

The opportunity in municipal bonds

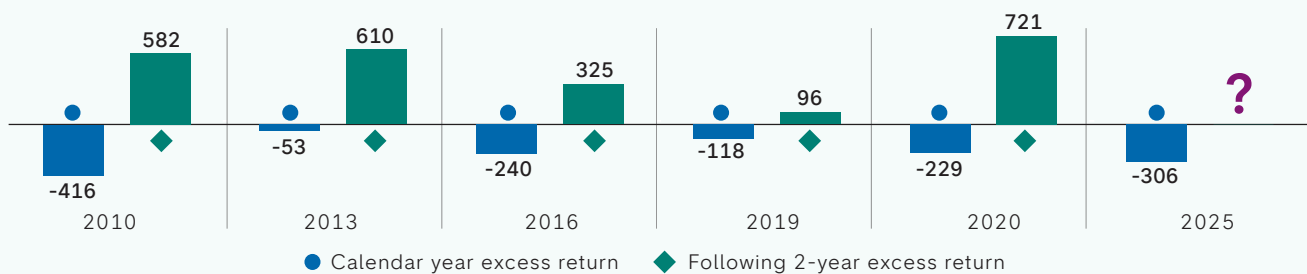
The current opportunity

Municipal bonds ended 2025 in positive territory with a return of 4.25% (as represented by the Bloomberg Municipal Bond Index), but started the year bumpier and underperformed the taxable bond market. We expect the positive momentum to continue, as historically, munis have shown robust rallies after similar dislocations. This signals considerable catch-up potential if past patterns hold.

Yet, munis also experienced record new issuance for the second consecutive year and a record year for net inflows into exchange-traded funds (ETFs) in 2025, according to the Municipal Securities Rulemaking Board. This surge bears consideration when looking ahead to the rest of 2026.

After challenging years, munis have bounced back

Cumulative excess returns of munis vs. taxable bonds (bps)



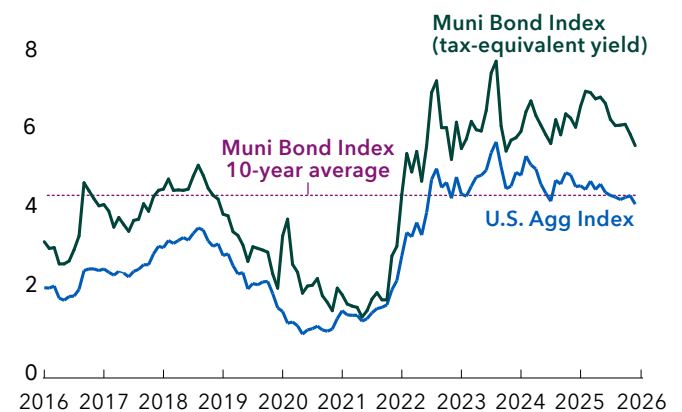
Sources: Capital Group, Bloomberg Index Services Ltd., Morningstar. As of 12/31/25. Data reflect the last five calendar years when the Bloomberg U.S. Aggregate Index outpaced the Bloomberg Municipal Bond Index and the municipal bond index's excess return over the aggregate index in the following two years. Bps: basis points.

Here are some reasons why we are bullish on munis:

- The fundamentals are strong; economic growth remains robust as measured by gross domestic product
- The municipal issuers have remained solid; state and local governments reported record tax revenues and overall credit quality stabilized
- The states' rainy day funds stand at near all-time highs, according to the National Association of State Budget Officers (NASBO)
- Yields are historically compelling on a tax-equivalent basis
- **We see compelling advantages as an active investor.** For example, the muni curve steepened meaningfully in 2025, providing the opportunity to use active curve management as a key portfolio construction tool.

Comparing muni bonds to taxable bonds, the tax-equivalent yields can offer investors a significant yield advantage

Yield-to-worst (%)



Source: Bloomberg. As of 2/28/26. Muni Bond Index is the Bloomberg Municipal Bond Index. U.S. Agg Index is the Bloomberg U.S. Aggregate Index. Muni Bond Index is used to calculate the tax-equivalent yield. Tax-equivalent yield = tax-free municipal bond yield / (1 - tax rate). (Based on a federal marginal tax rate of 37%, the top 2026 tax bracket. In addition, we have applied the 3.8% Medicare tax.) Tick marks above represent March 31 of each year shown.

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.

If used after June 30, 2026, this brochure must be accompanied by the most recent applicable quarterly statistical updates for the products shown.



Considerations for active

- While active funds have the potential to outpace their benchmarks, they may also lag
- Active managers can invest across diverse sectors consisting of more than 1 million unique securities and more than 55,000 issuers, some of which passive vehicles cannot own if they are not in an index
- While passive funds often keep fees low by simply pursuing replication, active managers often use proceeds from higher fees to conduct risk management and research to find opportunities in the huge muni market
- Muni teams actively manage duration (sensitivity of a bond to changes in interest rates) and exposure levels along the yield curve



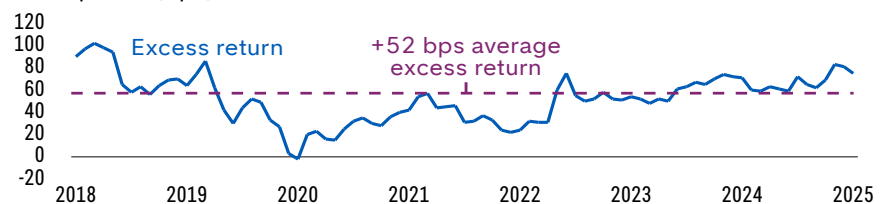
Considerations for passive

- Passive funds seek to replicate, not outpace, their benchmarks
- The largest debtors often have more weight in fixed income indexes. Thus, passive funds seeking to replicate face concentration risk if holding a large portion of a particular issuer/sector. Active funds seek to avoid this risk by building diversified portfolios.
- A passive fund can attempt to replicate an index's return pattern, but market breadth and structure make actually owning all index securities impossible
- While passive can sometimes offer low fees, even if replication is done well, those fees amount to a loss compared to a benchmark return

Figures shown are past results for Class F-2 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. Market price returns for ETFs are determined using the official closing price of the fund's shares and do not represent the returns you would receive if you traded shares at other times. Investing for short periods makes losses more likely. For current information and month-end results, visit capitalgroup.com.

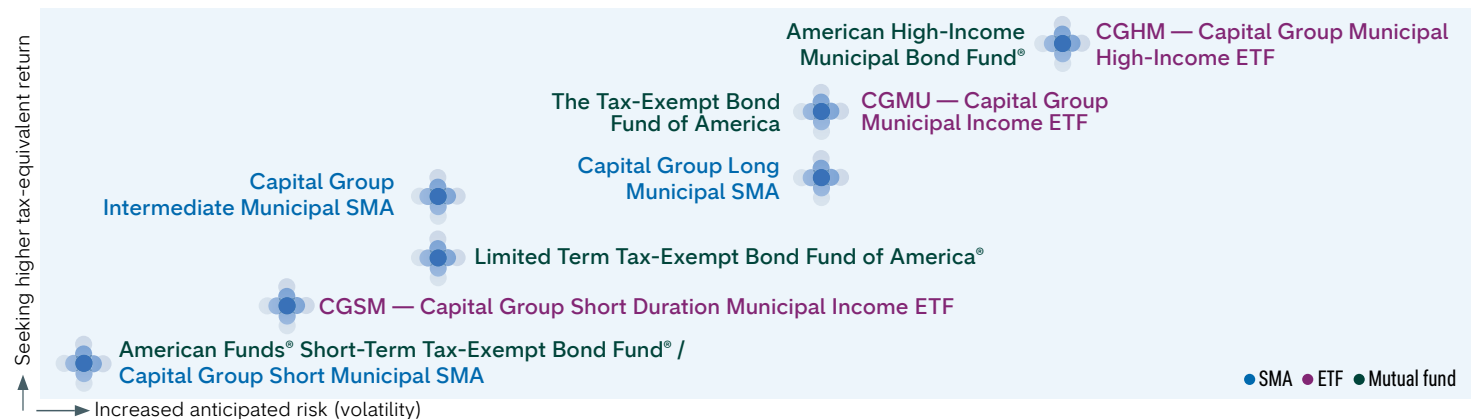
The Tax-Exempt Bond Fund of America® (F-2) vs. passive funds

Basis points (bps)



Source: Morningstar. As of 12/31/25. Rolling 3-year periods, calculated monthly, since 1/1/16. Passive funds represented by Morningstar US Passive Fund Muni National Interm category average.

Capital Group's muni suite: A risk/return spectrum



Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.

Yield to worst is the lowest yield that can be realized by either calling or putting on one of the available call/put dates, or holding a bond to maturity.

Correlation is a statistical measure of how a security and an index move in relation to each other. A correlation ranges from -1 to 1. A positive correlation close to 1 implies that as one moved, either up or down, the other moved in "lockstep," in the same direction. A negative correlation close to -1 indicates

the two have moved in the opposite direction.

The SEC yield reflects the rate at which the fund is earning income on its current portfolio of securities while the distribution rate reflects the fund's past dividends paid to shareholders. Accordingly, the fund's SEC yield and distribution rate may differ.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses.



Why Capital Group?

Capital Group has a differentiated history and infrastructure to navigate the massive muni market:

- Managing munis since 1979
- A team that includes 7 portfolio managers, 10 research analysts and 6 traders¹
- Rigorous bottom-up, fundamental research spanning all sectors
- Collaborates with economic, political, equity and taxable fixed income analysts teams

In addition to mutual funds and ETFs, we also offer separately managed accounts (SMAs) focused on short-term, intermediate or long-term opportunities. Unlike some peers, all of our vehicles rely on the same dedicated muni team and research.

Our investing approach has produced strong results relative to peers, earning industry accolades:



[100%/100%] Analyst-Driven/Data Coverage

The Tax-Exempt Bond Fund of America², F-2, F-3
American High-Income Municipal Bond Fund³, F-2, F-3
The Tax-Exempt Fund of California⁴, F-2, F-3
Limited Term Tax-Exempt Bond Fund of America⁵, F-2, F-3
Capital Group Intermediate Municipal SMA⁶

[55%/88%]

CGHM – Capital Group Municipal High-Income ETF⁷
CGSM – Capital Group Short Duration Municipal Income ETF⁷
 [55%/97%]
Capital Group Long Municipal SMA⁷
 [55%/100%]
American Funds Short-Term Tax-Exempt Bond Fund⁷, F-3



[55%/97%] Analyst-Driven/Data Coverage

Capital Group Short Municipal SMA⁷
 [100%/100%]
CGMU – Capital Group Municipal Income ETF⁸

[55%/100%]

American Funds Tax-Exempt Fund of New York⁸, F-3
American Funds Short-Term Tax-Exempt Bond Fund⁷, F-2

Footnotes/Important information:

¹As of 12/31/25. ²As of 5/20/25. ³As of 5/19/25. ⁴As of 5/22/25. ⁵As of 11/11/25. ⁶As of 6/2/25. ⁷As of 2/28/26. ⁸As of 2/25/26. Capital Group manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organization; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.

The Morningstar Medalist Rating is a forward-looking assessment assigned by Morningstar's research analysts. It reflects their qualitative evaluation of an investment strategy's potential to outpace its category benchmark over a full market cycle on a risk-adjusted basis and net of fees. Morningstar bases its ratings on three key pillars — People, Parent and Process — alongside a fee assessment. The Medalist Rating does not reference a specific time period but is based on qualitative and select quantitative data as of 5/20/25, 5/19/25, 5/22/25, 11/11/25, 6/2/25, 2/28/26, 2/25/26, respectively. Capital Group has paid Morningstar a licensing fee to access and publish its ratings data.

Ratings provided as of the following dates: 5/20/25 The Tax-Exempt Bond Fund of America; 5/19/25 American High-Income Municipal Bond Fund; 5/22/25 The Tax-Exempt Fund of California; 11/11/25 Limited Term Tax-Exempt Bond Fund of America; 6/2/25 Capital Group Intermediate Municipal SMA; 2/28/26 American Funds Short-Term Tax-Exempt Bond Fund, CGHM – Capital Group Municipal High-Income ETF, CGSM – Capital Group Short Duration Municipal Income ETF, Capital Group Long Municipal SMA, Capital Group Short Municipal SMA, American Funds Tax-Exempt Fund of New York, American Funds Short-Term Tax-Exempt Bond Fund; 2/25/26 CGMU – Capital Group Municipal Income ETF.

The Morningstar Medalist Rating™ is the summary expression of Morningstar's forward-looking analysis of investment strategies as offered via specific vehicles using a rating scale of Gold, Silver,

Bronze, Neutral, and Negative. The Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Investment products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with a fee assessment, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating they're assigned. Pillar ratings take the form of Low, Below Average, Average, Above Average, and High. Pillars may be evaluated via an analyst's qualitative assessment (either directly to a vehicle the analyst covers or indirectly when the pillar ratings of a covered vehicle are mapped to a related uncovered vehicle) or using algorithmic techniques. Vehicles are sorted by their expected performance into rating groups defined by their Morningstar Category and their active or passive status. When analysts directly cover a vehicle, they assign the three pillar ratings based on their qualitative assessment, subject to the oversight of the Morningstar Medalist Rating Committee, and monitor and reevaluate them at least every 14 months. When the vehicles are covered either indirectly by analysts or by algorithm, the ratings are assigned monthly.

For more detailed information about these ratings, including its methodology, please go to global.morningstar.com/managerdisclosures/.

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was expected, (iii) are not guaranteed to be based on complete or accurate assumptions or models when determined algorithmically, (iv) involve the risk that the return target will not be met due to such things as unforeseen changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rates, exchange rate changes, and/or changes in political and social conditions, and (v) should not be considered an offer or solicitation to buy or sell the investment product. A change in the fundamental factors underlying the Morningstar Medalist Rating can mean that the rating is subsequently no longer accurate. Capital Group did not compensate Morningstar for the ratings and comments contained in this material. However, the firm has paid Morningstar a licensing fee to access and publish its ratings data.

New SMA accounts may require more than 4 to 8 weeks to be fully invested. **Capital Group exchange-traded funds (ETFs) are actively managed and do not seek to replicate a specific index. ETF shares are bought and sold through an exchange at the then current market price, not net asset value (NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV when traded on an exchange. Brokerage commissions will reduce returns. There can be no guarantee that an active market for ETFs will develop or be maintained, or that the ETF's listing will continue or remain unchanged.**

The indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. There have been periods when the funds have lagged the indexes.

Our range of municipal bond funds

Investment results (based on ETF and F-2 share class for mutual funds)

As of March 31, 2026	Ticker	Duration	Yield to worst	Taxable equiv. ¹ yield to worst	12-month dist. rate	Taxable equiv. ¹ 12-month dist. rate	30-day SEC yield (Gross/Net)	Taxable equiv. ¹ 30-day SEC yield (Gross/Net)	5-year correlation to S&P 500 Index	Expense ratio (Gross/Net)	Inception date
American Funds Short-Term Tax-Exempt Bond Fund	ASTFX	2.3	3.1%	5.2%	2.87%	4.85%	2.61 2.64%	4.41 4.46%	0.64	0.32 0.31%	8/7/09
Limited Term Tax-Exempt Bond Fund of America	LTEFX	3.8	3.4	5.7	2.83	4.78	2.82 2.82	4.76 4.76	0.67	0.37 0.37	10/6/93
The Tax-Exempt Bond Fund of America	TEAFX	6.7	4.1	6.9	3.20	5.41	3.53 3.53	5.96 5.96	0.69	0.38 0.38	10/3/79
American High-Income Municipal Bond Fund	AHMF	7.3	5.0	8.4	4.22	7.13	4.16 4.16	7.03 7.03	0.71	0.43 0.43	9/26/94
American Funds Tax-Exempt Fund of New York	NYAFX	8.3	4.4	7.4	3.44	5.81	3.78 3.89	6.39 6.57	0.68	0.47 0.42	11/1/10
The Tax-Exempt Fund of California	TEFEX	7.0	4.1	6.9	3.22	5.44	3.54 3.54	5.98 5.98	0.70	0.40 0.40	10/28/86
CGSM – Capital Group Short Duration Municipal Income ETF	CGSM	2.4	3.1	5.2	3.07 ²	5.19 ²	2.74 2.74 ²	4.63 4.63 ²	–	0.25 0.25	9/26/23
CGMU – Capital Group Municipal Income ETF	CGMU	5.3	3.7	6.3	3.38 ²	5.71 ²	3.27 3.27 ²	5.52 5.52 ²	–	0.27 0.27	10/25/22
CGHM – Capital Group Municipal High-Income ETF	CGHM	7.4	4.8	8.1	3.77 ²	6.37 ²	4.25 4.25 ²	7.18 7.18 ²	–	0.34 0.34	6/25/24

	Average annual total returns				Morningstar percentile rankings based on total returns								
	1-year	5-year	10-year	Lifetime	1-year rank	#	5-year rank	#	10-year rank	#	Lifetime rank	#	Category
American Funds Short-Term Tax-Exempt Bond Fund	3.84%	1.56%	1.61%	1.54%	19	220	56	194	43	150	54	149	Muni National Short
Limited Term Tax-Exempt Bond Fund of America	4.54	1.49	1.95	3.58	3	220	60	194	12	150	7	87	Muni National Short
The Tax-Exempt Bond Fund of America	4.19	1.13	2.31	5.82	55	276	34	233	14	176	5	20	Muni National Intern
American High-Income Municipal Bond Fund	4.47	2.11	3.55	5.15	15	188	6	165	7	122	9	57	High Yield Muni
American Funds Tax-Exempt Fund of New York	3.83	0.77	1.93	2.88	36	77	25	75	32	58	1	69	Muni New York Long
The Tax-Exempt Fund of California	3.90	1.05	2.21	4.94	20	102	10	101	21	78	21	57	Muni California Long
CGSM – Capital Group Short Duration Municipal Income ETF	NAV	4.19	–	5.16	8	220	–	–	–	–	3	211	Muni National Short
	Market price	4.18	–	5.20									
CGMU – Capital Group Municipal Income ETF	NAV	4.87	–	4.02	16	276	–	–	–	–	4	255	Muni National Intern
	Market price	4.71	–	3.93									
CGHM – Capital Group Municipal High-Income ETF	NAV	4.65	–	4.24	13	188	–	–	–	–	8	185	High Yield Muni
	Market price	4.93	–	4.45									
Bloomberg U.S. Aggregate Index	4.35	0.31	1.70	–									
Bloomberg Municipal Bond Index	4.29	0.84	2.16	–									

Morningstar legend: ● 1st quartile 1 to 25 ● 2nd quartile 26 to 50
● 3rd quartile 51 to 75 ● 4th quartile 76 to 100

The Morningstar rankings, based on total returns, do not reflect the effects of sales charges, account fees or taxes. # is number of funds in category.

Footnotes/Important information:

¹Tax-equivalent rate based calculation as described on page 1. ²ETF statistics based on NAV.

Sources: Capital Group and Morningstar.

This material must be preceded or accompanied by a summary prospectus or prospectus for the funds being offered.

ETF market price returns since inception are calculated using NAV for the period until market price became available (generally a few days after inception).

Market price returns are determined using the official closing price of the fund's shares and do not represent the returns you would receive if you traded shares at other times.

Past results are not predictive of results in future periods.

The expense ratios are as of each fund's prospectus available at the time of publication. The expense ratio for CGHM is estimated. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower and net expenses higher. Please visit capitalgroup.com for more information.

The investment adviser is currently waiving/reimbursing a portion of other expenses for certain funds. Net expense ratios reflect the waiver/reimbursement, without which they would have been higher. The reimbursement for American Funds Short-Term Tax-Exempt Bond Fund will be in effect through at least 10/1/2026. The waiver/reimbursement for American Funds Tax-Exempt Fund of New York will be in effect through at least 10/1/2026. The adviser may elect at its discretion to extend, modify or terminate the waivers/reimbursements at that time. Please see the fund's most recent prospectus for details.

The return of principal for bond portfolios and for portfolios with significant underlying bond holdings is not guaranteed. Investments are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. (Also applies to CGHM, CGMU, CGSM)

Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds. (Also

applies to CGHM, CGMU, CGSM)

Income from municipal bonds may be subject to state or local income taxes and/or the federal alternative minimum tax. Certain other income, as well as capital gain distributions, may be taxable. (Also applies to CGHM, CGMU, CGSM)

The Tax-Exempt Bond Fund of America will not invest in bonds subject to the federal alternative minimum tax.

As nondiversified funds, CGSM and CGHM have the ability to invest a larger percentage of assets in the securities of a smaller number of issuers than a diversified fund. As a result, poor results by a single issuer could adversely affect fund results more than if the fund were invested in a larger number of issuers. See the applicable prospectus for details.

For The Tax-Exempt Bond Fund of America, income may be subject to state or local income taxes. Certain other income, as well as capital gain distributions, may be taxable.

The Tax-Exempt Fund of California and American Funds Tax-Exempt Fund of New York are more susceptible to factors adversely affecting issuers of their state's tax-exempt securities than a more widely diversified municipal bond fund.

Annualized 30-day yield is calculated in accordance with the SEC formula. Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on the results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Please refer to capitalgroup.com for more information on specific expense adjustments and the actual dates of first sale.

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S&P 500 Index is a market capitalization weighted index that tracks 500 of the largest U.S. public companies. Bloomberg Municipal Bond Index is a market-value-weighted index designed to represent the long-term investment-grade tax-exempt bond market. Bloomberg U.S. Aggregate Index represents the U.S. investment-grade fixed-rate bond market.

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