

U.S. Equity Quarterly portfolio review

Highlights

- Series F return: -5.93%
 (see page 3 for returns for other periods)
- S&P 500 Composite Index return: -5.66%
- U.S. equities declined modestly, with major stock indices posting their worst quarterly returns in two years. Volatility returned to markets as investors weighed the impacts of higher inflation, rising rates and the war in Ukraine.
- The Canadian dollar advanced versus the U.S. dollar.

Commentary

- The mandate posted negative numbers for the period, slightly trailing the benchmark largely due to unfavourable stock selection in the communication services and consumer discretionary sectors.
- In communication services, a substantial investment in Netflix detracted as shares slid after the company added lower-than-anticipated subscribers in the fourth quarter 2021 and projected weaker subscriber growth for the first quarter of 2022. Meta Platforms, previously known as Facebook, also hindered results, as shares fell amid slowing revenue growth and downbeat forward guidance.
- Home Depot and General Motors in the consumer discretionary sector also notably detracted. Shares of General Motors suffered from macroeconomic concerns and rising input costs, while chip shortages and supply chain challenges held back output for the auto industry in general. Home Depot shares dropped amid expectations for weaker consumer spending despite a recent, significant increase to its dividend.
- A greater-than-benchmark exposure to energy and stock selection within the sector helped drive relative results, with a position in Baker Hughes contributing and, to a lesser extent, Canadian Natural Resources and Chevron. Security selection in the materials sector was another bright spot, helped by global holdings Vale and Rio Tinto. In industrials, Raytheon Technologies and General Dynamics were similarly additive as both companies' shares rallied in anticipation of defence-spending increases following Russia's invasion of Ukraine.
- Broadly, the information technology sector proved challenging, but the portfolio's lower-than-benchmark weight to the sector substantially helped relative results.

Investment objective

Long-term growth of capital and income through investments primarily in common stocks of U.S. issuers.

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.

Portfolio managers	Years in profession	Years with Capital
Aline Avzaradel	19	17
Christopher Buchbinder	26	26
Grant L. Cambridge	29	25
Martin Jacobs	33	21
James B. Lovelace	40	40
Donald D. O'Neal	36	36
Martin Romo	30	29
Jessica Spaly	24	18
James Terrile	27	25

A portion of assets is managed by 41 research analysts with a median of 14 years of industry experience.

Years of experience as of December 31, 2021.

Capital Group U.S. Equity Fund (Canada) – Series F

As of March 31, 2022

Top 25 equity holdings¹	% of net assets	% dividend yield	Portfolio information		Country diversification⁷		% of net assets	% of net assets
Microsoft	7.6	0.8	Assets (\$ mil) ²	\$179.04	United States	85.4	Australia	0.3
Amazon	4.6	–	Number of holdings	189	United Kingdom	2.9	France	0.3
Broadcom	4.2	2.6	Dividend yield ³	1.62%	Canada	2.3	Taiwan	0.3
Meta Platforms	3.7	–	Portfolio turnover rate (2021)	34%	Netherlands	0.8	Brazil	0.2
Alphabet	3.4	–	Trading expense ratio ⁴	0.02%	Israel	0.6	Denmark	0.2
Comcast	2.7	2.3	Weighted average market cap (\$ bil):		Hong Kong	0.4	Japan	0.2
Apple	2.6	0.5	Capital Group U.S. Equity Fund (Canada)	\$516.63	Switzerland	0.4		
General Electric	2.4	0.4	S&P 500 Index	\$598.34				
Philip Morris International	2.4	5.3	Price to earnings:					
UnitedHealth Group	2.3	1.1	Capital Group U.S. Equity Fund (Canada)	20.86	Sector diversification			
Abbott Laboratories	2.3	1.6	S&P 500 Index	21.68		% of net assets at 3/31/22	% of net assets at 3/31/21	
Raytheon Technologies	2.1	2.1	Price to book:		Information technology	21.3	19.1	
British American Tobacco	1.8	6.8	Capital Group U.S. Equity Fund (Canada)	4.07	Communication services	11.6	13.9	
Netflix	1.7	–	S&P 500 Index	4.59	Industrials	11.1	8.8	
Baker Hughes	1.7	2.0	Dividends:		Health care	11.0	12.4	
Linde	1.5	1.5	% dividend payers ⁵	80%	Consumer discretionary	9.1	10.0	
Mastercard Inc	1.3	0.6	% dividend growers ⁶	88%	Financials	8.8	8.7	
Carrier Global	1.3	1.3			Consumer staples	6.4	6.4	
Canadian Natural Resources	1.2	3.9			Energy	6.0	5.7	
JPMorgan Chase	1.2	2.9			Materials	3.6	4.2	
General Dynamics	1.1	2.1			Utilities	3.5	3.0	
Morgan Stanley	1.1	3.2			Real estate	1.8	2.0	
Home Depot	1.0	2.5			Fixed income	0.1	0.1	
Thermo Fisher Scientific	1.0	0.2			Cash and cash equivalents ⁸ & other assets less liabilities	5.7	5.7	
American International Group	1.0	2.0						

¹ Net assets figures may reflect multiple securities from the same company or issuer. If a roll-up occurs, the dividend yield shown reflects the issue with the highest net assets percentage. A dash indicates no dividend was paid in the trailing 12-month period.

² For combined series.

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

⁴ As of December 31, 2021.

⁵ The percent of portfolio holdings as of December 31, 2021, that paid a dividend in calendar year 2021.

⁶ The percent of portfolio holdings as of December 31, 2021, that paid and increased their dividend in calendar year 2021 versus the previous year.

⁷ Individual countries with less than a 0.1% weight are not shown.

⁸ Cash and cash equivalents includes short-term investments.

Standard & Poor's 500 Composite Index (S&P 500) is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. This index is unmanaged, and its results include reinvested dividends and/or distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or income taxes. The S&P 500 is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Capital Group. Copyright © 2022 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. Investors cannot invest directly in an index.

Capital Group U.S. Equity Fund (Canada) – Series F

As of March 31, 2022

Total returns (%) as of March 31, 2022

	Cumulative			Annualized compound returns					Calendar year				
	3 mo	YTD	Since inception [*]	1 yr	3 yr	5 yr	10 yr	Since inception [*]	2021	2020	2019	2018	2017
Series F (CIF 827)	-5.93	-5.93	144.28	10.34	11.22	9.16	–	11.56	23.67	11.68	14.56	-1.12	9.21
S&P 500 Composite Index	-5.66	-5.66	233.44	14.93	16.29	14.48	–	15.89	27.61	16.32	24.84	4.23	13.83

^{*}The fund was subject to a merger, which was a material change to the fund, as of January 31, 2014. Returns are therefore calculated since that date. Results vary by series primarily due to differences in the series' fees and expenses. For all series, see capitalgroup.com/ca.

Attribution analysis (relative returns)

Q1 2022	Companies	Sectors
Major contributors	Baker Hughes Canadian Natural Resources Raytheon Technologies	Energy Materials Information technology
Major detractors	Netflix Meta Platforms Berkshire Hathaway	Communication services Financials Consumer discretionary

Largest holdings changes

Since December 31, 2021	
New:	Eliminated:
Berkshire Hathaway	Omnicom Group
Halliburton	Autodesk
EPAM Systems	PayPal

Management expense ratio (MER)

Fund (Series F) ¹	0.80%
Industry avg. ²	0.98%

MERs and FundSERV codes for other series available at capitalgroup.com/ca.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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Unless otherwise indicated, data as of March 31, 2022. The fund is actively managed; holdings will change.

¹Capital 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, 2021, and are expressed as an annualized percentage of daily average net assets during the period. Actual MERs may vary. The management expense ratio for Series F units of Capital Group U.S. Equity Fund (Canada) before waivers or absorptions for the 12-month period ended December 31, 2021, is 0.87%.

²Source: 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 2020, for those funds with a financial year end of December 31, 2020. Reflects a weighted average of management expense ratios available as of December 31, 2020, for U.S. equity funds Series F with equal to or less than \$140 million in AUM; restricted sponsors (certain industry participants) have not been captured. The total net assets as of December 31, 2020, of Capital Group U.S. Equity Fund (Canada) is \$139 million.

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