

International Equity Quarterly portfolio review

Highlights

- Series F return: -0.58% (see page 3 for returns for other periods)
- MSCI All Country World Index ex USA return (net dividends reinvested): 1.52%
- International stocks posted uneven results over the quarter amid rising inflation, central bank tightening and weak economic growth in China.
- European stocks advanced despite concerns about record-high inflation and a shift toward slightly tighter monetary policy. Emerging markets stocks edged lower, hurt by a sharp slowdown in China's economy, inflationary pressure and a stronger U.S. dollar. Japanese equities fell, hampered by supply chain problems and concerns about the omicron coronavirus variant's impact on the global economy.
- The Canadian dollar was mixed against international currencies, appreciating against the Japanese yen but depreciating versus the British pound sterling.

Commentary

- The mandate posted slightly negative results and trailed its benchmark largely due to security selection in the financials and health care sectors. Country-wise, stock selection in Canada and Russia also detracted with shares of Montreal-based Lightspeed, a point-of-sale and e-commerce company, falling during the period. Among Russian holdings, search engine operator Yandex was a leading detractor.
- Within health care, BeiGene, a Beijing-based biotechnology company, was a notable detractor. The company, which is focused on cancer drugs development, surpassed third-quarter results forecasts but shares came under pressure after reports the U.S. was considering tougher sanctions against certain Chinese technology companies. Genmab, a Denmark-based biotechnology company, also detracted from relative results as shares eased, giving up some year-to-date gains.
- AIA Group, an Asia-Pacific insurance provider, was a meaningful detractor in the financial services sector. Shares fell amid investor worries about possible pandemic insurance claims, as well as worries over the Chinese economy.
- Security selection in the consumer discretionary sector contributed most to relative returns. Kering and Hermès proved particularly beneficial. Shares of Hermès, a France-based luxury goods company, advanced with strong third-quarter sales and strong growth in the Asia Pacific region. Kering, also a France-based luxury goods company, benefited from growth seen in its Yves Saint Laurent and Bottega Veneta brands.
- From a country perspective, security selection within Japan and China helped results, with Tokyo Electron the largest relative contributor for the period.

Investment objective

Long-term growth of capital through investments in a portfolio comprised primarily of securities of large-capitalization issuers located outside North America.

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
Eu-Gene Cheah	24	24
Michael Cohen	31	22
Akira Horiguchi	28	21
Gerald Du Manoir	32	31
Philip Winston	37	25

A portion of assets is managed by 32 research analysts with a median of 15 years of industry experience.

Portfolio manager information as of December 31, 2021. Analyst information as of December 31, 2020.

Capital Group International Equity Fund (Canada) – Series F

As of December 31, 2021

Top 25 equity holdings¹	% of net assets	Portfolio information	Country diversification⁵	% of net assets	% of net assets		
TSMC	4.0	Assets (\$ mil) ²	Japan	13.9	United States	1.4	
ASML	3.8	Number of holdings	France	13.0	Norway	1.0	
Keyence	2.6	Dividend yield ³	China	8.6	Singapore	1.0	
Evolution	2.5	Portfolio turnover rate (2020)	United Kingdom	8.0	Spain	0.9	
Tokyo Electron	2.1	Trading expense ratio ⁴	Netherlands	5.7	Ireland	0.7	
Ocado Group	1.9	Weighted average market cap (\$ bil):	Switzerland	5.0	Belgium	0.6	
Vale	1.6	International Equity	Taiwan	5.0	Israel	0.6	
Yandex	1.6	MSCI ACWI ex USA	Denmark	4.9	Korea, Republic of	0.6	
Genmab	1.6	Price to earnings:	India	4.7	Australia	0.4	
AstraZeneca	1.6	International Equity	Germany	4.0	Iceland	0.4	
LVMH Moët Hennessy Louis Vuitton	1.5	MSCI ACWI ex USA	Sweden	3.8	South Africa	0.4	
Kering SA	1.5	Price to book:	Russian Federation	3.4	Finland	0.2	
AIA Group	1.4	International Equity	Canada	2.6	Hungary	0.1	
Airbus	1.4	MSCI ACWI ex USA	Brazil	2.3	Indonesia	0.1	
Novo Nordisk	1.3		Hong Kong	2.1	Thailand	0.1	
NetEase	1.3		Italy	2.0			
Nestlé	1.3						
OBIC	1.2						
Safran	1.2						
SAP	1.2						
BeiGene	1.2						
Enel	1.1						
Hermès	1.1						
Tencent	1.1						
Carlsberg	1.0						
		Geographic diversification⁵	% of net assets at 12/31/21	% of net assets at 12/31/20	Sector diversification	% of net assets at 12/31/21	% of net assets at 12/31/20
		Europe ex-UK	42.4	34.1	Information technology	26.0	18.0
		Emerging markets	25.3	35.4	Consumer discretionary	13.5	17.2
		Japan	13.9	10.5	Industrials	12.1	8.4
		United Kingdom	8.0	8.1	Health care	11.9	10.6
		Pacific Basin ex-Japan	3.5	5.6	Financials	11.1	16.3
		Canada	2.6	1.3	Consumer staples	8.2	5.8
		United States	1.4	1.4	Communication services	6.1	6.4
		Other	0.4	0.7	Materials	3.6	3.7
		Cash and cash equivalents ⁶ & other assets less liabilities	2.5	2.9	Utilities	2.5	4.5
					Real estate	1.5	4.8
					Energy	1.0	1.4
					Cash and cash equivalents ⁶ & other assets less liabilities	2.5	2.9

¹ Figures may reflect multiple securities from the same company or issuer. ² For combined series. ³ Income generated by portfolio securities, before expenses; does not reflect unitholder distributions. ⁴ As of June 30, 2021. ⁵ Country figures may include convertible securities. Individual countries with less than a 0.1% weight are not shown. ⁶ Cash and cash equivalents includes short-term investments. The MSCI All Country World Index (ACWI) ex USA is a free float-adjusted market capitalization weighted index that is designed to measure equity market results in the global developed and emerging markets, excluding the United States. The index consists 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.

Capital Group International Equity Fund (Canada) – Series F

As of December 31, 2021

Total returns (%) as of December 31, 2021

	Cumulative			Annualized compound returns						Calendar year				
	3 mo	YTD	Since inception [†]	1 yr	3 yr	5 yr	10 yr	15 yr	Since inception [†]	2021	2020	2019	2018	2017
Series F (CIF 826)	-0.58	4.76	224.65	4.76	15.42	13.43	12.24	4.67	6.34	4.76	18.34	24.02	-4.15	27.45
MSCI ACWI ex USA	1.52	6.91	222.96	6.91	10.27	8.31	9.62	3.94 [†]	6.30 [†]	6.91	8.71	15.37	-6.47	18.84

*Series F inception: November 1, 2002. Results vary by series primarily due to differences in the series' fees and expenses. For all series, see capitalgroup.com/ca.

[†]Results reflect MSCI EAFE Index from fund inception to June 30, 2008, and MSCI All Country World (ACWI) ex USA Index thereafter.

Attribution analysis (relative returns)

Q4 2021	Companies	Sectors	Countries
Major contributors	Tokyo Electron	Consumer discretionary	Japan
	ASML	Consumer staples	China
	Hermès	Industrials	France
Major detractors	Lightspeed Commerce	Health care	Canada
	Yandex	Financials	Russia
	BeiGene	Communication services	Hong Kong

Largest holdings changes

Since September 30, 2021	
New:	Eliminated:
Nokia	Brenntag
Fujitsu	zooplus
BayCurrent Consulting	Associated British Foods

Management expense ratio (MER)

Fund (Series F) ¹	0.96%
Industry avg. ²	1.30%

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 December 31, 2021. 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 unaudited total expenses for the six-month period ended June 30, 2021, and are expressed as an annualized percentage of daily average net assets during the period. Actual MERs may vary. For the six-month period ended June 30, 2021, the total net asset value of Series F was of sufficient size to reasonably absorb all management fees and expenses incurred in the operations of the fund attributable to this series, and therefore there were no waivers or absorptions during this period.

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 international equity funds Series F with equal to or less than \$470 million in AUM; restricted sponsors (certain industry participants) have not been captured. The total net assets as of December 31, 2020, of Capital Group International Equity Fund (Canada) is \$469 million.

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