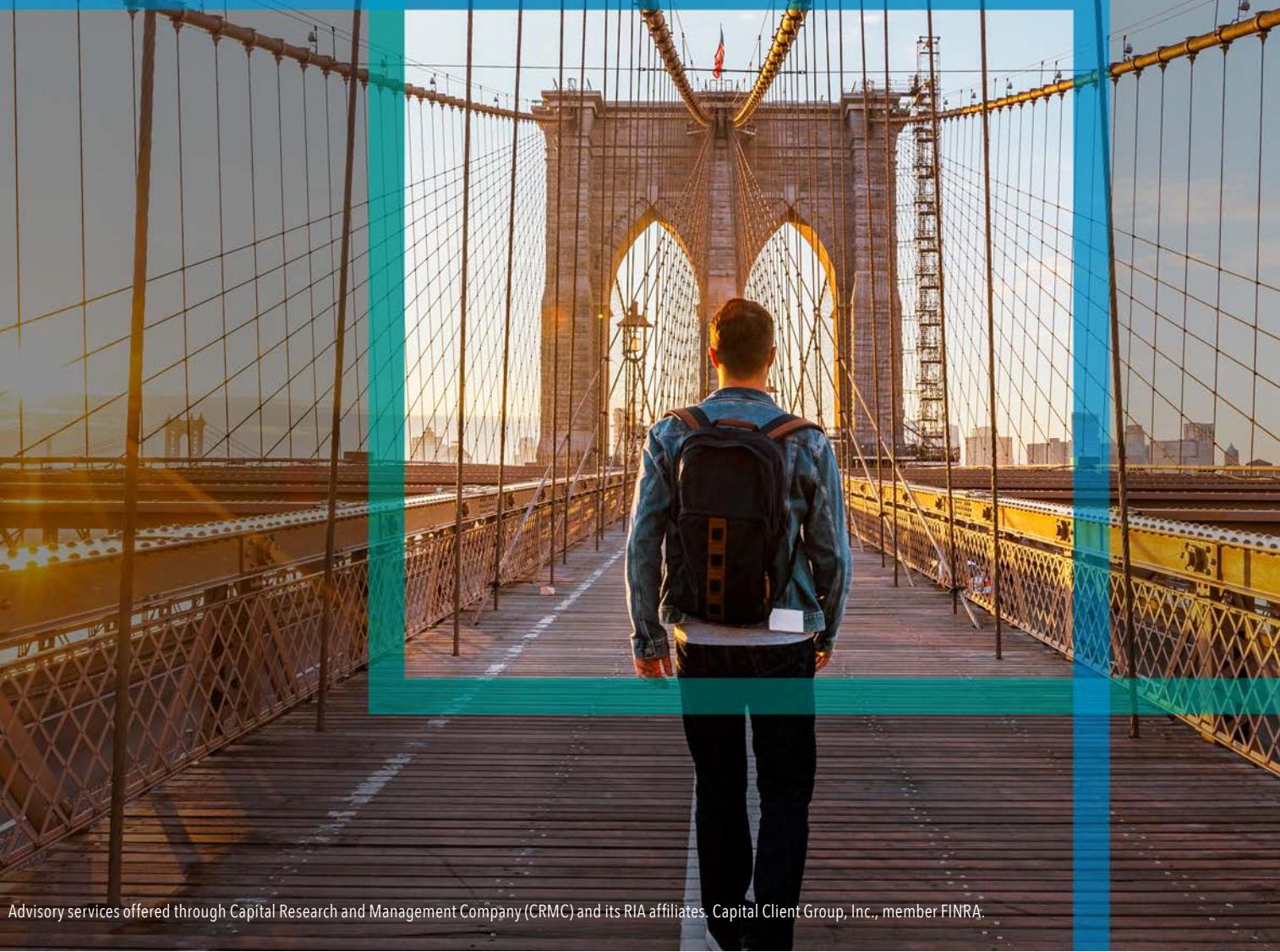


September 30, 2025

Your guide to municipal bond investing



Four decades of helping investors seek more from municipal bonds



Why invest in municipal bonds?

Two-thirds of America's infrastructure has been financed with municipal bonds. Many of the bridges, schools and hospitals we all rely on simply wouldn't exist without the asset class.

And for investors, municipal bonds can provide three of the key roles of fixed income:

- ✓ Tax-advantaged income
- ✓ Equity diversification
- ✓ Capital preservation

Times have changed since Capital Group, home of American Funds, first began investing in municipal bonds in 1979.

Today's market is vast, with over \$4.3 trillion of municipal bonds outstanding – more than three times larger than the U.S. corporate high-yield market.*

In such a diverse market, there are nearly always attractive opportunities for selective investors. And yet, municipal bonds remain an underinvested asset class.

Highlights

Our approach has earned industry accolades	3
Capital Group's distinctive investment process	5
How municipal bonds can help in tax-aware investor portfolios	6
Research takes the emotion out of investing	8
Credit research is the new "insurance"	9
Four decades of market ups and downs	10
Ladders may limit opportunities	12
Truly diversified municipal bond investing	13
A compelling twist on high income	14
ETFs: Powerful tax-efficient investing	16
SMAs: Designed for high-net-worth investors	17
Our range of municipal bond funds	19

Cover image: Brooklyn Bridge (NY)

Municipal bonds played a role in the construction or operation of this and the other infrastructure pictured throughout.

Footnote/Important information:

*Data as of 6/30/25. Sources: Securities Industry and Financial Markets Association (SIFMA), Bloomberg.

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

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.

This brochure must be preceded or accompanied by a summary prospectus or prospectus for the funds being offered. If used after December 31, 2025, this material must be accompanied by the most recent American Funds quarterly statistical update. This content, developed by Capital Group, home of American Funds, should not be used as a primary basis for investment decisions and is not intended to serve as impartial investment or fiduciary advice.

Our approach has earned industry accolades



Mutual funds

Analyst-Driven 100%
Data Coverage 100%

The Tax-Exempt Bond Fund of America®
Received a Morningstar Medalist Rating™ of Gold for the F-2 share class, as of 5/20/25¹

American High-Income Municipal Bond Fund®

Received a Morningstar Medalist Rating™ of Gold for the F-2 share class, as of 5/19/25¹

The Tax-Exempt Fund of California®

Received a Morningstar Medalist Rating™ of Gold for the F-2 share class, as of 5/22/25¹

Limited Term Tax-Exempt Bond Fund of America®

Received a Morningstar Medalist Rating™ of Gold for the F-2 share class, as of 11/11/25¹

ETFs

Analyst-Driven 55%
Data Coverage 88%

CGHM – Capital Group Municipal High-Income ETF

Received a Morningstar Medalist Rating™ of Gold as of 10/31/25¹

CGSM – Capital Group Short Duration Municipal Income ETF

Received a Morningstar Medalist Rating™ of Gold as of 10/31/25¹



The Tax-Exempt Bond Fund of America (F-2 share class)¹

Overall Morningstar Rating™
(255 funds rated)

3-yr. Morningstar Rating™
(255 funds rated)

5-yr. Morningstar Rating™
(234 funds rated)

10-yr. Morningstar Rating™
(178 funds rated)

Morningstar Category: Muni National Intermediate. Ratings are based on risk-adjusted returns as of 11/30/25 (updated monthly)



Morningstar Pillar: Parent High rating

Received a Morningstar Pillar "High" for Parent, as of 8/21/25



Morningstar Pillar: Process High rating

The Tax-Exempt Bond Fund of America

Received a Morningstar Pillar "High" for Process, as of 5/20/25, for the F-2 share class



Morningstar Pillar: People High rating

The Tax-Exempt Bond Fund of America

Received a Morningstar Pillar "High" for People, as of 5/20/25, for the F-2 share class



The Tax-Exempt Bond Fund of America

Expense Within Category

Overall	3 yr.	5 yr.	10 yr.
5 (110)	5 (110)	5 (102)	5 (60)

(funds rated)

KEY HIGHEST 5 4 3 2 1 LOWEST

American High-Income Municipal Bond Fund

(77) (77) (76) (45) (funds rated)

American Funds Tax-Exempt Fund of New York®

(50) (50) (48) (31) (funds rated)

Received the Lipper Leader rating in "Expense Within Category," for the F-2 share class, as of 11/30/25. The funds placed in the lowest expense peer group²

Sources: Lipper, Morningstar.

Morningstar Pillar Ratings: Morningstar assigns scores to the People, Process, and Parent Pillars on a -2 to +2 basis. Those scores respond to the pillar ratings assigned to a vehicle based either on an analyst's qualitative assessment or using algorithmic techniques (as explained in further detail in the "Pillar Evaluation" section of Morningstar Medalist Rating Methodology). The pillar ratings take the form of Low, Below Average, Average, Above Average, and High. The Morningstar Pillar Rating should not be used as the sole basis in evaluating a managed investment. Morningstar Pillar Ratings involve unknown risks and uncertainties which may cause Morningstar's expectations not to occur or outcomes to differ significantly from what we expected. The Parent Pillar represents Morningstar's assessment of the stewardship quality of a firm. The model considers data points such as manager retention, fees, and the firm's historical performance. The People Pillar represents Morningstar's assessment of management's talent, tenure, and resources. The model considers data points such as the number of months since a management change and manager excess

return. 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. For more detailed information about these ratings, including its methodology, please visit global.morningstar.com.

Income from municipal bonds may be subject to state or local income taxes. Certain other income, as well as capital gain distributions, may be taxable.

State-specific tax-exempt funds are more susceptible to factors adversely affecting issuers of their states' tax-exempt securities than more widely diversified municipal bond funds.

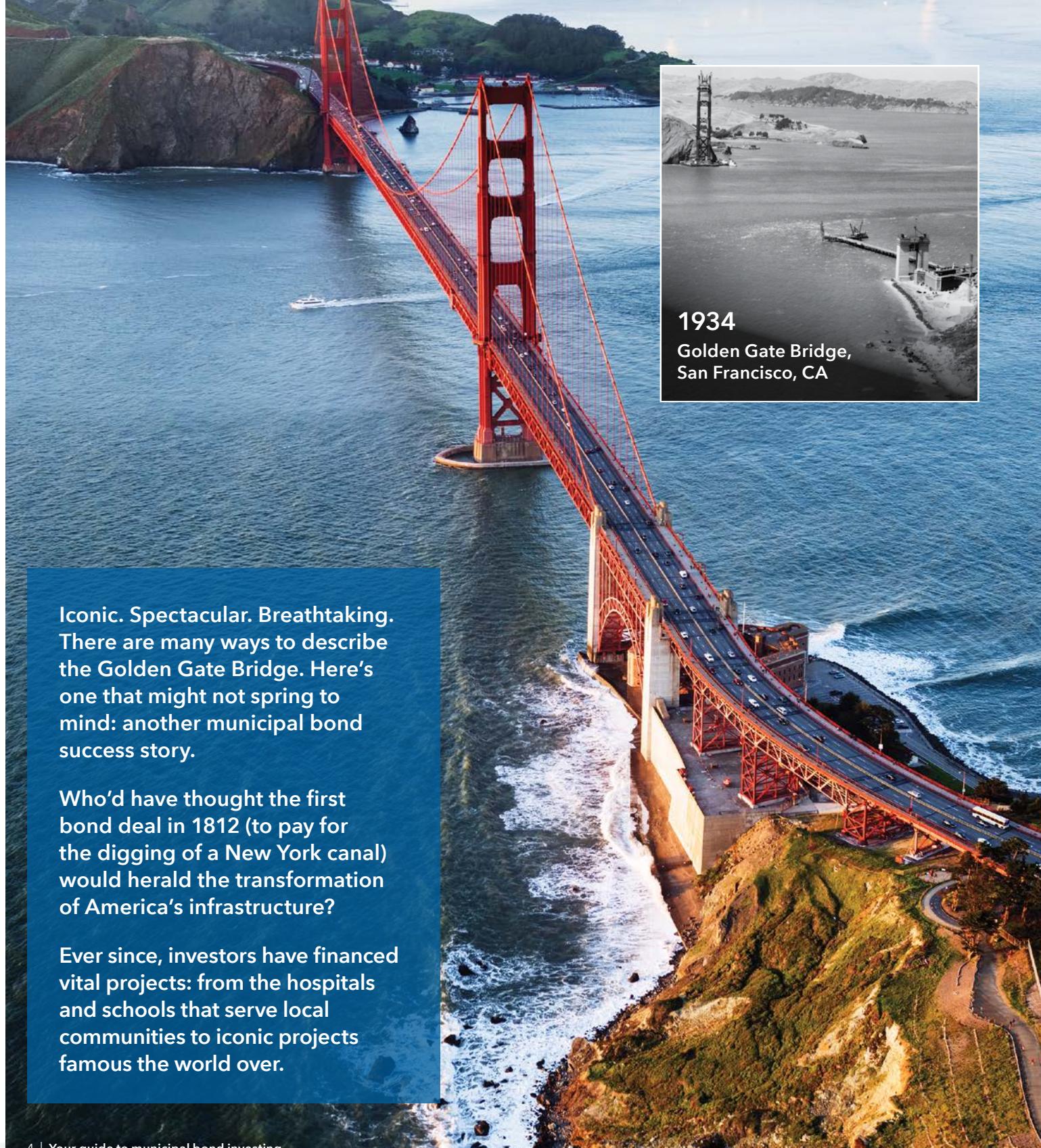
Lipper Leader Scorecard category: General & Insured Municipal Debt.

Footnotes/Important information:

¹Please refer to Page 18 for Morningstar Rating for Funds and Morningstar Medalist Rating™ definitions.

²Please refer to Page 20 for Lipper ratings for Expense definition.

Bonds to build the everyday and the iconic



Capital Group's distinctive investment process

21,000+
research meetings

held by all Capital Group investment professionals in 2024¹

"We're called investment analysts for a reason. Our goal is to come up with the best ideas we can and invest accordingly. We strive to put investors' money to work on the most compelling opportunities."

– Andrew Dialynas

Municipal bond investment analyst

1

Collaboration

Municipal bond investment analyst identifies an opportunity and collaborates with equity, macroeconomic and taxable fixed income analysts – from credit to rates specialists – for a holistic view.

2

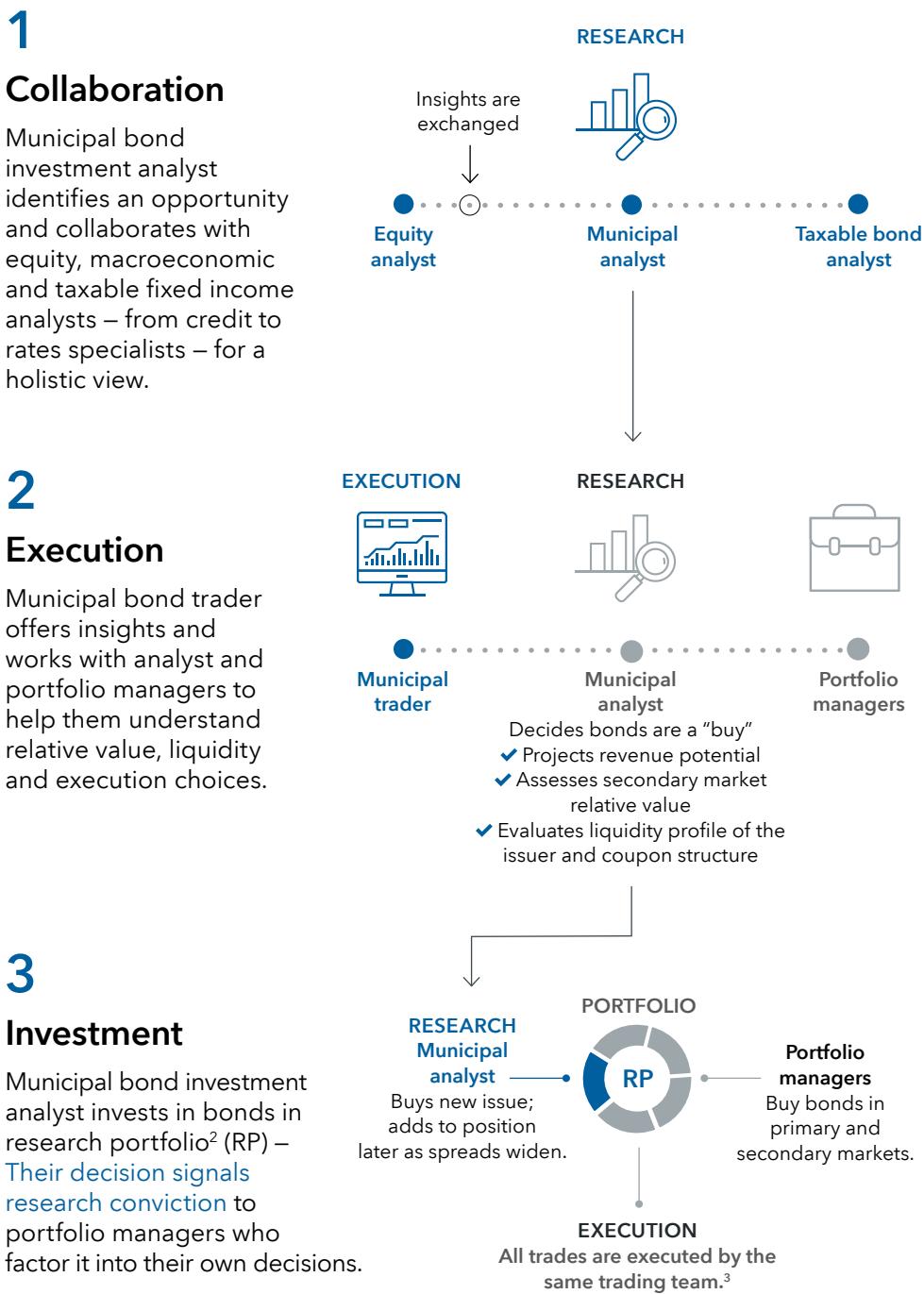
Execution

Municipal bond trader offers insights and works with analyst and portfolio managers to help them understand relative value, liquidity and execution choices.

3

Investment

Municipal bond investment analyst invests in bonds in research portfolio² (RP) – **Their decision signals research conviction** to portfolio managers who factor it into their own decisions.



Footnotes/Important information:

¹Based on Capital Group data through 12/31/24.

²Within most of our mutual funds, investment analysts manage a portion of assets; empowering analysts to manage money as part of these research portfolios can enhance accountability and help identify better opportunities.

³Some firms execute municipal bond trades differently, depending on whether it's for a fund or for a separately managed account (SMA). Because all our transactions are executed by a single municipal bond trading team, investors in all our strategies – irrespective of the investment vehicle – can potentially benefit from our overall strong dealer relationships and efficiencies of scale.

How municipal bonds can help in tax-aware investor portfolios

A municipal bond allocation can serve the key roles of fixed income in a balanced portfolio: equity diversification, income and capital preservation.



Diversification from equities

When stocks struggle, owning bonds with a low correlation to equities can result in lower portfolio volatility.

Equity diversification potential

Twenty-year correlations to S&P 500¹

	Munis	Taxables
Investment grade (BBB/Baa and above)	0.28	0.24
High yield	0.36	0.74

Municipal bonds have the potential to deliver as low, or lower, correlation to equities than taxable bonds.

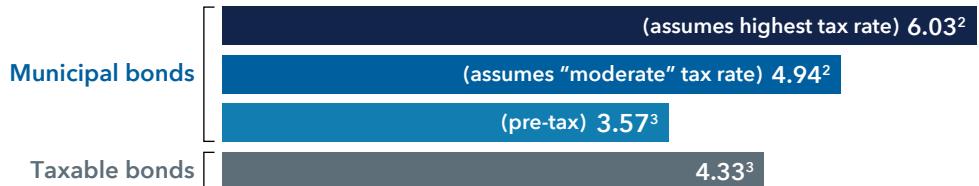


Income

Providing dependable income is a central function of a bond allocation.

Potential tax-equivalent income even outside the highest tax bracket

After-tax yields² (%)



Break-even rate: 24%. This moderate, marginal income rate (24%) is the break-even rate for when after-tax yields have been comparable to taxable bonds. Higher tax brackets gain even more tax-equivalent income.



Capital preservation

A fixed income allocation should help protect principal in most market environments.

Solid capital preservation

Percentage of rolling three-year periods with positive total returns⁴



Bloomberg Municipal Short-Intermediate 1-10 Years Index

Municipal bonds have a strong track record of generating positive total returns.

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.

Sources: Bloomberg Index Services Ltd., Morningstar, RIMES. Investment-grade market proxies: Bloomberg U.S. Aggregate Index (taxables) and Bloomberg Municipal Bond Index (munis). High-yield market proxies: Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index (taxables) and Bloomberg High Yield Municipal Bond Index (munis).

Footnotes/Important information:

¹Correlations, as of 10/31/25. 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. An absolute value of about 0.3 or less indicates modest correlation and favorable diversification potential.

²Yields as of 10/31/25. The after-tax (or tax-equivalent) yield of a municipal bond investment is used to assess its attractiveness relative to taxable bonds; put simply, it's the answer to the question: What yield would a taxable bond have to offer in order for it to offer the same amount as this municipal bond investment, after tax? Tax-equivalent yield: Highest tax rate assumes the 3.8% Medicare tax and the top federal marginal tax rate for 2025 of 37%; "moderate" tax rate assumes the 3.8% Medicare tax and the 24% federal marginal tax rate. Yield illustrated is yield to worst.

³Municipal bonds based on the Bloomberg Municipal Bond Index, taxable bonds based on the Bloomberg U.S. Aggregate Index.

⁴Rolling periods analysis using monthly data for 20-year period ended 10/31/25.

How our risk-aware approach can add value



Some municipal bond managers chase yield, others look to match indexes – Capital Group is different.

We take a risk-aware approach because we believe it can deliver outcomes aligned with investor needs. In our municipal bond strategies, we manage risk and seek value through selectivity around both credit and interest rate exposures.

Credit selection

Days of “buy and forget” are over. With municipals now more of a credit market, research-driven selectivity can add value.

Potential sources of excess returns*

Curve positioning

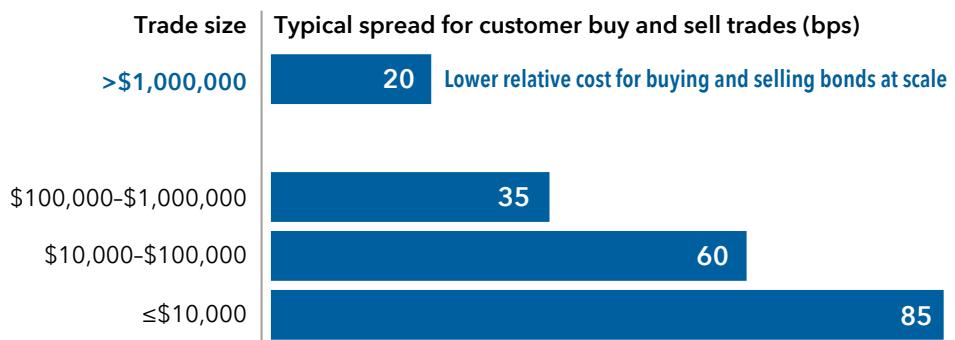
We believe that emphasizing bonds of certain maturities can enhance returns.

Duration positioning

Managing exposure to the prevailing level of interest rates can also add value.

Why scale matters in the municipal bond market

99% of bonds do not trade on any given day and dealers have stopped holding large bond inventories. Against this backdrop, buying and selling bonds at scale can lower transaction costs. Capital has investment scale across asset classes, as well as diverse and strong dealer relationships.



Sources: Capital Group, Municipal Securities Rulemaking Board. Bid-ask spread estimates as a percentage of midpoint prices in mid-2019.

Footnote/Important information:

*For illustrative purposes only.

Las Vegas Monorail (NV)

Research takes the emotion out of investing

For individual investors (the majority of municipal bond holders), access to research is often quite limited. So, when bad news about a particular municipality hits, the wider market has often suffered as emotion takes hold.

In contrast, bond-by-bond research guides our investment decisions. Research can give you the confidence to stay invested when others waver or sniff out trouble early before it hits headlines.

Consider the big negative news stories that shook the market in each of the past four decades. The events noted below were swiftly followed by intense selling activity in the municipal bond market.

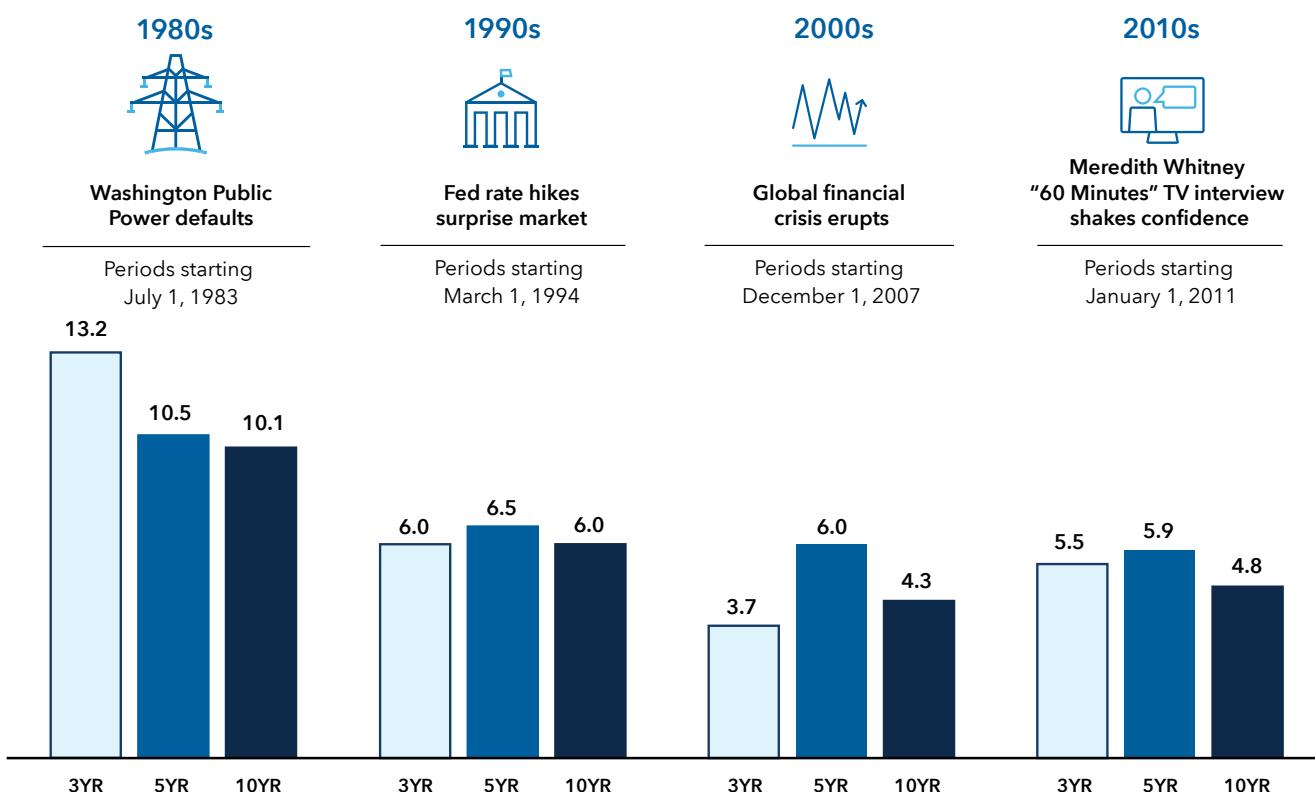
The Tax-Exempt Bond Fund of America's track record demonstrates the potential benefits of staying invested.

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. Investing for short periods makes losses more likely. For current information and month-end results, visit capitalgroup.com.

Put "bad news" in perspective with a longer term view

The Tax-Exempt Bond Fund of America: Investment results (%)

Long-term gains after each decade's major "negative" news event for municipal bonds*



Sources: Capital Group, Morningstar. Past results are not necessarily indicative of results around other past or future "negative" news events. Examples are meant to highlight the potential benefits of taking a long-term view of investing.

Footnote/Important information:

*Gains after each decade.

Credit research is the new “insurance”



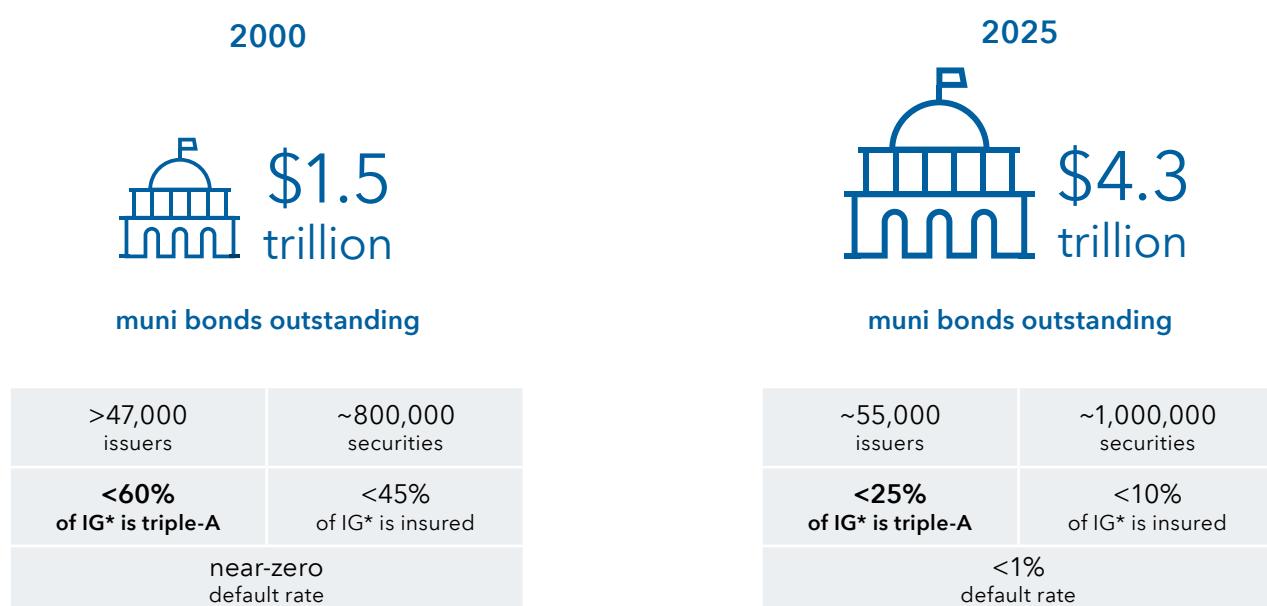
Denver International Airport (CO)

Not so long ago, most new municipal bonds were sold with bond insurance. Consequently, more than two-thirds of bonds were rated triple-A.

The global financial crisis of 2007 changed all that. Financial problems arising from bond insurers' involvement in the mortgage-related market forced them to retreat from providing insurance "wraps."

Fast forward to recent years: municipal bond valuations and credit risk were closely tied. Because few bonds now have insurance, fundamental research is an important tool for uncovering compelling investments.

The municipal bond market in numbers



Sources: Bloomberg Index Services Ltd., Municipal Securities Rulemaking Board, Securities Industry and Financial Markets Association. Data is approximate.

Bond ratings, which typically range from AAA/Aaa (highest) to D (lowest), are assigned by credit rating agencies such as Standard & Poor's, Moody's and/or Fitch, as an indication of an issuer's creditworthiness.

Footnote/Important information:

*Investment grade.

Four decades of market ups and downs

\$150,000

The Tax-Exempt Bond Fund of America

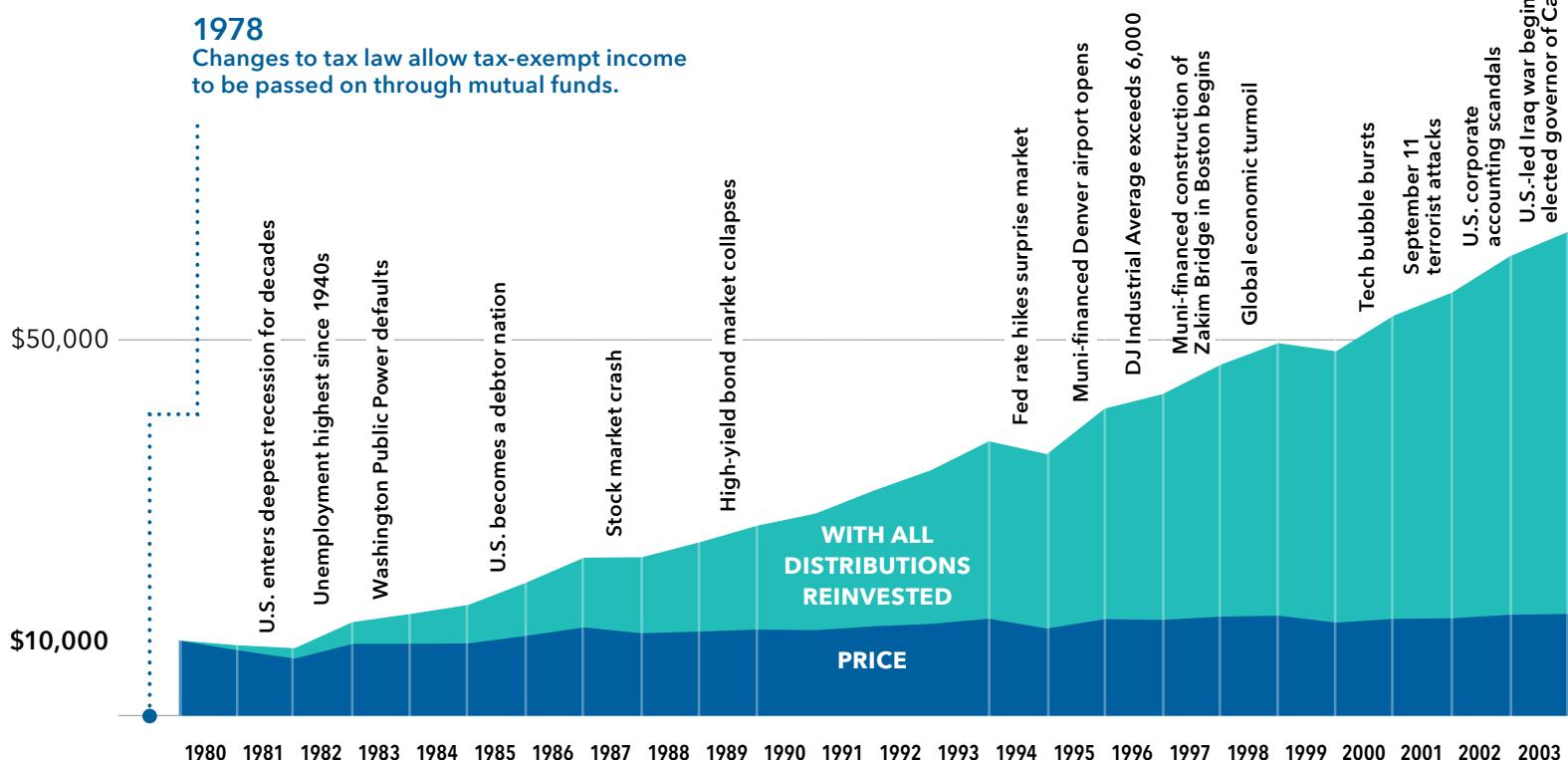
Growth of hypothetical \$10,000 investment for 45-year period, ended December 31, 2024

Things happen. That's certainly been true over the four decades since we launched our flagship municipal bond fund on October 3, 1979. What's also clear is that any fund investor who stayed the course could have seen their investment grow and generate consistent income.

\$100,000

1978

Changes to tax law allow tax-exempt income to be passed on through mutual funds.



Returns (%)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Price	-12.9	-12.9	25.9	0.2	0.4	10.5	10.5	-6.6	2.1	2.4	-0.7	4.5	2.7	5.7	-10.2	10.9	-0.9	3.5	1.0	-7.0	4.1	0.6	3.6	0.8
With all distributions reinvested	7.5	9.9	10.3	8.5	8.4	8.7	7.6	7.3	7.2	7.1	7.1	6.5	6.3	5.8	6.1	6.0	5.6	5.5	5.1	5.1	5.5	5.1	4.8	4.5
Total	-6.3	-4.2	38.6	8.8	8.9	20.1	18.8	0.3	9.4	9.6	6.3	11.3	9.2	11.8	-4.7	17.4	4.7	9.1	6.2	-2.2	9.8	5.7	8.6	5.3

Value of \$10K invested (USD)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Price	8.7	7.6	9.5	9.6	9.6	10.6	11.7	11.0	11.2	11.5	11.4	11.9	12.2	12.9	11.6	12.8	12.7	13.2	13.3	12.4	12.9	13.0	13.4	13.5
With all distributions reinvested	0.7	1.4	2.9	4.0	5.1	7.1	9.3	10.1	11.9	13.8	15.5	18.0	20.5	23.6	23.2	28.0	30.1	33.5	36.3	36.1	40.4	43.3	47.7	50.8
Total	9.4	9.0	12.4	13.5	14.7	17.7	21.0	21.1	23.1	25.3	26.9	29.9	32.7	36.5	34.8	40.9	42.8	46.7	49.6	48.5	53.3	56.3	61.1	64.4

U.S. 10-year Treasury yield (%)

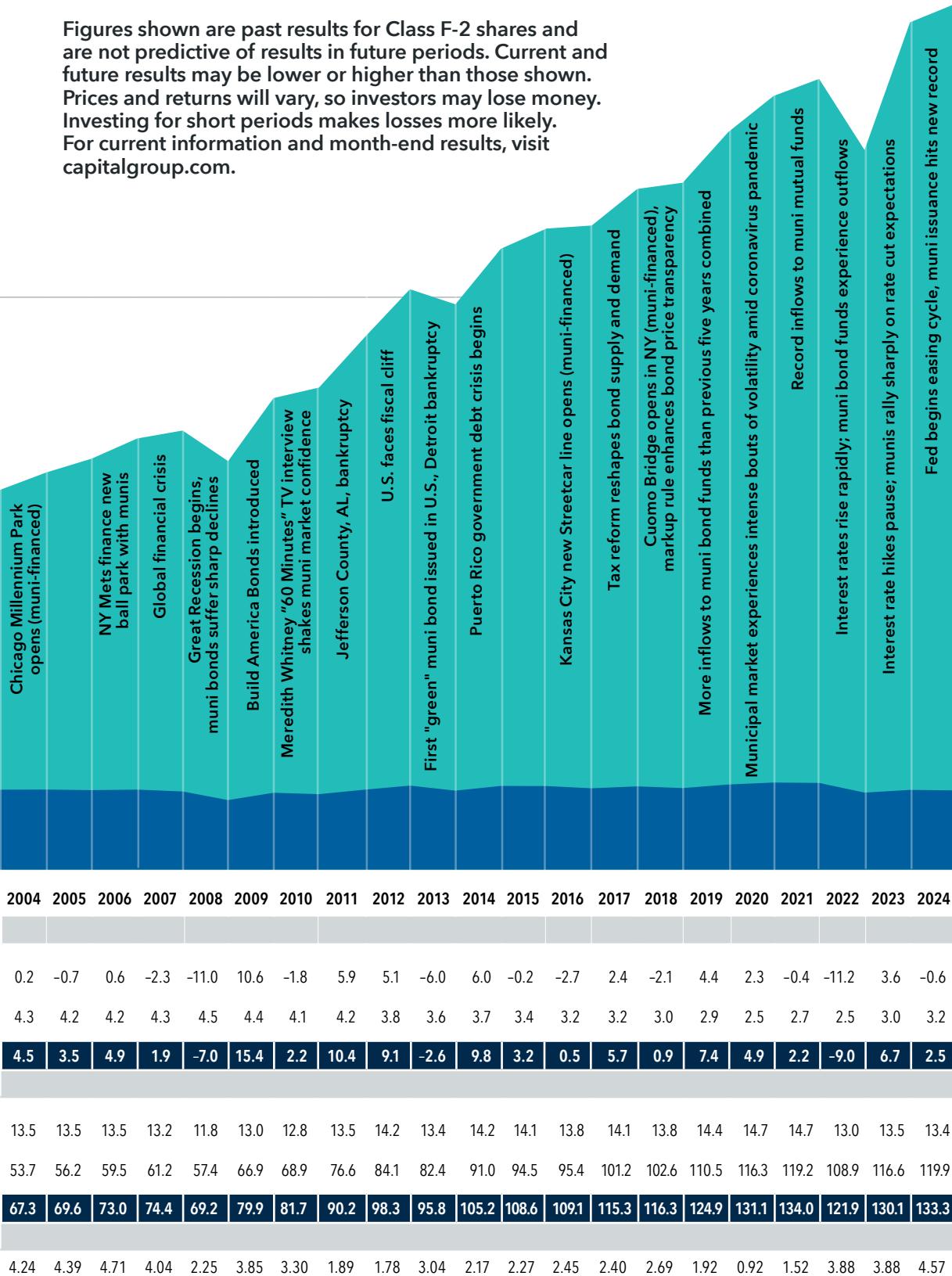
12.43	13.98	10.36	11.82	11.55	9.00	7.23	8.83	9.14	7.93	8.08	6.71	6.70	5.83	7.84	5.58	6.43	5.75	4.65	6.45	5.12	5.07	3.83	4.27
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Sources: Capital Group, Morningstar Direct, Federal Reserve Bank of St. Louis. Data as of 12/31/24.

This exhibit illustrates the potential benefits of a fund, such as The Tax-Exempt Bond Fund of America, that is exempt from federal income tax and some state and local taxes. The Bloomberg U.S. Aggregate Index is an investment-grade taxable fixed income index used for comparison, which demonstrates how taxes can impact investment results. The Tax-Exempt Bond Fund of America returns are presented starting 1980, the fund's first full calendar year, to show full year results.

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. 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 (TEAFX)
with all distributions reinvested:
\$133,289



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

The index is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index.

Footnote/Important information:

¹ After-tax growth of Bloomberg U.S. Aggregate Index assumes these top federal marginal tax rates applied: 70% (1980); 69% (1981); 50% (1982–1986); 39% (1987); 28% (1988–1990); 31% (1991–1992); 40% (1993–2000); 39% (2001–2002); 35% (2003–2012); 40% (2013–2017); 37% (2018–2024).

Ladders may limit opportunities

With actively managed mutual funds, exchange-traded funds (ETFs) and separately managed accounts (SMAs), investors potentially gain certain advantages:

Diversified. Active managers can build a robust portfolio diversified across muni bond sectors, aiming to resist specific sources of market volatility and capitalize on strong relative value opportunities.

Duration¹ management. Active managers can reposition duration based on investment opportunities and the market environment.

- For example, in volatile interest rate environments, managers can seek value in shifting rate expectations, unlike with static ladder portfolios where bonds are locked-in. A bond ladder represents a portfolio of municipal bonds purchased at different, staggered maturity dates. As each bond matures, a new bond is purchased at the next maturity date.

Active curve positioning. Active managers can select investments at different maturities across the yield curve, a flexibility not available with ladders.

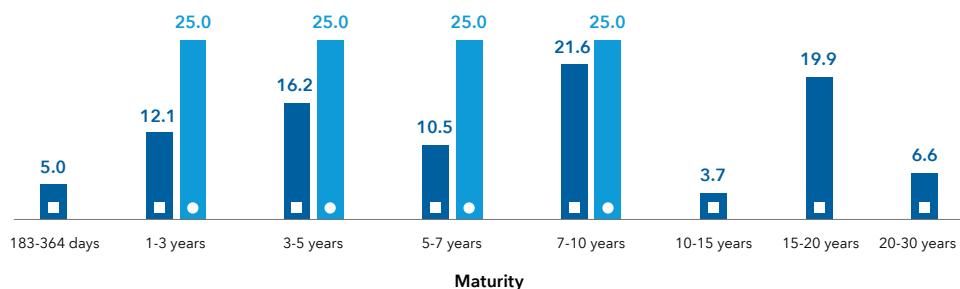
- For example, if active managers expect the yield curve to flatten (when shorter maturity bond yields rise relative to longer maturity bonds), they can position investments to benefit through less exposure to shorter term bonds and more to longer term bonds.

Consider an active SMA (refer to page 17 for information about SMAs) vs. a ladder in an environment where interest rate markets are moving amid policy uncertainty. Managers can vary exposures across the entire yield curve, emphasizing or deemphasizing attractive/unattractive maturity profiles. This is differentiated from a ladder, which has a “locked in” position once purchased. Below is a sample of a hypothetical ladder with four equal allocations to maturities ranging from 1-3 years to 7-10 years and an actively managed SMA. Notice the flexibility of the SMA, which can take positions all across the yield curve.

Economy of scale. Active managers with a large institutional presence benefit from lower relative transaction costs incurred – in the form of both lower prices paid and tighter spreads – compared to individual investors.²

Avoids forced repurchases. With a laddered bond strategy, upon maturity, investors are forced to repurchase new bonds at the prevailing interest rate, which may be unfavorable.

Hypothetical active curve positioning vs. laddered maturity approach



Sources: Capital Group, Morningstar. Data as of 9/30/25.

Footnotes/Important information:

¹ Sensitivity of a bond to changes in interest rates.

² Municipal Securities Rulemaking Board paper, Analysis of Primary vs. Recently Issued and Competitive vs. Negotiated Municipal Securities Markets.

Over the last 10 years, The Tax-Exempt Bond Fund of America (TEAFX) led category peers and benchmarks

Annualized returns over a 10-year period

Class F-2 through October 31, 2025

The Tax-Exempt Bond Fund of America	2.54%
Bloomberg Municipal Bond Index	2.42%
Peers ³	2.09%
Ladder benchmark ⁴	1.94%
Passive peers ³	1.89%

Footnotes/Important information:

³ Peers include mutual funds and ETFs. Average of peers in category. Category shown is the Morningstar Muni National Interim category.

⁴ Ladder benchmark is the Bloomberg Municipal Managed Money 1-12 Year Laddered Maturity Index.

Truly diversified municipal bond investing

Capital Group believes in building diversified municipal bond portfolios

Diversified portfolios can offer less volatile returns. Compared to holding just a few individual bonds, an investment in a municipal bond fund, an ETF or SMA may offer a smoother ride through broader diversification.

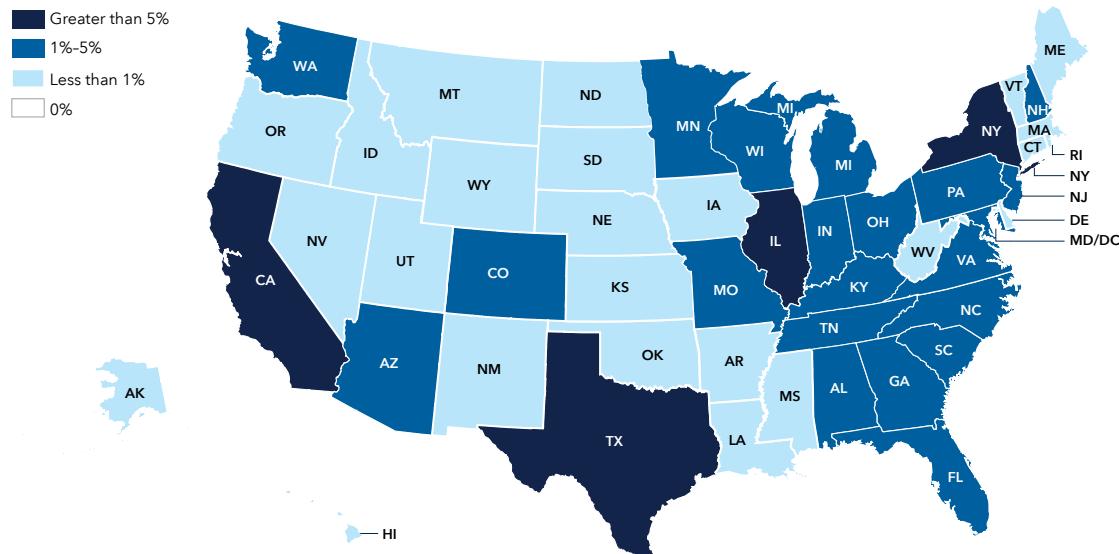
Diversification is multi-faceted. Common diversification options can be across geography, sectors, individual issuers, curve position, maturity date and more.

Here's a small sample of diversification from our flagship municipal bond fund and flagship municipal ETF:

The Tax-Exempt Bond Fund of America and CGMU – Capital Group Municipal Income ETF.

Geographical exposure across the 50 states

% of net assets as of October 31, 2025

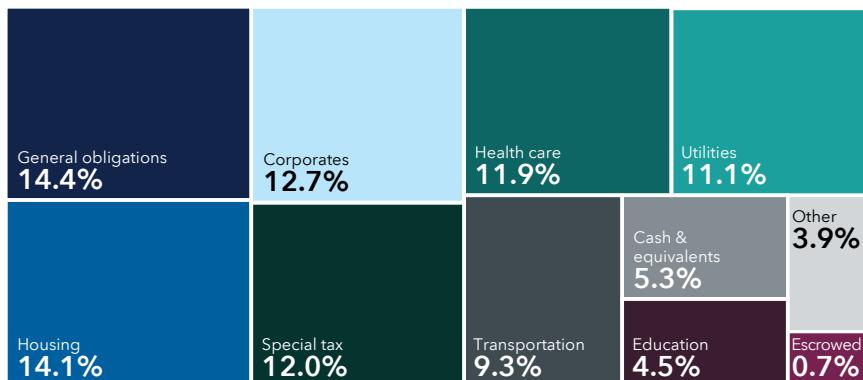


Source: Capital Group.

Sector exposure

% of net assets*
as of October 31, 2025

Historically, revenue bonds have often accounted for most of the fund's portfolio. Each bond is backed by a dedicated revenue stream from a specific project – anything from a hospital to a toll road. Unlike general obligation bonds (GO), they therefore have very little connection to state and local government finances.



Representation of 50% The Tax-Exempt Bond Fund of America and 50% CGMU - Capital Group Municipal Income ETF.

Sector exposure total may not equal 100% due to rounding.

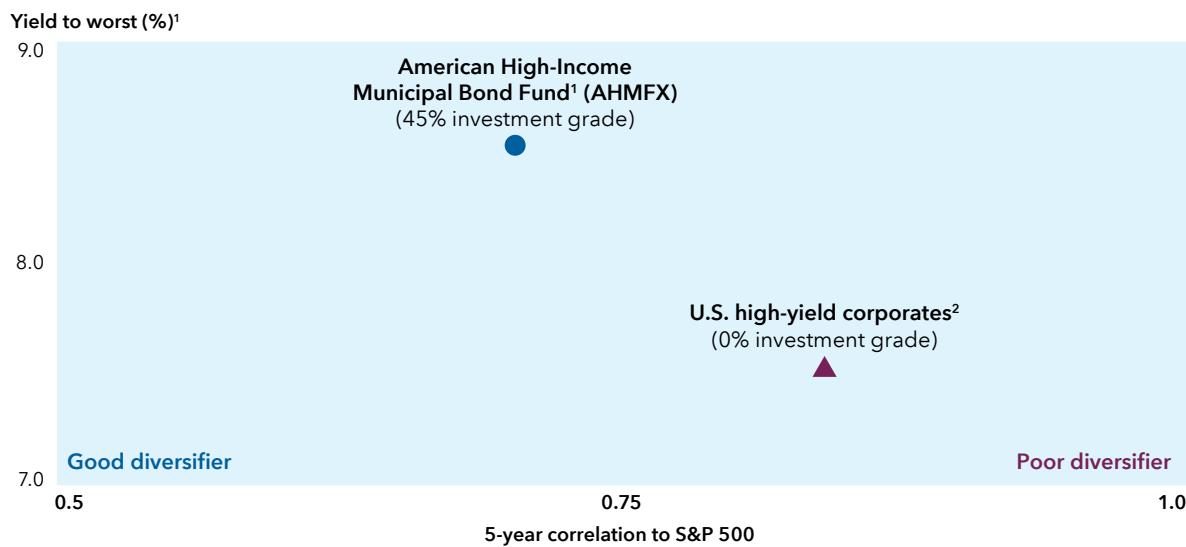
Footnote/Important information:

*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. Portfolios are managed, so holdings will change. The mutual fund does not invest in bonds subject to the alternative minimum tax. Most of the sector names are self-explanatory, but some of the smaller ones may be less intuitive. Here's a brief description: **housing**: mostly bonds issued to multi-family housing projects and single-family mortgages; **special tax**: bonds that are repaid with revenues from taxes on specific goods and services, or special assessment taxes levied on property owners; **escrowed**: municipal bonds where to help manage their funding needs, the issuer has reinvested the proceeds in another high-quality security; **corporates**: municipal bonds used to finance industrial development projects, with corporate revenue streams that finance payments to bondholders; **other includes**: governmental, tobacco and miscellaneous revenue bonds.

A compelling twist on high income

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. Investing for short periods makes losses more likely. For current information and month-end results, visit capitalgroup.com.

High-income municipal bonds have often generated similar levels of tax-equivalent yield as high-yield corporate bonds for investors in the highest tax bracket. High-income muni funds can use both high-yield and investment-grade municipal bonds to seek lower correlation to equities than a pure high-yield corporate exposure. Of course, funds that invest meaningfully in below-investment-grade (BB/Ba and below) municipal bonds can be relatively volatile, compared to those that mainly hold investment-grade debt.



Over the last 10 years, American High-Income Municipal Bond Fund (AHMFX) led category peers and benchmarks

Annualized returns over a 10-year period

Class F-2 through October 31, 2025

American High-Income Municipal Bond Fund	3.85%
American High-Income Municipal Bond Fund Custom Index ³	3.60%
Peers ⁴	2.76%
Bloomberg Municipal Bond Index	2.42%
Passive peers ⁴	2.38%

Sources: Capital Group, Bloomberg Index Services Ltd., Morningstar. Data as of 10/31/25.

Footnotes/Important information:

¹AHMFX is presented as tax-equivalent yield to worst. Tax-equivalent yield to worst of a municipal bond investment is used to assess its attractiveness relative to taxable bonds; put simply, it's the answer to the question: What yield would a taxable bond have to offer in order for it to offer the same amount as this municipal bond investment, after tax? Tax-equivalent yield to worst for fund, assuming the top federal marginal tax rate for 2025 of 37%, plus the 3.8% Medicare tax. Correlation calculated using Class F-2 shares. Yield to worst as of 10/31/25 for AHMFX was: 4.9%.

²Bloomberg U.S. Corporate High Yield Bond Index.

³Please refer to Page 20 for index definition.

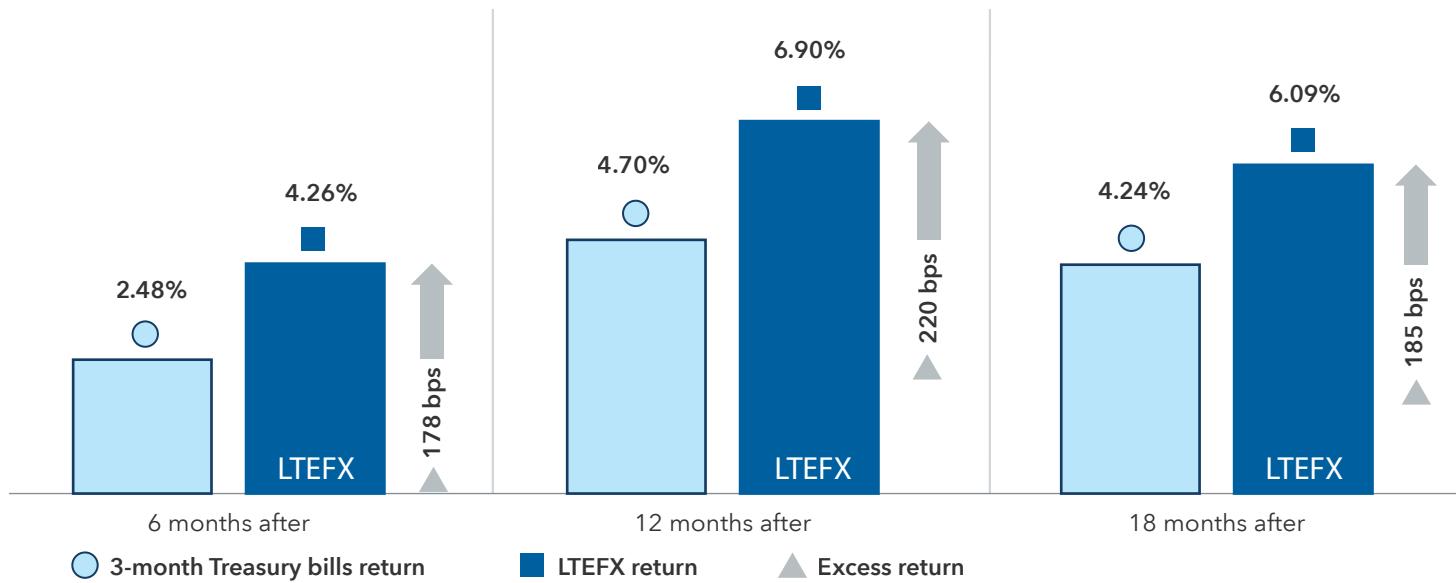
⁴Peers include mutual funds and ETFs. Average of peers in category. Category shown is the Morningstar High-Yield Muni category.

Putting your cash to work

Sitting on the sidelines may seem safe. However, once the U.S. Federal Reserve ends rate hikes, history shows us that yields on cash have decayed, or declined, quickly.* Bond investors potentially gain advantages in two ways over cash positions after rate hikes end: higher yields and price appreciation.

The Limited Term Tax-Exempt Bond Fund of America is one of two shorter-term tax-exempt bond mutual funds available to investors from American Funds. For those who want a fund that seeks less interest rate risk, the American Funds Short-Term Tax-Exempt Bond Fund® or CGSM – Capital Group Short Duration Municipal Income ETF may be an option. The Limited Term Tax-Exempt Bond Fund of America aims for a bit more exposure to interest rates.

Hypothetical investor, comparing returns of 3-month Treasury bills vs. Limited Term Tax-Exempt Bond Fund of America (LTEFX)



Source: Morningstar. Data as of 12/31/24. Average return of 3-month Treasury bills and Limited Term Tax-Exempt Bond Fund of America after last four rate-hiking periods (2/94 - 2/95, 6/99 - 5/00, 6/04 - 6/06, 12/15 - 12/18).

For investors cautious about fixed income, shorter term bond funds may be a solution. Short-term bond funds can offer the potential of attractive yield versus cash. They may also pursue the goal of capital preservation, with modest interest rate exposure. These funds may also seek to provide some tax-exempt income, which is not accounted for in the above analysis. Treasury and other non-municipal cash-like investments are taxable to investors; therefore, the returns illustrated above would be reduced by taxes (although Treasury bills are exempt from state and local taxes). The after-tax returns for the fund would be higher, given the federal tax-exempt status.

Unlike mutual fund shares, investments in U.S. Treasuries are guaranteed by the U.S. government as to the payment of principal and interest.

Three-month Treasury bills (T-bills) provide investors with government-guaranteed, short-term liquid investments that can be purchased for a minimum of \$100. Interest income on T-bills is exempt from state and local income taxes, but subject to federal income taxes. Investors can buy and sell T-bills with ease in the secondary bond market, for strong liquidity.

Data as of 12/31/24.

Results are for Class F-2 shares of the mutual fund.

Past results are not predictive of results in future periods.

Footnote/Important information:

*Over the last four rate hike cycles (1995 to 2018), U.S. 3-month Treasury bill yields were an average of 2.5% lower 18 months after the last Fed hike. Sources: Bloomberg, Federal Reserve.

ETFs: Powerful tax-efficient investing

Exchange-traded funds (ETFs) are professionally managed funds that combine the diversification of a mutual fund with the trading flexibility of a stock. They're increasingly attracting a larger share of total fund assets from investors who appreciate their simplicity, tax efficiency, typically lower cost and tradability. Capital Group's ETFs offer many advantages for investors, including:

Active approach

Capital Group takes an active approach to ETF investing. The active approach includes deep credit research, duration management and active curve positioning. Partner with an ETF provider that has a 90+ year history of seeking superior results via active management.

Tax efficiency

The ETF structure provides greater control over the timing of realized capital gains and losses.

Transparency

ETF holdings are published daily, which can be helpful for investors to see if they have exposure to specific underlying holdings.

Tradability

Unlike mutual funds, which trade only at the end of the day, ETFs can be bought and sold throughout the day, just like a stock. This allows more control over the price of execution.

Flexibility

Build an all-ETF portfolio OR layer different ETFs with existing allocations to fine-tune a portfolio to meet specific investor needs.

Strategies for the core and more

Key building blocks, whether investors are seeking to bolster the core of their portfolio or are pursuing complementary strategies to diversify existing allocations.



Allegiant Stadium (NV)

SMAs: Designed for high-net-worth investors

With Capital Group's Separately Managed Accounts (SMAs), investors can still seek the tax-exempt income from municipal bonds, but gain some additional benefits. Like our mutual funds and ETFs, SMAs are actively managed.

The SMA is a "wrapper" for individual municipal bonds and can offer investors the following advantages:

Active approach

Capital Group takes an active approach to SMA investing. This includes deep credit research, duration management and active curve positioning to help manage client portfolios through full market cycles with dampened volatility and aiming for increased excess return.

Lower fees

SMA management fees are typically less than mutual funds.

Taxes

Investors own the individual bonds and the individualized cost basis, so SMAs can be fine-tuned to consider an investor's tax situation. For example, gains or losses can be harvested at will. To mitigate tax implications, securities can also fund an account "in-kind."

Customization

State-focused portfolios (state specific, state preference and best efforts), extended transition times and other requests may be available.

SMAs can provide other advantages, including:

Transparency

Investors see the individual bonds held in their SMA account statement, unlike mutual funds or ETFs, which are pooled vehicles and do not display individual holdings in their statement.

Diversification

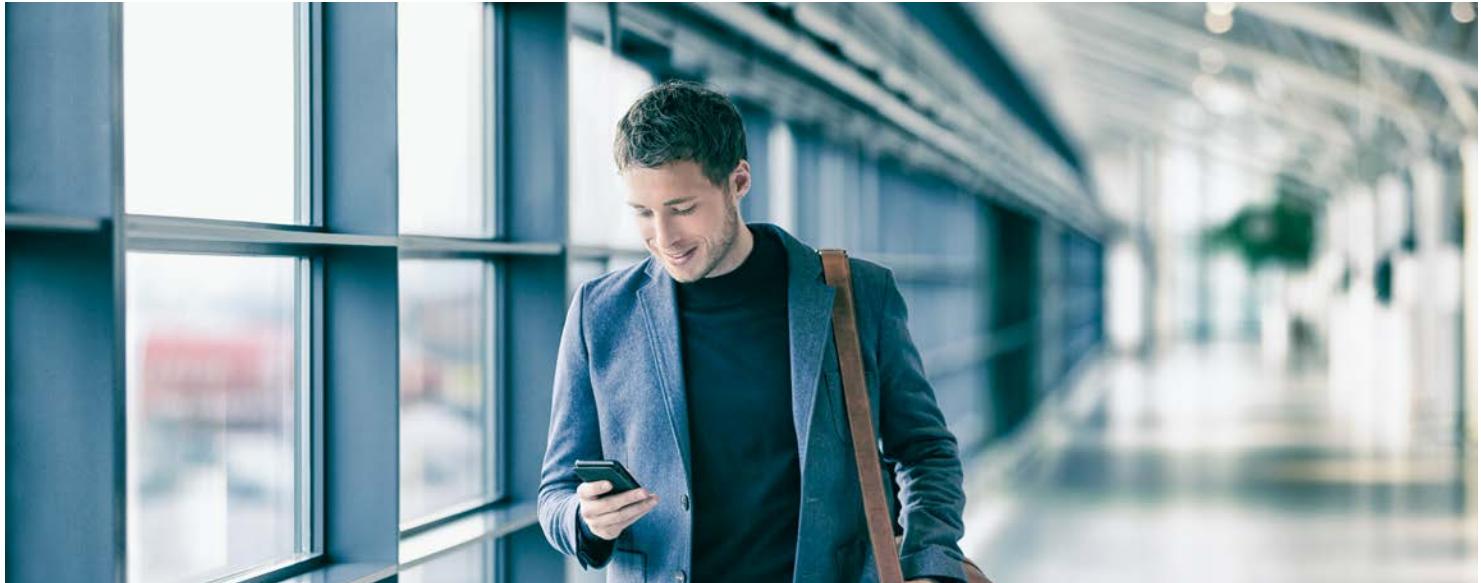
SMAs typically hold between 20 - 40 individual bonds, and the active management may include thoughtful diversification across sectors, curve exposure, interest rate management and more.

Service

Enhanced servicing and resources included that typically aren't available to mutual fund and ETF investors. This can be high-touch service, tax considerations, strategy updates or communications about the markets.

Owning individual bonds is a preference for some investors

SMAs most closely resemble the experience high-net-worth investors have used for investing in the past.



Portfolio construction ideas for differing goals

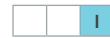
Depending on individual circumstances, goals and appetite for risk, we consider how municipal bonds could slot into a 60/40 equity-bond allocation for a hypothetical tax-aware investor with a moderate tolerance for risk.



Diversification from equities



Capital preservation



Income

For a 40% tax-aware bond allocation

Mutual fund allocations



40% The Tax-Exempt Bond Fund of America – TEAFX (F-2)

6.6% Tax-equivalent yield to worst¹

6.3%

6.4 yrs Duration

5.4 yrs

0.67 5-year correlation to S&P 500²

ETF allocations

CGMU

Capital Group Municipal Income ETF

1. Capital preservation—Reduce core munis, add short-term munis



20% The Tax-Exempt Bond Fund of America

6.1% Tax-equivalent yield to worst¹

5.8%

5.1 yrs Duration

4.0 yrs

0.67 5-year correlation to S&P 500²

CGMU

Capital Group Municipal Income ETF

CGSM

Capital Group Short Duration Municipal Income ETF

2. Income—Reduce core munis, add high-income munis



20% The Tax-Exempt Bond Fund of America

7.4% Tax-equivalent yield to worst¹

7.1%

6.7 yrs Duration

6.3 yrs

0.69 5-year correlation to S&P 500²

CGMU

Capital Group Municipal Income ETF

CGHM

Capital Group Municipal High-Income ETF

Footnotes/Important information:

¹30-day SEC yields (gross) and 30-day tax-equivalent SEC yields (gross) for the funds are as follows: TEAFX, 3.51% and 5.93%; LTEFX, 2.86% and 4.83%; AHMFX 4.23% and 7.15%; CGMU, 3.32% and 5.61%; CGSM, 2.93% and 4.95% and CGHM, 4.20% and 7.09%. Data as of 11/30/25.

²While CGMU, CGSM and CGHM do not yet have five years of history to provide their correlation to equities, they seek to provide tax efficiency and transparency of underlying holdings for investor consideration.

We have identified which funds contribute to a particular role of fixed income based on the fund's investment strategies. The extent to which a fund contributes to a specified role depends on the portfolio's composition at any point in time.

Portfolio statistics shown are based on the portfolio weightings indicated and are as of October 31, 2025. U.S. equity index proxies used are S&P 500 Index.

Correlations shown are over five years.

The model approach is hypothetical and for illustrative purposes only. Allocations, holdings, yields and other data shown do not reflect an actual portfolio. Advisors should tailor client recommendations to their individual circumstances. Taxable equivalent rate assumptions are based on a federal marginal tax rate of 37%, the top 2025 rate. In addition, we have applied the 3.8% Medicare tax.

Morningstar Rating for Funds: Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk) in comparison to similar funds. Within each Morningstar Category, the top 10% of funds receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Funds are rated for up to three time periods—three-, five-, and 10 years—and these ratings are combined to produce an overall rating. Funds with less than three years of history are not rated. Ratings are objective, based entirely on a mathematical evaluation of past performance. They're a useful tool for identifying funds worthy of further research, but shouldn't be considered buy or sell recommendations.

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.

The Morningstar Medalist Ratings are not statements of fact, nor are they credit or risk ratings. The Morningstar Medalist Rating (i) should not be used as the sole basis in evaluating an investment product, (ii) involves unknown risks and uncertainties which may cause expectations not to occur or to differ significantly from what 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.

Our range of municipal bond funds

Figures shown are past results and are not predictive of results in future periods. Returns for mutual funds are based on Class F-2 shares. 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. 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. For current information and month-end results, refer to capitalgroup.com.

American Funds municipal bond funds: investment results (%)

Average annual returns as of September 30, 2025 (Class F-2 for mutual funds)

	Total Returns (%)					30-day SEC yield(%)* (Gross Net) as of 11/30/25	Expense ratio (%) (Gross Net)	Ticker symbol	Inception date				
	Cumulative		Average annual										
	1 year	3 year	5 year	10 year	Lifetime								
American Funds Short-Term Tax-Exempt Bond Fund®	3.40	3.89	1.40	1.55	1.52	2.77 2.80	0.32 0.31	ASTFX	08/07/09				
American Funds Tax-Exempt Fund of New York®	0.17	4.84	1.01	2.11	2.88	3.38 3.54	0.49 0.42	NYAFX	11/01/10				
American High-Income Municipal Bond Fund®	1.56	6.96	2.77	3.80	5.17	4.23 4.25	0.42 0.42	AHMF	09/26/94				
Limited Term Tax-Exempt Bond Fund of America®	3.49	4.50	1.45	1.99	3.61	2.86 2.87	0.38 0.37	LTEFX	10/06/93				
The Tax-Exempt Bond Fund of America®	1.50	5.12	1.25	2.48	5.85	3.51 3.51	0.38 0.38	TEAFX	10/03/79				
The Tax-Exempt Fund of California®	1.08	5.23	1.19	2.41	4.97	3.38 3.39	0.40 0.40	TEFEX	10/28/86				
CGHM – Capital Group Municipal High-Income ETF	NAV	1.11	–	–	–	4.16	4.20 4.20	0.34 0.34	CGHM	06/25/24			
	Market Price	1.23	–	–	–	4.38							
CGMU – Capital Group Municipal Income ETF	NAV	2.58	–	–	–	6.23	3.32 3.32	0.27 0.27	CGMU	10/25/22			
	Market Price	2.80	–	–	–	6.37							
CGSM – Capital Group Short Duration Municipal Income ETF	NAV	3.59	–	–	–	5.85	2.93 2.93	0.25 0.25	CGSM	09/26/23			
	Market Price	3.58	–	–	–	5.90							
Bloomberg Municipal Bond Index	1.39	4.74	0.86	2.34									
Bloomberg Municipal Managed Money 1-12 Year Laddered Maturity Index	2.62	4.20	0.69	1.92									
Bloomberg U.S. Aggregate Index	2.88	4.93	-0.45	1.84									
Morningstar High Yield Muni category average	-0.70	4.89	1.19	2.82									
Morningstar Muni National Interim category average	1.80	4.55	0.98	2.01									
S&P 500 Index	17.60	24.94	16.47	15.30									

Footnote/Important information:

*ETF statistics based on NAV.

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.

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.

The Morningstar rankings do not reflect the effects of sales charges, account fees or taxes. 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 see 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, CGHM and CGSM 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.

How can we help you?

Capital Group offers municipal bond mutual funds, SMAs, ETFs and tax-aware models. All our strategies seek to add value with risk-aware municipal bond investing, built on:

RESEARCH

Empowered analysts



Differentiated insights

Our investment analysts aren't just report writers. Empowering analysts to manage money in most portfolios enhances accountability and, alongside collaboration with equity and taxable fixed income teams, can uncover better opportunities.

EXECUTION

Traders who do more than execute



Not just order takers

Traders are integral to our municipal investment process. They offer color around new issues pricing and invaluable insights into secondary market availability, sector-specific developments and execution choices.

ACCESS

Capital's scale and sophistication



Resources and relationships

Finding compelling or overlooked opportunities in the vast municipal bond market takes significant resources and strong dealer relationships. With **\$3.2 trillion** of equity and fixed income assets under management, Capital Group has both.

Did you know we can help financial professionals transition client bond holdings into an SMA and help answer custom municipal bond allocation questions with a Capital Group Portfolio Analysis? Contact your American Funds Wealth Management Consultant to learn more.

The market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index.

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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. **Bloomberg Municipal Short-Intermediate 1-10 Years Index** is a market-value-weighted index that includes investment-grade tax-exempt bonds with maturities of one to 10 years. **Bloomberg U.S. Corporate High Yield Index** covers the universe of fixed-rate, non-investment-grade debt. **Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index** covers the universe of fixed-rate, non-investment-grade debt. The index limits the maximum exposure of any one issuer to 2%. **Bloomberg High Yield Municipal Bond Index** is a market-value-weighted index composed of municipal bonds rated below BBB/Baa. **Bloomberg U.S. Municipal BBB Index** covers the USD-denominated long-term tax-exempt BBB-rated bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds. **Bloomberg Municipal Managed Money 1-12 Year Laddered Maturity Index** is a component of the Managed Money index – a rules-based, market-value-weighted index of AA-rated tax-exempt bonds; this component is designed to represent a ladder strategy with the specified maturity profile.

S&P 500 Index is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks. S&P 500 Index is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Capital Group. Copyright © 2025 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.

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Assets under management as of 9/30/25. Totals may not reconcile due to rounding. All values in USD.

American High-Income Municipal Bond Fund Custom Index reflects results of the following indexes: 50%/50% blend of the Bloomberg High Yield Municipal Bond Index and the Bloomberg Municipal Bond Index through December 31, 2015. From January 1, 2016 to current, 60%/20%/20% blend of the Bloomberg High Yield Municipal Bond Index (with 5% Tobacco Cap and 2% Issuer Cap), Bloomberg Municipal Bond BBB Index and the Bloomberg Municipal Bond Index, respectively. Results reflect dividends net of withholding taxes.

Morningstar Muni National Intermediate category portfolios invest in bonds issued by various state and local governments to fund public projects. The income from these bonds is generally free from federal taxes. To lower risk, these portfolios spread their assets across many states and sectors. These portfolios have durations of 4.0 to 6.0 years (or average maturities of five to 12 years). Morningstar High-Yield Muni category portfolios typically invest a substantial portion of assets in high-income municipal securities that are not rated or that are rated at the level of or below BBB (considered high-yield within the municipal-bond industry) by a major ratings agency such as Standard & Poor's or Moody's.

Lipper ratings for Expense reflect funds' expense minimization relative to peers with similar load structures. The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Expense metrics. The highest 20% of funds in each classification are named Lipper Leaders for Total Return, the next 20% receive a rating of 4, the middle 20% are rated 3, the next 20% are rated 2, and the lowest 20% are rated 1. Lipper ratings are not intended to predict future results, and Lipper does not guarantee the accuracy of this information. More information is available at www.lipperleaders.com. Lipper Leader © 2025, Thomson Reuters, All Rights Reserved.

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.

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