Broadcom is the second-largest AI chip company after Nvidia. Broadcom's networking business is also a large AI beneficiary both in terms of connecting AI clusters and traffic in and out of data centres	Invested in OpenAI, which owns the ChatGPT platform. Microsoft could benefit by incorporating AI tools within its operating system, which will also likely increase commercial demand for Microsoft Azure, its cloud computing system	Key foundry for producing cutting-edge semiconductor chips needed for AI. Nvidia uses TSMC's 4NM manufacturing process to produce its largest AI chip, the H100

**Past results are not a guarantee of future results. This is a historical snapshot and is for illustrative purposes only. The projections are forecasts only, and there is no guarantee these will be realised.**

Data as at 31 December 2023 in local currency terms. Companies shown are holdings in Capital Group Global Allocation Fund (LUX) as at 31 December 2023. NM: nanometre.

1. Based on Capital Group Global Allocation Fund (LUX). Inception: 31 January 2014.

2. Net dividend yield calculated after withholding taxes and by dividing trailing 12-month dividend per share by the month-end price.

# AstraZeneca: Leader in various cancer treatments

After years in transition, the pharma giant appears to be entering a new era of growth

- Strong presence in the cardiovascular, central oncology and respiratory categories.
- Business model has shifted from primary to specialty care, aiding margin expansions and accelerating growth.
- Robust multi-country revenue streams, including emerging markets and China.

## Triple threat



### Tagrisso

Treats newly diagnosed lung cancer patients with tumours harbouring certain mutations.



### Imfinzi

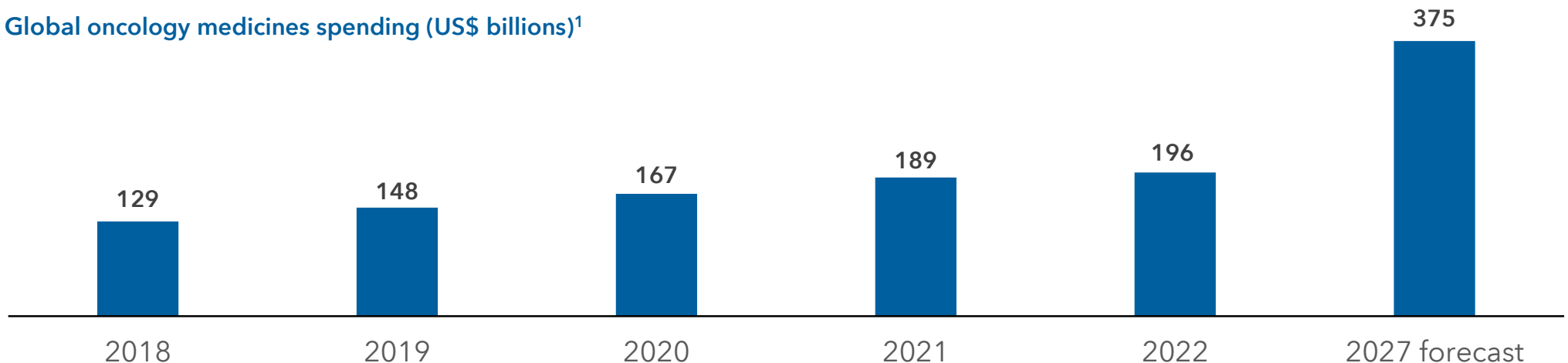
A medicine that treats inoperable cancer in the bladder, urinary tract or lungs.



### Lynparza

Treats relapsed breast cancer patients and newly diagnosed ovarian cancer.

## Global oncology medicines spending (US\$ billions)<sup>1</sup>



### Past results are not a guarantee of future results.

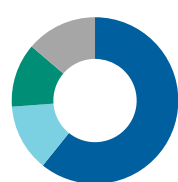
AstraZeneca is a holding in Capital Group Global Allocation Fund (LUX) as at 31 December 2023.

1. Spending for medicine only and does not include medical costs or supportive care. IAVIQ Oncology trends 2023:Outlook to 2027. IQVIA Institute for Human Data Science, May 2023.

# Fixed income portfolio - Summary

## Capital Group Global Allocation Fund (LUX)

### Sector exposure - fixed income invested portfolio (%)



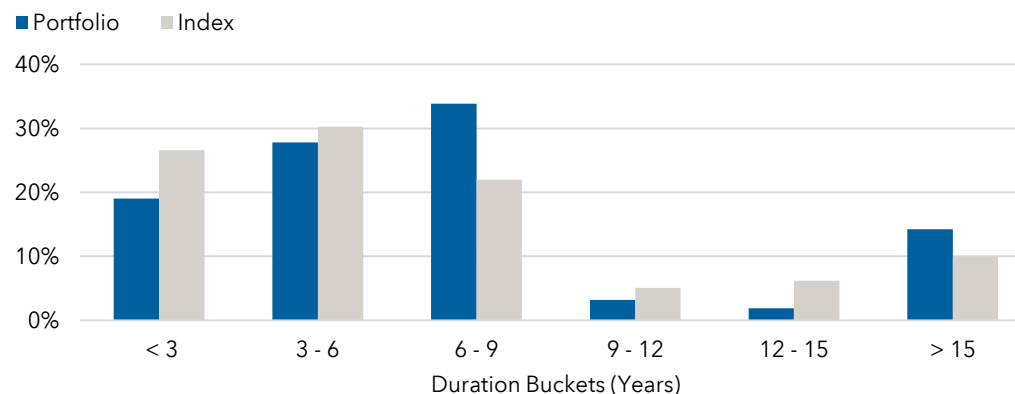
- Government
- Credit
- Securitised
- Emerging Markets Debt

Sector	% Portfolio	% Index
<b>Government</b>	<b>19.2</b>	<b>20.7</b>
Treasuries	18.2	18.6
Inflation linked	0.7	0.0
Municipals	0.0	0.1
Other	0.3	2.0
<b>Credit</b>	<b>4.1</b>	<b>8.3</b>
Corporates	4.0	7.0
Investment grade	4.0	6.9
Non-Investment grade	0.0	0.0
Non-corporates credit	0.2	1.3
<b>Securitised</b>	<b>3.9</b>	<b>5.5</b>
ABS	0.1	0.1
CMBS	0.0	0.2
MBS	3.6	4.4
Covered	0.1	0.8
Other	0.0	0.0
<b>High Yield<sup>1</sup></b>	<b>0.0</b>	<b>0.0</b>
<b>Emerging Markets Debt</b>	<b>4.4</b>	<b>5.5</b>
Hard currency	1.2	0.9
Local currency	3.1	4.5
<b>Total Fixed Income</b>	<b>31.6</b>	<b>40.0</b>
<b>Total Equity</b>	<b>63.8</b>	<b>60.0</b>
<b>Total Cash</b>	<b>4.5</b>	<b>-</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Key statistics - fixed income invested portfolio

Summary statistics	Portfolio	Index
Effective duration (years)	7.8	6.6
Yield to maturity (%)	3.6	3.5
Yield to worst (%)	3.6	3.5
Average coupon (%)	3.5	2.7
Option-adjusted spread (bps)	35.6	39.9
Average Credit Rating	AA	A
Total portfolio non-investment grade (%)	0.9	1.5

### Duration exposure - total portfolio (%)



The information in relation to the index is provided for context and illustration only. The fund is an actively managed UCITS. It is not managed in reference to a benchmark.

#### Past results are not a guarantee of future results.

Data as at 31 December 2023 for Capital Group Global Allocation Fund (LUX). Summary level analytics are calculated based on risk notional weights for the fixed income portion of the portfolio only.

Risk notional weights include the underlying amounts of any derivative trades such as swaps, options and futures.

The index reflects 60% MSCI All Country World Index (net dividends reinvested) / 40% Bloomberg Global Aggregate Bond Total Return Index. Sources: MSCI, Bloomberg using BlackRock Aladdin analytics. The BlackRock Aladdin analytics have the same calculation assumptions as our portfolios in order to provide consistent analytics between our portfolios and the index. Accrued interest has been spread across relevant countries, currencies and ratings. Sources: MSCI, Bloomberg

1. High yield excludes emerging markets debt securities.

# Current fixed income convictions

Capital Group Global Allocation Fund (LUX) as at 31 December 2023

## Top 10 fixed income holdings

Asset	Country	Yield (%) <sup>1</sup>	Effective Duration (years)	Total (%)
US Government	United States	4.0	8.6	12.5
UMBS	United States	5.0	4.5	2.9
Germany Government	Germany	2.1	7.1	1.7
Japan Government	Japan	0.7	10.2	1.7
China Government	China	2.6	9.3	1.2
Greece Government	Greece	2.9	8.3	0.6
Brazil Government	Brazil	10.3	5.8	0.6
UK Government	United Kingdom	3.5	7.4	0.5
France Government	France	2.4	7.5	0.5
Australia Government	Australia	3.9	7.4	0.4
<b>Total</b>				<b>22.5</b>

The information in relation to the index is provided for context and illustration only. The fund is an actively managed UCITS. It is not managed in reference to a benchmark. Past results are not a guarantee of future results.

1. Yield is the weighted average yield to worst for the issuer.

# Capital Group Global Allocation Fund (LUX) (CGGA)

A global multi-asset fund that avoids the complexity of many other multi-asset funds

## A long history of multi-asset investing experience

The portfolio manager team of the fund has an average of 28 years' investment experience, including 18 years at Capital Group on average

## A simpler approach to multi-asset investing

A core portfolio of liquid, high-quality equities and bonds derived from a blend of bottom-up, fundamental research and top-down insights

## Proven track record of strong risk-adjusted returns

The fund has exhibited an attractive Sharpe ratio versus peers since inception

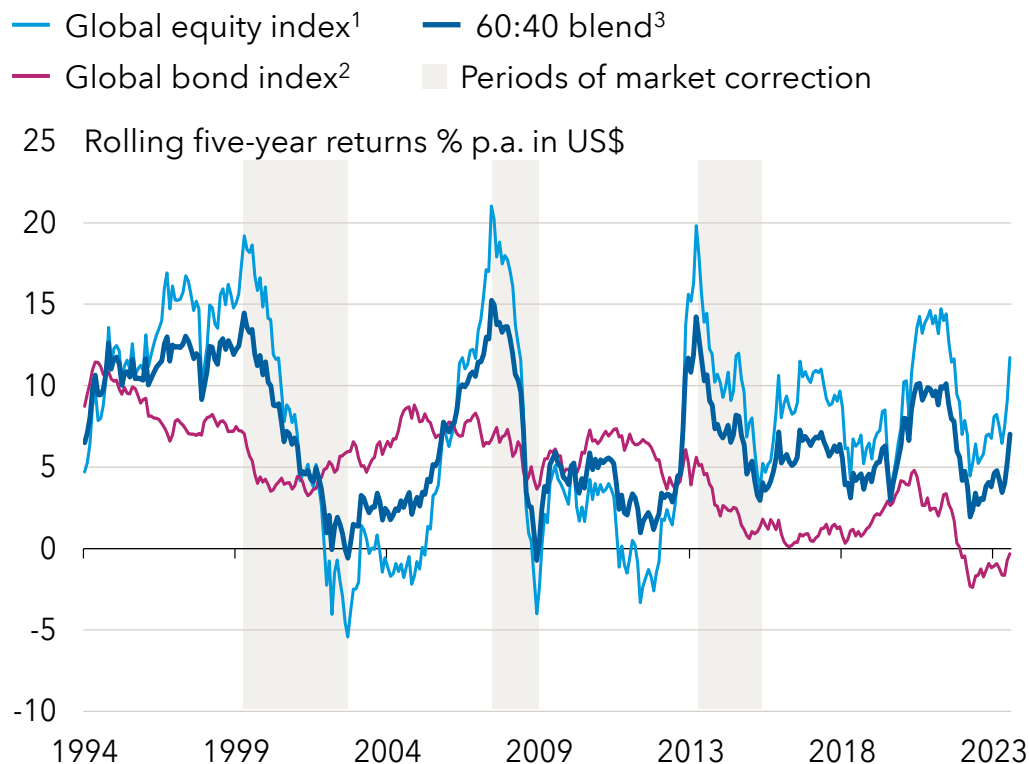
**Past results are not a guarantee of future results.**

Data as at 31 December 2023.

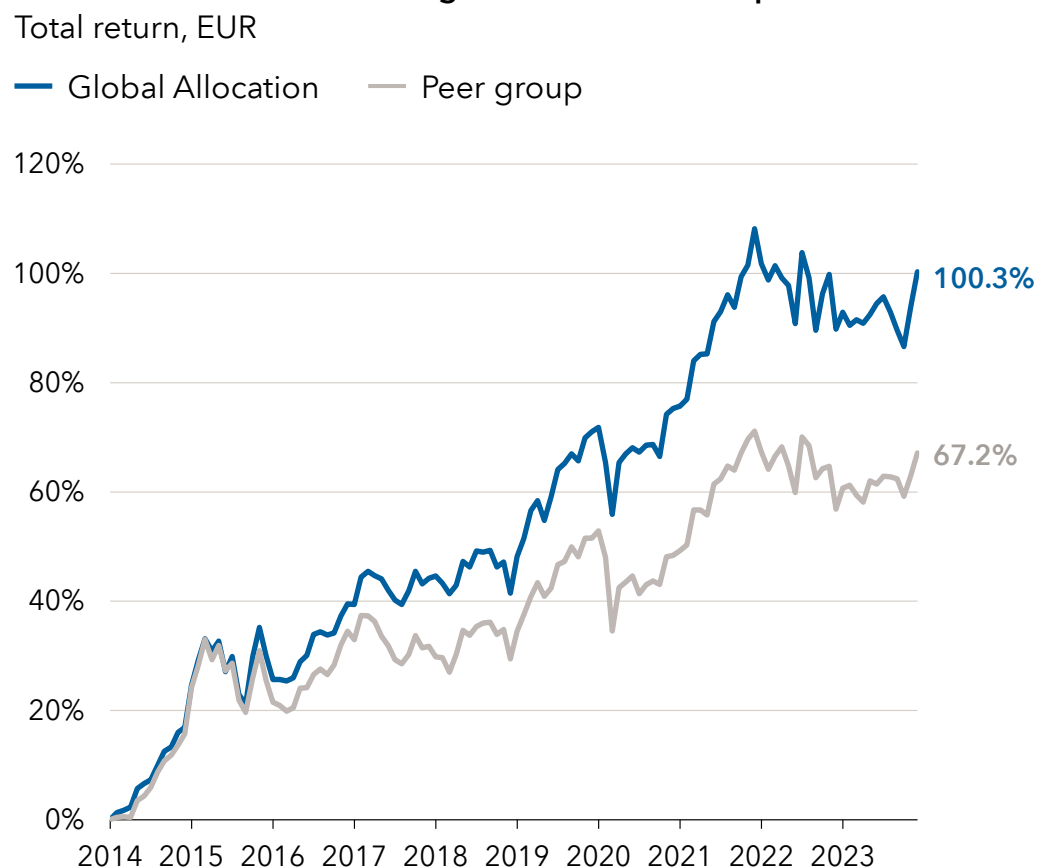
# Appendix

# Best of both worlds

**A balanced approach could provide a smoother return profile versus global equities and a stronger return profile versus global bonds over time**



**Global Allocation has a strong track record versus peers**



**Past results are not a guarantee of future results. Investors cannot invest directly in an index.**

Data as at 31 December 2023.

Global Allocation: Capital Group Global Allocation Fund (LUX). Net of management fees and expenses for the Z share class as a representative share class

Peer group: EAA Fund USD Moderate Allocation peer group average. Source: Morningstar

1. MSCI All Country World Index (net dividends reinvested). Source: MSCI

2. Bloomberg Global Aggregate Bond Total Return Index. Source: Bloomberg

3. 60% MSCI All Country World Index (net dividends reinvested) and 40% Bloomberg Global Aggregate Bond Total Return Index. Sources: MSCI, Bloomberg

# ESG integration: our three-part process

## Research & investment frameworks

Reflect material ESG considerations in 25+ sectors.



ESG integration enhances our investment approach: The Capital System™

## Engagement & proxy voting

involves engaging with issuers on material ESG risks and opportunities and voting proxies in the best interest of our clients.



## Monitoring process

uses available third-party data to flag a subset of investments in certain asset classes\* for further research and review.



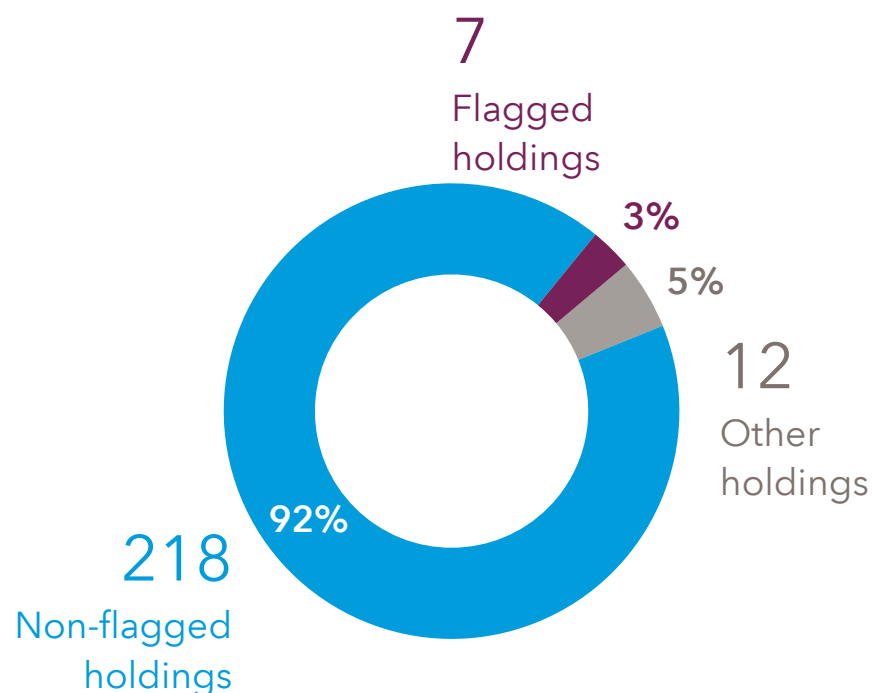
\* As at 31 December 2023. Monitoring applies to corporate and sovereign holdings.



# ESG monitoring in action: Capital Group Global Allocation strategy

We monitor portfolio holdings against third party data to surface external views about potentially material ESG risks. Multiple leading data providers are used, including the UNGC assessment, MSCI and Sustainalytics

- Flagged holdings may be subject to a heightened level of research and engagement.
- Analysts assess materiality of identified ESG risks and impact to their investment analysis, and record outcomes of discussions with issuers.
- Our ESG perspectives are built on engagement, detailed analysis and a long-term view - never on monitoring results alone.



Largest flagged holdings	Portfolio weight (%)
Vale	0.3
Pemex	0.2
Wells Fargo	0.1
SA Global Sukuk	0.0
Hyundai Capital America	0.0
Aeropuerto Internacional de Tocumen	0.0
Volkswagen Financial Services	0.0

Data as of 31 December 2023. Data reflect a representative portfolio of the Global Balanced, unless otherwise noted. UNGC is United Nations Global Compact.

Donut chart: Reflects all of the fund's holdings at the issuer level. The monitoring process covers 94.9% of the fund's holdings, which represent 99.7% of the fund's assets, excluding cash and cash equivalents. "Other" holdings are those that either do not have available third-party data or that are not currently covered in the monitoring process. The data used in the monitoring process currently applies only to equity securities and corporate and sovereign bonds. The percentage figures may not total 100 due to rounding.

Largest flagged holdings table: Represents the largest flagged holdings in the portfolio (at the issuer level), indicated by asset weight based on the total assets of the portfolio, including cash and cash equivalents. Totals may not reconcile due to rounding.

# Nestlé

## Progress on product innovation



### ESG issue / opportunity

- Switzerland-based Nestlé is the world's largest food and beverage company, with a diverse portfolio of products ranging from baby food to pet care.
- Consumer preferences are shifting toward more healthful and sustainable products.
- Adapting product line-ups to meet evolving demand and offering accessible and affordable alternatives may better position fast-moving consumer-goods companies for long-term success.
- Product innovations - particularly those addressing this shift in consumer demand - form a key part of Capital Group's sector-specific ESG investment framework for food.



### Action

- In June 2023, a team of Capital Group investment analysts, portfolio managers and ESG analysts visited Nestlé's research and development centre in Switzerland.
- The team learned about the company's progress in product innovation.
- Key initiatives discussed included plant-based/alternative proteins (nutritious high-quality alternatives to white fish that help address environmental and animal welfare concerns) and how genetic research is informing development of nutritional products designed for different stages of life in humans and pets.
- Packaging innovations were also discussed - including next generation wrapping for confectionary, biodegradable paper capsules for coffee, and bottles made from bioplastics.



### Outcome

- This engagement enabled insights into Nestlé's product innovation efforts.
- The company is rapidly innovating in areas such as food, beverage and nutrition, while scaling up production of new sustainable products in plant-based protein, functional nutrition and sustainable packaging.
- Our team also believes that Nestlé can increase access to affordable nutrition, such as through its plant-based egg alternative, which could offer a lower cost alternative in Latin America.
- Continuing its focused and rigorous investment in research and development could help Nestlé both grow its business and carve out a key role in helping to address the world's longer term sustainability needs.

# Further information

## Capital Group Global Allocation Fund (LUX)

### Fund registered for sale in

Austria	Luxembourg
Belgium	Netherlands
Denmark	Norway
Finland	Portugal
France	Singapore
Germany	South Korea
Hong Kong	Spain
Iceland	Sweden
Ireland	Switzerland
Italy	United Kingdom

Actual share class registrations may differ per country.

### Currencies

Subscriptions and reporting are available in:

**CHF EUR GBP JPY USD**

### Fund references

	Class	ISIN	SEDOL		Class	ISIN	SEDOL
<b>CHF</b>	Z (acc)	LU1006079724	BH88TL8	<b>GBP</b>	Z (acc)	LU1006080060	BH88TN0
<b>EUR</b>	B (acc)	LU1006075656	BH88SF5		Zd (inc)	LU1006080656	BH88TT6
	Bd (inc)	LU1006076118	BH88SL1	<b>USD</b>	B (acc)	LU1006075227	BH88SB1
	Bdh-EUR (hedged)	LU1006076381	BH88SN3		Bd (inc)	LU1006076035	BH88SK0
	Bh-EUR (hedged)	LU1006076209	BH88SM2		Z (acc)	LU1006080144	BH88TP2
	Z (acc)	LU1006079997	BH88TM9		Zd (inc)	LU1006080227	BH88TQ3
	Zd (inc)	LU1006080573	BH88TS5		Zgd (inc)	LU1006080730	BH88TV8
	Zgd (inc)	LU1006080904	BH88TX0	<b>JPY</b>	B (acc)	LU1006075490	BH88SC2
	Zh-EUR (hedged)	LU1615060362	BYQMV37				

d = dividend-distributing, gd = gross dividend-distributing, gdh = gross dividend-distributing hedged

# Regulatory information

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CIMC manages the Luxembourg based UCITS fund(s), organised as a SICAV, which is a (are) sub-fund(s) of Capital International Fund ("CIF").

The fund(s) is (are) offered only by Prospectus, together with any locally-required offering documentation. In Europe, this is the UCITS Key Investor Information Document (KIID)/PRIIPs Key Information Document (KID). These documents are available free of charge and in English at [capitalgroup.com](http://capitalgroup.com), and should be read carefully before investing.

## **Investors acquire shares of the fund, not the underlying assets.**

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## **Risk factors you should consider before investing:**

- **This material is not intended to provide investment advice or be considered a personal recommendation.**
- **The value of investments and income from them can go down as well as up and you may lose some or all of your initial investment.**
- **Past results are not a guarantee of future results.**
- **If the currency in which you invest strengthens against the currency in which the underlying investments are made, the value of your investment will decrease. Currency hedging seeks to limit this, but there is no guarantee that hedging will be totally successful.**
- **The Prospectus - together with any locally-required offering documentation - sets out risks, which, depending on the fund, may include risks associated with investing in fixed income, derivatives, emerging markets and/or high-yield securities; emerging markets are volatile and may suffer from liquidity problems.**

**The information in relation to the index is provided for context and illustration only. The fund is an actively managed UCITS. It is not managed in reference to a benchmark.**

**For Italy:** A full list of Paying Agents and Distributors is located on the website stated.

**For Spain:** A list of distributors is located at [CNMV.es](http://CNMV.es). CIF is registered with the Comisión Nacional del Mercado de Valores ('CNMV') under the number 983.

**For Switzerland:** The Representative in Switzerland: Capital International Sàrl, 3 place des Bergues, 1201 Genève. Paying agent in Switzerland for CIF: JPMorgan (Suisse) SA, 8 rue de la Confédération, 1204 Genève.

**For UK:** Compensation will not be available under the UK Financial Services Compensation Scheme.

The list of countries where the Fund is registered for distribution can be obtained at all times from CIMC or online at [www.capitalgroup.com/europe](http://www.capitalgroup.com/europe)

In Europe, facilities to investors (tasks according to Article 92 of the Directive 2019/1160, points b) to f)), are available at [www.eifs.lu/CapitalGroup](http://www.eifs.lu/CapitalGroup)

**A summary of Fund Shareholder Rights is available at [www.capitalgroup.com/eacg/entry-page/shared/summary-of-investor-rights.html](http://www.capitalgroup.com/eacg/entry-page/shared/summary-of-investor-rights.html)**

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