

1Q 2024

American Mutual Fund® quarterly attribution report



As of March 31, 2024

Market overview

- **U.S. value stocks rose sharply** as investors remained optimistic about the U.S. economic outlook and potential interest rate cuts expected later in the year. All but one sector in the S&P 500 Index rose in a broad-based rally that included strong returns from the financials, energy and industrials sectors. Overall, the Russell 1000 Value Index climbed nearly 9%.
- **The Federal Reserve left rates unchanged for the fifth consecutive meeting.** The central bank indicated it could cut its benchmark interest rate three times in 2024, citing strong economic growth and manageable inflation. U.S. gross domestic product rose an annualized 3.4% in the fourth quarter – its sixth straight quarter of growth. In February, the consumer price index rose 3.2% from the previous year.
- **A strong labor market and persistent consumer spending continued to bolster the economy,** but there were indications of slowing growth. U.S. employers added 275,000 jobs in February, although the unemployment rate ticked up to 3.9%, its highest level in two years. U.S. retail sales rose 0.6% in February compared to the previous month, slightly below expectations.
- **Nvidia shares soared 82%,** fueled by ongoing enthusiasm for stocks poised to benefit from the artificial intelligence boom. The chipmaker reported its sales had more than tripled in its fiscal fourth quarter compared to the previous year. Shares of computer manufacturer Super Micro Computer surged 255%, which followed a 246% increase in 2023. Among the top detractors to S&P 500 Index returns, Apple shares declined 11% due to declining iPhone sales in China and Tesla shares plummeted 29%.
- **Energy was one of the top sectors (S&P 500 Index),** gaining nearly 14%, as West Texas Intermediate crude oil prices rose. Shares of companies that own and operate power plants also advanced, including Vistra and Constellation Energy. Rising electricity demand from the growth of artificial intelligence and data centers has led some businesses to seek nuclear power as an alternative source of energy.

Market index returns (net of dividends)

For periods ended March 31, 2024 (%)

	Cumulative			Average annual		
	3 months	YTD	1 year	3 years	5 years	10 years
S&P 500 Index	10.56	10.56	29.88	11.49	15.05	12.96
Russell 1000 Growth Index	11.41	11.41	39.00	12.50	18.52	15.98
Russell 1000 Value Index	8.99	8.99	20.27	8.11	10.32	9.01
MSCI World Index	8.88	8.88	25.11	8.60	12.07	9.39
MSCI All Country World Index (ACWI)	8.20	8.20	23.22	6.96	10.92	8.66

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Past results are not predictive of results in future periods.

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Results

American Mutual Fund

Figures shown are past results for Class F-2, F-3 and R-6 shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For current information and month-end results, visit capitalgroup.com.

Returns (%)	Cumulative			Average annual				Expense ratio
For periods ended March 31, 2024	3 months	YTD	1 year	3 years	5 years	10 years	Lifetime	
American Mutual Fund R-6	7.16	7.16	16.64	9.38	10.69	10.00	11.80	0.27
American Mutual Fund F-3	7.16	7.16	16.66	9.38	10.69	10.00	11.80	0.27
American Mutual Fund F-2	7.13	7.13	16.51	9.26	10.56	9.88	11.66	0.38
S&P 500 Index	10.56	10.56	29.88	11.49	15.05	12.96	11.53	n/a
Russell 1000 Value Index	8.99	8.99	20.27	8.11	10.32	9.01	n/a	n/a
Morningstar Large Value Category Average	8.83	8.83	20.70	8.87	10.89	9.09	10.25	n/a
Fund Inception: February 21, 1950								

We offer a range of share classes designed to meet the needs of retirement plan sponsors and participants. The different share classes incorporate varying levels of financial professional compensation and service provider payments. Because Class R-6 shares do not include any recordkeeping payments, expenses are lower and results are higher. Other share classes that include recordkeeping costs have higher expenses and lower results than Class R-6.

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Market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the fund has lagged the index. Index lifetime is based on the inception date of the fund.

Sources: London Stock Exchange Group, Morningstar, S&P Dow Jones Indices LLC.

Although our portfolios are compared to their benchmarks, portfolio managers manage them to be consistent with their investment objectives.

American Mutual Fund

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Investment objective and approach

- The fund strives for the balanced accomplishment of three objectives: current income, growth of capital and conservation of principal.
- Conservatively managed to help reduce volatility and risk, this strategy has the potential to provide downside resilience during market declines.

Review and attribution

- American Mutual Fund (AMF) trailed the S&P 500 Index as the fund's capital preservation objective and more conservative, dividend-oriented approach acted as a strong headwind during the equity market's growth-led rally.
- Security selection weakness along with lower relative exposure in the information technology sector were the major detractors from results versus the index this quarter. AMF tends to invest much less in growth-oriented areas of the market, where segments such as hardware, software and semiconductors reside. The fund invests more in higher quality, dividend-oriented companies. It's noteworthy to mention that the majority of fund holdings must pay a dividend in order to be eligible.
- Communication services was an additional source of relative softness, driven by a combination of security selection and a much smaller representation versus the benchmark. This was the index's top-returning sector for the quarter. AMF continues to focus on high-quality, dividend-paying companies while primarily avoiding those that don't produce shareholder income.
- Fund holdings within the consumer discretionary sector were the most impactful contributors to AMF's relative results for the first quarter, as a lower relative weight drove the lion's share of gains. Holding less of a select group of growth-oriented laggards benefited most. Idiosyncratic, company-specific challenges drove the majority of negative results within the group.
- Investment selection in industrials was an additional tailwind for the fund during the first quarter of the year. A notable position in General Electric (GE) was this period's biggest contributor within the sector. Shares rallied and traded at record highs, buoyed by strengthening sentiment on the firm's aerospace business. Fourth-quarter 2023 results beat analysts' forecasts, helped by rising demand for aftermarket services amid a continued rebound in air travel. GE approved the planned spinoff of its energy business, GE Vernova, and subsequently set an ambitious target for the remaining aerospace business to return cash to shareholders through dividends and share repurchases.
- At an overall holdings level, a sizable position in Gilead Sciences was one of AMF's top detractors in the first quarter. Shares fell on a disappointing clinical trial and financial results. A late-stage study of Trodelvy for people with advanced non-small cell lung cancer failed to meet its primary endpoint. Separately, fourth-quarter 2023 earnings missed analysts' forecasts, with revenue from antiviral treatment Veklury hit by a fall in COVID-19-related demand.

Attribution summary (relative)

American Mutual Fund vs. S&P 500 Index – Quarter to date

Largest contributors (%)	Portfolio weight*	Active weight	Stock return	Relative contribution
Apple Inc.	2.56	-3.80	-10.82	0.88
Tesla, Inc.	0.00	-1.31	-29.25	0.68
General Electric Company	2.82	2.44	37.53	0.59
Constellation Energy Corporation	0.63	0.52	58.45	0.21
AbbVie, Inc.	3.46	2.74	18.63	0.20
Adobe Inc.	0.00	-0.62	-15.42	0.17
RTX Corporation	2.95	2.64	16.68	0.16
Boeing Company	0.00	-0.28	-25.96	0.13
ISR: Alphabet Inc.	0.00	-3.74	8.04	0.09
NIKE, Inc.	0.04	-0.26	-13.12	0.07

Sector (%)	Portfolio weight*	Active weight	Sector selection	Security selection	Relative contribution
Consumer discretionary	3.73	-6.73	0.39	0.10	0.49
Industrials	16.33	7.65	0.05	0.21	0.26
Materials	2.71	0.40	0.00	0.07	0.07
Real estate	2.77	0.42	-0.04	0.01	-0.04
Utilities	5.42	3.22	-0.18	0.12	-0.06
Energy	5.53	1.74	0.06	-0.26	-0.21
Consumer staples	7.63	1.57	-0.04	-0.25	-0.29
Financials	14.72	1.75	0.05	-0.38	-0.33
Health care	18.16	5.48	-0.09	-0.40	-0.49
Cash	5.58	5.58	-0.53	0.00	-0.53
Communication services	2.02	-6.88	-0.33	-0.33	-0.67
Information technology	15.38	-14.20	-0.33	-1.18	-1.51

Largest detractors (%)	Portfolio weight*	Active weight	Stock return	Relative contribution
NVIDIA Corporation	0.00	-4.22	82.46	-2.17
Meta Platforms Inc	0.17	-2.17	37.33	-0.55
Cash	5.58	5.58	1.31	-0.53
Amazon.com, Inc.	0.00	-3.62	18.72	-0.28
Gilead Sciences, Inc.	1.23	1.00	-8.64	-0.21
Union Pacific Corporation	2.14	1.78	0.64	-0.18
Mondelez International, Inc.	1.56	1.32	-2.77	-0.18
Intel Corporation	1.11	0.66	-11.84	-0.16
Abbott Laboratories	2.61	2.13	3.76	-0.14
UnitedHealth Group Incorporated	1.85	0.72	-5.66	-0.12

Country (%)	Portfolio weight*	Active weight	Country selection	Security selection	Relative contribution
Taiwan	0.38	0.38	0.00	0.04	0.04
Denmark	0.25	0.25	0.00	0.03	0.03
South Korea	0.05	0.05	0.00	-0.01	-0.01
Germany	0.02	0.02	0.00	-0.01	-0.01
Switzerland	0.10	0.10	0.00	-0.01	-0.01
United States	87.72	-12.28	0.00	-2.50	-2.50
Cash	5.58	5.58	-0.53	0.00	-0.53
Canada	3.22	3.22	0.00	-0.14	-0.21
United Kingdom	2.13	2.13	0.00	-0.06	-0.06
France	0.34	0.34	0.00	-0.04	-0.05

Data as of March 31, 2024, and is preliminary. Data are gross of fees, unless otherwise noted. Past results are not predictive of results in future periods.

*Average position for time period; portfolio holdings change.

American Mutual Fund vs. S&P 500 Index with income reinvested. Source: S&P Dow Jones Indices LLC.

Stock return displays the return of the stock over the specified period, irrespective of whether the portfolio held the security during that time.

Cash includes short-term securities, accrued income and other assets less liabilities. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Refer to attribution methodology disclosure for additional information.

American Mutual Fund

Portfolio positioning and commentary

- At the sector level, American Mutual Fund (AMF) witnessed impactful changes, led by increases in information technology, financials and industrials, as well as declines in health care, consumer discretionary, real estate and cash. However, sector variations were impacted more by share price movement than by fund purchases and sales. As of March 31, 2024, cash exposure had decreased to just under 5% from just under 6% at the end of the previous quarter.
- Information technology was AMF's third-largest absolute exposure, although the sector remained the largest underexposure relative to the index (approximately half of the S&P 500 Index weight). At the total fund level, activity within the sector was the most pronounced this quarter as fund managers added to Broadcom, Microsoft, Apple and Intel, which were all top-20 positions.
- As investor sentiment improved, financials outpaced the broad market for the first quarter. Additionally, fund managers increased overall exposure, most prevalently within the banks segment as seen in additions to AMF's top-10 JPMorgan Chase position. However, while regional bank concerns remain elevated, a majority of the fund's exposure within the group remains in large money center banks that have ample liquidity and therefore may be better insulated from potential increased financial regulations. The insurance segment also saw a marginal rise in exposure, driven by an addition to top-20 position Chubb.
- The industrials sector also witnessed an increase in fund positioning as General Electric exhibited strength and fund managers added to RTX, both top-10 holdings. These leaders in aerospace have been at the epicenter of rising demand for air travel and upticks in global defense spending.
- Health care remained AMF's largest absolute fund exposure but witnessed one of the period's largest reductions, concentrated mostly within the pharmaceuticals and life sciences tools and services segments. However, AMF also continues to be diversified in other areas of health care: Biotechnology as well as health care equipment and supplies are also well represented.
- While the real estate sector saw minor investment group activity, its overall fund-level position size dropped versus the fourth quarter of 2023. The specialized real estate investment trust (REIT) segment continues to be well represented, made up primarily of data and storage REITs.
- Consumer discretionary continued to have a smaller relative position as compared to the index, taking the No. 3 spot, just behind technology and communication services. While fund manager activity was impactful this quarter, The Home Depot remained atop the list as the sector's largest position, although reduced from the previous period. The only segment that witnessed any changes was retail, with a slight trim in position size.
- The utilities, energy and materials sectors remained relatively unchanged from the final quarter of last year. Combined, they made up an overall weight of just over 14%. While cyclical and somewhat defensive in nature, a select group of quality dividend-paying companies reside here, often attractive hunting ground for fund managers and analysts alike. However, consumer staples did witness a modest reduction, mostly led by fund managers trimming top-20 holding Mondelez International.

Sector diversification

American Mutual Fund

	Portfolio (%)		Index (%)
	12/31/23	3/31/24	3/31/24
Energy	5.6	5.7	4.0
TC Energy		1.5	
ExxonMobil		1.2	
ConocoPhillips		0.9	
Materials	2.7	2.9	2.4
Linde PLC		1.8	
Ecolab		0.4	
Eastman Chemical		0.2	
Industrials	16.0	16.7	8.8
General Electric		3.2	
Rtx Corp		3.1	
Union Pacific		1.8	
Consumer discretionary	3.8	3.6	10.3
Home Depot		1.5	
Hasbro		0.5	
D.R. Horton		0.4	
Consumer staples	7.9	7.6	6.0
Mondelez International		1.4	
General Mills		1.0	
Constellation Brands		0.8	
Health care	18.2	16.9	12.4
AbbVie		3.5	
Abbott Laboratories		2.5	
UnitedHealth Group		1.6	

	Portfolio (%)		Index (%)
	12/31/23	3/31/24	3/31/24
Financials	14.7	15.1	13.2
JPMorgan Chase		2.1	
Chubb		1.1	
Visa		1.0	
Information technology	14.6	15.9	29.6
Microsoft		6.2	
Apple		2.5	
Broadcom		1.4	
Communication services	2.0	2.1	9.0
Comcast		1.0	
Meta Platforms		0.6	
T-Mobile US		0.2	
Utilities	5.6	5.6	2.2
CenterPoint Energy		1.0	
Sempra		0.9	
Real estate	3.1	2.8	2.3
Equinix		0.5	
Public Storage		0.5	
Total equity	94.3	95.1	100.0
Total fixed income	–	–	–
Total cash & equivalents	5.7	4.9	–
Total assets	100.0	100.0	100.0

Data shown reflect the top holdings in each sector. The information shown may include affiliates of the same issuer when applicable.

Cash and equivalents includes short-term securities, accrued income and other assets less liabilities. It may also include investments in money market or similar funds managed by the investment adviser or its affiliates that are not offered to the public.

Index reflects S&P 500 Index. Source: S&P Dow Jones Indices LLC.

Totals may not reconcile due to rounding.

Twenty largest equity holdings

American Mutual Fund

Ranking		Holding	Sector	Country	Total portfolio (%)	Total index (%)	Dividend yield (%)
Current 3/31/24	Previous 12/31/23						
1	1	Microsoft	Information technology	United States	6.2	7.1	0.7
2	2	AbbVie	Health care	United States	3.5	0.7	3.4
3	6	General Electric	Industrials	United States	3.2	0.4	0.2
4	3	Rtx Corp	Industrials	United States	3.1	0.3	2.4
5	5	Abbott Laboratories	Health care	United States	2.5	0.4	1.9
6	4	Apple	Information technology	United States	2.5	5.6	0.6
7	10	JPMorgan Chase	Financials	United States	2.1	1.3	2.3
8	9	Linde PLC	Materials	United States	1.8	0.5	1.2
9	7	Union Pacific	Industrials	United States	1.8	0.3	2.1
10	8	UnitedHealth Group	Health care	United States	1.6	1.0	1.5
Total companies 1 through 10					28.3	17.6	
11	12	TC Energy	Energy	Canada	1.5	—	7.1
12	13	Home Depot	Consumer discretionary	United States	1.5	0.9	2.3
13	11	Mondelez International	Consumer staples	United States	1.4	0.2	2.4
14	48	Broadcom	Information technology	United States	1.4	1.3	1.6
15	20	ExxonMobil	Energy	United States	1.2	1.0	3.3
16	17	Intel	Information technology	United States	1.2	0.4	1.1
17	18	Texas Instruments	Information technology	United States	1.2	0.4	3.0
18	16	Gilead Sciences	Health care	United States	1.1	0.2	4.2
19	32	Chubb	Financials	United States	1.1	0.2	1.3
20	15	CenterPoint Energy	Utilities	United States	1.0	0.0	2.8
Total companies 1 through 20					40.9	22.2	

Index reflects S&P 500 Index. Source: S&P Dow Jones Indices LLC.

Dividend yield is calculated by FactSet by dividing the dividends per share of each security for the issuer's fiscal year ended as of the report date, divided by the closing price of the security as of the report date. At the issuer level, the dividend yield is a mean average of each individual issue's dividend yield divided by all of the issues of the issuer in the portfolio.

The information shown may include affiliates of the same issuer when applicable.

Totals may not reconcile due to rounding.

When shown, index 0.0 values represent that the holding is less than 0.05% of the index.

Portfolio changes (buy and sell activity)

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Top five largest equity purchases

Security name	Change (%) from buying	Current weight (%)
Broadcom	0.64	1.37
Meta Platforms	0.61	0.59
Apple	0.26	2.48
Rexford Industrial Realty	0.25	0.25
Microsoft	0.25	6.22

Top five largest equity reductions

Security name	Change (%) from selling	Current weight (%)
Zoetis	-0.57	—
Johnson & Johnson	-0.49	0.20
Comcast	-0.39	0.96
Union Pacific	-0.31	1.77
Danaher	-0.31	0.55

Data as of March 31, 2024.

Data reflects purchases and sales of common stock, which also includes depositary receipts. Data excludes fixed income and other non-equity securities.

Change (%) from buying/selling is calculated by first calculating the cumulative net transactions by the fund in the specified security during the reported time frame. The cumulative net transactions are then divided by the fund's weighted average total net assets during that same time frame.

American Mutual Fund

As of March 31, 2024

Attribution methodology notes

Equity attribution data are gross of fees and were produced using FactSet, a third-party software system, based on daily portfolios. 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 intraday. 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 fund. 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 predictive 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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