

# 2Q 2023 portfolio review and commentary

## Capital Group Global Equity Fund™ (Canada)

As of June 30, 2023

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### Macro highlights

Global equities rallied, driven by strong gains among a handful of companies, including some linked to the development of artificial intelligence platforms. The U.S. Federal Reserve's decision to pause its aggressive rate-hiking campaign also helped support the market's advance, along with better-than-expected economic growth in the U.S., Japan and India.

Information technology (IT) stocks soared as investors speculated that chipmakers, software developers and other companies across the value chain would lead the next wave of innovation in artificial intelligence. Consumer discretionary stocks also moved higher as consumer spending proved resilient despite elevated inflation and higher interest rates.

European stocks advanced, shrugging off worries about recession, inflation and rising interest rates, even though the European Central Bank remains hawkish raising its key policy rate to a 22-year high of 3.5%. The Bank of England also raised interest rates late in the quarter as the U.K.'s rate of annual inflation remained well-above other large economies, including the eurozone.

In Canada, stocks eked out a small gain pulled higher by the IT sector, which helped offset weakness in the materials and real estate sectors, which led on the downside.

Emerging markets stocks were pressured, as China's post-COVID recovery stalled and prices for industrial metals exported by developing countries fell. Chinese equities slumped amid worries about a slowing economy which led China's central bank to cut interest rates while top government officials signaled they are preparing more stimulus measures to revive growth.

In foreign exchange markets, the Canadian dollar appreciated against most emerging markets and developed markets currencies, including the U.S. dollar, euro and yen, but fell versus the British pound sterling and Swiss franc.

# Results

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## Capital Group Global Equity Fund™ (Canada)

Total returns (%) For periods ended June 30, 2023	Cumulative			Average annual compound returns						
	3 months	YTD	Lifetime*	1 year	3 years	5 years	10 years	15 years	20 years	Lifetime*
<b>Series F (CIF 823)</b>	<b>2.70</b>	<b>8.74</b>	<b>506.67</b>	<b>17.09</b>	<b>4.85</b>	<b>7.02</b>	<b>11.44</b>	<b>9.66</b>	<b>9.48</b>	<b>9.12</b>
<b>Series F4 (CIF 8823)</b>	<b>2.70</b>	<b>8.74</b>	<b>62.51</b>	<b>17.09</b>	<b>4.85</b>	<b>7.02</b>	–	–	–	<b>8.56</b>
MSCI All Country World Index (ACWI)†	3.82	11.27	322.50	19.54	9.93	8.23	11.25	8.37	7.68	7.22

†Results reflect MSCI World Index (net dividends reinvested) from inception to 5/31/2011 and MSCI ACWI (net dividends reinvested) thereafter.

\*Series F: November 1, 2002 (used as the inception reference for the index); Series F4: July 31, 2017. Results vary by series primarily due to differences in the series' fees and expenses. Returns, MERs, FundSERV codes and inception dates for all series are available at [capitalgroup.com/ca](http://capitalgroup.com/ca).

Total returns (%) Calendar year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Series F (CIF 823)</b>	<b>-21.47</b>	<b>11.22</b>	<b>29.84</b>	<b>24.22</b>	<b>-2.45</b>	<b>19.62</b>	<b>5.44</b>	<b>19.34</b>	<b>11.69</b>	<b>34.20</b>
<b>Series F4 (CIF 8823)</b>	<b>-21.47</b>	<b>11.22</b>	<b>29.84</b>	<b>24.21</b>	<b>-2.45</b>	–	–	–	–	–
MSCI All Country World Index (ACWI)†	-12.43	17.53	14.22	20.20	-1.26	15.83	4.13	17.10	13.55	31.04

### Management expense ratio (MER)

<b>Series F (fund)<sup>1</sup></b>	<b>0.81%</b>
<b>Series F4 (fund)<sup>1</sup></b>	<b>0.81%</b>
Series F industry avg. <sup>2</sup>	1.08%

### Risk classification

Low	Low to Medium	Medium	Medium to High	High
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Methodology recommended by Canadian securities regulators, as disclosed in the fund's prospectus.

<sup>1</sup>Capital Group, at its discretion, currently waives some of its management fees or absorbs some expenses of certain Capital Group funds. Such waivers and absorptions may be terminated at any time but can be expected to continue for certain portfolios until such time as such funds are of sufficient size to reasonably absorb all management fees and expenses incurred in their operations.

The management expense ratios for the portfolios are based on audited total expenses for the 12-month period ended December 31, 2022, and are expressed as an annualized percentage of daily average net assets during the period. Actual MERs may vary. For the 12-month period ended December 31, 2022, the total net asset value of Series F and F4 was of sufficient size to reasonably absorb all management fees and expenses incurred in the operations of the fund attributable to the series, and therefore there were no waivers or absorptions during this period.

<sup>2</sup>Source: Investor Economics, a division of Strategic Insight. Industry category MER averages for funds similar in size to respective Capital Group funds based on data updated to fiscal year-end December 31, 2022, for those funds with a financial year-end of December 31, 2022. Reflects a weighted average of management expense ratios available as of December 31, 2022, for international equity global funds Series F with equal to or less than \$10,999.53 million in AUM; restricted sponsors (certain industry participants) have not been captured. The total net assets as of December 31, 2022, of Capital Group Global Equity Fund (Canada) is \$10,999.53 million.

2Q 2023

## Investment objective

Long-term growth of capital through investments primarily in common stocks, including growth-oriented stocks, on a global basis. Future income is a secondary objective.

## Commentary

The portfolio posted positive results for the three-month period, though trailing its benchmark primarily due to company selection in the information technology (IT), consumer discretionary and health care sectors, as well as lower-than-benchmark investments within IT.

In IT, the mandate's more measured investments in some big U.S. technology-linked companies, especially those with high benchmark representation, hurt results as they primarily drove U.S. equity gains.

In consumer discretionary, shares of Li Ning, a China-based sporting goods and apparel maker, and Kweichow Moutai, a Chinese spirits maker, fell amid slowing economic growth and worries about domestic consumer spending.

In health care, the mandate's investment in U.S. managed-care companies agilon health detracted from results, in part driven by cost pressure from higher-than-expected outpatient utilization trends. Thermo Fisher Scientific, a U.S. medical and laboratory equipment provider, also detracted as there was weakness in its life sciences segment.

On the plus side in health care, shares of U.S. pharmaceutical company Eli Lilly rallied after the company raised its revenue guidance and separately said it anticipated Medicare and Medicaid coverage would be extended to include certain Alzheimer's drugs. Shares made further gains after late-stage clinical trial results showed Eli Lilly's donanemab drug slowed cognitive and functional decline for people with early stages of Alzheimer's.

Other contributors to results were Meta Platforms, as the social media company's shares rallied after first-quarter results and guidance beat estimates amid a stronger-than-anticipated recovery in advertising sales from its Facebook platform. U.S.-based Applied Materials, a semiconductor industry company, was another bright light as was Saia, a U.S. trucking company, and private equity firm Apollo Global Management in financial services.

Regionally, emerging markets investments contributed overall, and, from a country perspective, Spain and Canada supported results. More limited investments in companies domiciled in the U.S. did, on the other hand, detract, as did overall investment in Hong Kong companies. In a period that saw equities advance generally, the portfolio's cash level held back slightly.

In terms of new investment opportunities, Apple was a notable addition to the portfolio's top-10 holdings for the period. U.S.-based biotech company Seagen was removed from the portfolio during the period.

# Attribution analysis (relative)

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## Capital Group Global Equity Fund™ (Canada) vs. MSCI All Country World Index (ACWI) – Quarter to date

Largest contributors (%)	Portfolio weight*	Active weight	Stock return	Relative contribution
Eli Lilly	2.71	2.16	33.87	0.55
Saia	0.82	0.82	23.05	0.17
Applied Materials	1.34	1.17	15.36	0.15
Meta Platforms	1.43	0.53	32.39	0.13
Apollo Global Management	0.80	0.75	19.71	0.12
Tourmaline Oil	1.13	1.11	14.30	0.11
Abbvie	–	-0.43	-16.59	0.10
D.R. Horton	0.64	0.58	22.08	0.10
XP	0.14	0.14	93.25	0.09
Rockwell Automation	1.22	1.16	10.25	0.09

Largest detractors (%)	Portfolio weight*	Active weight	Stock return	Relative contribution
Nvidia	–	-1.33	48.92	-0.52
Agilon Health	1.06	1.06	-28.61	-0.42
Amazon	–	-1.72	23.40	-0.31
Apple	1.40	-3.12	15.17	-0.31
Thermo Fisher Scientific	1.57	1.22	-11.43	-0.20
Tesla	–	-0.90	23.37	-0.19
Novocure	0.52	0.51	-32.53	-0.19
Li-Ning Company	0.41	0.39	-32.63	-0.17
Regeneron Pharmaceuticals	0.89	0.75	-14.50	-0.15
Microsoft	2.59	-1.04	15.74	-0.11

Sector (%)	Portfolio weight*	Active weight	Sector selection	Security selection	Relative contribution
Communication Services	5.04	-2.34	-0.03	0.36	0.32
Consumer Staples	5.69	-1.95	0.12	0.11	0.23
Financials	14.09	-1.52	0.02	0.19	0.21
Utilities	0.22	-2.68	0.17	0.02	0.19
Energy	7.17	2.32	-0.13	0.31	0.18
Industrials	13.39	2.99	0.01	0.16	0.17
Real Estate	0.01	-2.37	0.15	0.00	0.15
Materials	4.31	-0.41	0.03	0.08	0.11
Cash	4.50	4.50	-0.11	–	-0.11
Health Care	18.42	6.08	-0.25	-0.26	-0.51
Consumer Discretionary	13.41	2.52	0.06	-0.85	-0.79
Information Technology	13.74	-7.13	-0.56	-0.47	-1.03

Country (%)	Portfolio weight*	Active weight	Country selection	Security selection	Relative contribution
Canada	7.87	4.93	-0.25	0.30	0.18
Spain	1.31	0.65	-0.01	0.08	0.09
Australia	0.13	-1.75	0.10	-0.03	0.08
China	2.71	-0.62	0.10	0.02	0.08
Singapore	–	-0.37	0.04	–	0.04
United States	47.57	-13.27	-0.24	-0.51	-0.69
Hong Kong	2.41	1.74	-0.21	0.06	-0.13
Switzerland	3.71	1.12	-0.05	-0.10	-0.12
Denmark	3.93	3.15	-0.16	0.03	-0.09
Japan	2.79	-2.79	-0.24	-0.08	-0.08

\*Average position for time period.

Unless otherwise indicated, data as of June 30, 2023. The fund is actively managed; holdings will change. Cash includes short-term securities and other assets less liabilities.

MSCI All Country World Index 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 indices. This index is unmanaged, and its results include reinvested distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or income taxes. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Investors cannot invest directly in an index.

Refer to the attribution methodology disclosure at the end of this document for additional information.

# Sector diversification

## Capital Group Global Equity Fund™ (Canada)

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	Portfolio (%)		Index (%)
	06/30/22	06/30/23	06/30/23
<b>Energy</b>	<b>8.8</b>	<b>7.2</b>	<b>4.6</b>
Canadian Natural Resources		1.2	
Tourmaline Oil		1.2	
Cenovus Energy		1.1	
<b>Materials</b>	<b>4.4</b>	<b>4.4</b>	<b>4.6</b>
First Quantum Minerals		1.0	
Linde Plc		1.0	
Vale		0.4	
<b>Industrials</b>	<b>12.2</b>	<b>14.2</b>	<b>10.5</b>
Rockwell Automation		1.4	
Caterpillar		1.3	
BAE Systems		1.1	
<b>Consumer discretionary</b>	<b>12.0</b>	<b>13.4</b>	<b>11.3</b>
LVMH Moët Hennessy Louis Vuitton		1.1	
Richemont		1.1	
Home Depot		1.1	
<b>Consumer staples</b>	<b>3.9</b>	<b>5.5</b>	<b>7.3</b>
Nestlé		1.2	
Monster Beverage		0.9	
Varun Beverages		0.7	
<b>Health care</b>	<b>16.4</b>	<b>17.2</b>	<b>11.8</b>
Eli Lilly		2.9	
Novo Nordisk		2.7	
UnitedHealth Group		2.3	

	Portfolio (%)		Index (%)
	06/30/22	06/30/23	06/30/23
<b>Financials</b>	<b>16.0</b>	<b>13.9</b>	<b>15.4</b>
Blackstone		1.2	
AIA Group		1.1	
Fairfax Financial Holdings		1.1	
<b>Information technology</b>	<b>12.2</b>	<b>15.2</b>	<b>22.1</b>
Microsoft		2.8	
TSMC		2.6	
Apple		1.9	
<b>Communication services</b>	<b>4.0</b>	<b>5.4</b>	<b>7.3</b>
Alphabet		1.9	
Meta Platforms		1.7	
Publicis Groupe		0.5	
<b>Utilities</b>	<b>0.1</b>	<b>0.3</b>	<b>2.8</b>
Constellation Energy		0.3	
<b>Real estate</b>	<b>0.2</b>	<b>0.0</b>	<b>2.3</b>
<b>Total equity</b>	<b>90.2</b>	<b>96.7</b>	<b>100.0</b>
<b>Total cash and cash equivalents* &amp; other assets less liabilities</b>	<b>9.8</b>	<b>3.3</b>	<b>–</b>
<b>Total fixed income</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Data shown reflect the top holdings in each sector. Figures may reflect multiple securities from the same company or issuer.

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\*Total cash and cash equivalents includes short-term investments.

Totals may not reconcile due to rounding.

# Geographic diversification

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	Portfolio (%)		Index (%)
	06/30/22	06/30/23	06/30/23
<b>United States</b>	<b>42.6</b>	<b>49.1</b>	<b>62.1</b>
<b>United Kingdom</b>	<b>2.8</b>	<b>3.3</b>	<b>3.6</b>
<b>Japan</b>	<b>2.6</b>	<b>2.8</b>	<b>5.5</b>
<b>Canada</b>	<b>6.5</b>	<b>7.9</b>	<b>2.9</b>
<b>Europe ex-UK</b>	<b>18.0</b>	<b>21.9</b>	<b>12.6</b>
France	4.5	6.2	3.0
Denmark	2.0	3.9	0.7
Switzerland	1.9	3.6	2.5
Netherlands	2.4	2.6	1.1
Ireland	0.6	1.5	0.2
Spain	0.7	1.4	0.6
Germany	1.7	1.3	2.1
Sweden	2.0	0.7	0.8
Belgium	0.2	0.6	0.2
Italy	1.0	0.1	0.6
Norway	1.0	–	0.2

	Portfolio (%)		Index (%)
	06/30/22	06/30/23	06/30/23
<b>Emerging Markets</b>	<b>14.0</b>	<b>9.3</b>	<b>10.5</b>
India	2.5	2.9	1.5
Taiwan	2.8	2.8	1.6
China	6.5	2.5	3.1
Brazil	1.6	0.9	0.6
Korea, Republic Of	0.2	0.1	1.3
South Africa	0.3	0.1	0.3
Greece	0.1	–	0.0
<b>Pacific Basin ex-Japan</b>	<b>3.6</b>	<b>2.4</b>	<b>2.8</b>
Hong Kong	2.9	2.3	0.6
Australia	0.7	0.1	1.8
<b>Other</b>	<b>0.1</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>	<b>90.2</b>	<b>96.7</b>	<b>100.0</b>
<b>Total cash and cash equivalents* &amp; other assets less liabilities</b>	<b>9.8</b>	<b>3.3</b>	<b>–</b>
<b>Total fixed income</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total assets</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Total cash and cash equivalents includes short-term investments. MSCI All Country World Index 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 indices. This index is unmanaged, and its results include reinvested distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or income taxes. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Investors cannot invest directly in an index.

Country figures may include convertible securities. Individual countries with less than a 0.1% weight are not displayed or are indicated by a dash in the period shown.

Totals may not reconcile due to rounding.

# Twenty largest equity holdings

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<u>Ranking</u>		
Current 06/30/2023	Holding	Total portfolio (%)
1	Eli Lilly	2.9
2	Microsoft	2.8
3	Novo Nordisk	2.7
4	TSMC	2.6
5	UnitedHealth Group	2.3
6	Apple	1.9
7	Alphabet	1.9
8	Meta Platforms	1.7
9	Applied Materials	1.6
10	Thermo Fisher Scientific	1.5
<b>Total companies 1 through 10</b>		<b>21.9</b>
11	Rockwell Automation	1.4
12	Caterpillar	1.3
13	Canadian Natural Resources	1.2
14	Nestlé	1.2
15	Tourmaline Oil	1.2
16	Blackstone	1.2
17	LVMH Moet Hennessy Louis Vuitton	1.1
18	agilon health	1.1
19	Cenovus Energy	1.1
20	Richemont	1.1
<b>Total companies 1 through 20</b>		<b>33.8</b>

Totals may not reconcile due to rounding. Figures may reflect multiple securities from the same company or issuer.

# Portfolio characteristics

## Capital Group Global Equity Fund™ (Canada)

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### New and eliminated holdings<sup>1</sup> changes since March 31, 2023:

#### New:

Apple
Schlumberger
Ryanair
Tractor Supply
Arista Networks

#### Eliminated:

Seagen
Baycurrent Consulting
SAP SE
Aker Bp
AES

### Portfolio information

Assets (\$ mil) <sup>2</sup>	\$11,413.71
Number of holdings	198
Dividend yield <sup>3</sup>	1.41%
Portfolio turnover rate (2022)	50%
Trading expense ratio <sup>4</sup>	0.07%
Weighted average market cap (\$ bil):	
Fund	\$273.52
Index	\$417.84
Price to earnings:	
Fund	19.72
Index	18.62
Price to book:	
Fund	3.87
Index	2.82

### Portfolio managers

	Years in profession	Years with Capital
Jeremy Burge	41	21
Leo Hee	29	18
Dawid Justus	23	18
Carl M. Kawaja	36	31
Emme Kozloff	24	17

Years of experience as of December 31, 2022.

Data as of June 30, 2023.

<sup>1</sup>Lists reflect larger portfolio changes and may not be comprehensive.

<sup>2</sup>For combined series.

<sup>3</sup>Income generated by portfolio securities, before expenses; does not reflect unitholder distributions.

<sup>4</sup>As of December 31, 2022.



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As of June 30, 2023

## Attribution methodology notes

Equity attribution data was produced using FactSet, a third-party software system, based on prior calendar quarter-end publicly disclosed portfolio(s). Securities in their initial period of acquisition may not be included in this analysis. The analysis includes equity investments only and excludes forward contracts and fixed income investments, if applicable. It does not account for buy and sell transactions that might have occurred during the quarter. As a result, average portfolio weight percentages are approximate and the actual average portfolio weight percentages might be higher or lower. Data elements such as pricing, income, market cap, etc. were provided by FactSet. The index provided for attribution is based on FactSet's methodology. The index is a broad-based market benchmark and may not be used by Capital Group as the sole comparative index for this portfolio. Capital Group believes the software and information from FactSet to be reliable. However, Capital Group cannot be responsible for inaccuracies, incomplete information or updating of information by FactSet. Relative contribution measures the impact a security has on the portfolio's excess return (the portfolio return minus the benchmark return). Past results are not indicative of results in future periods. All of the attribution data contained in the report that display the portfolio weights, benchmark weights and weight differences are average weights over the period. The mnemonic 'ISR:' indicates that two or more issues of the same issuer have been rolled up and thus what is presented in the report is the Issuer Level data.

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