

# Global Equity Quarterly portfolio review

## Highlights

- Series F and F4 return: 3.32% (see page 3 for returns for other periods)
- MSCI All Country World Index (ACWI) return (net dividends reinvested): 6.36%
- Global stocks ended the year with solid quarterly gains despite the threat of rising inflation, higher interest rates and the spread of the omicron coronavirus variant.
- The Canadian dollar was mixed, rising against most reserve currencies including the U.S. dollar, but falling against the British pound.

## Commentary

- The portfolio posted positive results but trailed its benchmark for the period. Unfavourable stock selection in the information technology, consumer discretionary and health care sectors detracted from results as well as a lighter-than-benchmark weight to some large-cap U.S. technology companies.
- This conservative approach to select large-cap U.S. technology companies hurt short-term results, but many of these firms' shares closed the period near or at record-highs, making the short-term risk/reward trade-off unappealing compared to other longer-term opportunities.
- Regarding unfavourable stock selection, Germany-based information technology company TeamViewer was a notable detractor and was eliminated from the portfolio. U.K. consumer discretionary firm Flutter Entertainment, an online gaming company, also detracted. Also hurting results were Zai Lab, a China-based biopharmaceutical company, German pharmaceutical retailer Zur Rose Group and Canada-based biotech firm AbCellera Biologics.
- Stock selection in the financials sector helped results as share prices of EQT and Tradeweb solidly advanced. EQT, a European private equity firm, was aided by a rise in assets under management while Tradeweb, a multi-asset-class electronic trading venue, reported an increase in annual revenue. Other notable contributions came from Advanced Micro Devices, a U.S. semiconductor company, and employer health benefits firm UnitedHealth Group, both top-10 holdings.
- Other top holdings proving constructive included NIBE, a Sweden-based maker of domestic heating products, and U.S. railroad operator CSX, which are both in the industrials sector.
- New portfolio holdings included luxury goods company Richemont, automaker Daimler and business intelligence software firm MicroStrategy.

## 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.

## Risk classification

Low	Low to Medium	<b>Medium</b>	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
Jeremy Burge	40	20
Leo Hee	28	17
Dawid Justus	22	17
Carl M. Kawaja	35	30

A portion of assets is managed by 45 research analysts with a median of 16 years of industry experience.

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

Capital Group Global Equity Fund (Canada) – Series F and F4

As of December 31, 2021

<b>Top 25 equity holdings<sup>1</sup></b>	<b>% of net assets</b>	<b>Portfolio information</b>		<b>Country diversification<sup>5</sup></b>		<b>% of net assets</b>		<b>% of net assets</b>	
TSMC	3.2	Assets (\$ mil) <sup>2</sup>	\$14,638.29	United States	42.5	Italy	1.5		
Microsoft	2.8	Number of holdings	246	Sweden	5.5	Ireland	1.1		
EQT	2.5	Dividend yield <sup>3</sup>	0.84%	China	5.0	Korea, Republic Of	1.1		
ASML	2.3	Portfolio turnover rate (2020)	51%	Netherlands	4.4	Brazil	1.0		
UnitedHealth Group	2.0	Trading expense ratio <sup>4</sup>	0.07%	France	4.1	Australia	0.9		
NIBE	2.0	Weighted average market cap (\$ bil):		Taiwan	4.1	Spain	0.8		
Alphabet	1.6	Global Equity	\$235.84	Japan	4.0	Singapore	0.5		
Advanced Micro Devices	1.5	MSCI ACWI	\$402.30	United Kingdom	3.8	South Africa	0.3		
Thermo Fisher Scientific	1.3	Price to earnings:		Germany	3.2	Belgium	0.2		
Reliance Industries	1.3	Global Equity	28.18	Canada	3.0	Norway	0.2		
Meta Platforms	1.1	MSCI ACWI	20.67	India	2.6	Hungary	0.1		
Allfunds	1.1	Price to book:		Switzerland	2.4	Iceland	0.1		
Keyence	1.1	Global Equity	5.18	Denmark	1.8	Russian Federation	0.1		
Amazon	1.1	MSCI ACWI	3.23	Hong Kong	1.5				
CSX	1.1								
Home Depot	1.1								
Centene	1.1								
Applied Materials	1.0	<b>Geographic diversification</b>		<b>% of net assets at 12/31/21</b>	<b>% of net assets at 12/31/20</b>	<b>Sector diversification</b>	<b>% of net assets at 12/31/21</b>	<b>% of net assets at 12/31/20</b>	
Blackstone	1.0	United States		42.5	35.9	Information technology	19.8	19.4	
Carl Zeiss Meditec	1.0	Europe ex-UK		25.2	26.5	Consumer discretionary	16.6	18.2	
Kweichow Moutai	1.0	Emerging markets		14.3	17.9	Financials	16.0	13.8	
Vale	0.9	Japan		4.0	4.2	Industrials	14.6	10.9	
Coupang	0.9	United Kingdom		3.8	3.7	Health care	13.4	12.7	
Carrier Global	0.8	Canada		3.0	2.7	Communication services	6.3	8.0	
ZoomInfo Technologies	0.8	Pacific Basin ex-Japan		2.9	3.9	Consumer staples	3.2	4.1	
		Other		0.1	0.1	Materials	2.7	3.4	
		Cash and cash equivalents <sup>6</sup> & other assets less liabilities		4.2	5.1	Energy	2.1	1.3	
						Utilities	0.8	2.5	
						Real estate	0.3	0.6	
						Cash and cash equivalents <sup>6</sup> & other assets less liabilities	4.2	5.1	

<sup>1</sup> Figures may reflect multiple securities from the same company or issuer.

<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 June 30, 2021.

<sup>5</sup> Individual countries with less than a 0.1% weight are not shown.

<sup>6</sup> 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.

## Capital Group Global Equity Fund (Canada) – Series F and F4

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 823)	3.32	11.22	610.44	11.22	21.50	15.92	16.61	9.86	10.77	11.22	29.84	24.22	-2.45	19.62
Series F4 (CIF 8823)	3.32	11.22	90.32	11.22	21.50	–	–	–	15.68	11.22	29.84	24.21	-2.45	–
MSCI ACWI	6.36	17.53	333.61	17.53	17.29	13.04	14.29	7.38 <sup>†</sup>	7.95 <sup>†</sup>	17.53	14.22	20.20	-1.26	15.83

\*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, FundSERV codes and inception dates for all series are available at [capitalgroup.com/ca](http://capitalgroup.com/ca).

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

### Attribution analysis (relative returns)

Q4 2021	Companies	Sectors	Countries
Major contributors	EQT	Financials	Sweden
	Advanced Micro Devices	Industrials	Japan
	UnitedHealth Group	Materials	Taiwan
Major detractors	Flutter Entertainment	Information technology	United States
	AbCellera Biologics	Consumer discretionary	Ireland
	Sea	Health care	United Kingdom

### Largest holdings changes

Since September 30, 2021	
<b>New:</b>	<b>Eliminated:</b>
Eli Lilly	Parker
Rockwell Automation	Honeywell International
Richemont	Rio Tinto

### Management expense ratio (MER)

Series F (fund) <sup>1</sup>	0.81%
Series F4 (fund) <sup>1</sup>	0.82%
Series F industry avg. <sup>2</sup>	1.19%

MERs and FundSERV codes for other series available at [capitalgroup.com/ca](http://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 security holder 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.

<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 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 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 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 global funds Series F with equal to or less than \$11.2 billion in AUM; restricted sponsors (certain industry participants) have not been captured. The total net assets as of December 31, 2020, of Capital Group Global Equity Fund (Canada) is \$11.2 billion.

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