American Funds Short-Term Tax-Exempt Bond Fund®



Class T | TAFSX for the year ended July 31, 2025

This annual shareholder report contains important information about American Funds Short-Term Tax-Exempt Bond Fund (the "fund") for the period from August 1, 2024 to July 31, 2025. You can find additional information about the fund at capitalgroup.com/mutual-fund-literature. You can also request this information by contacting us at (800) 421-4225.

What were the fund costs for the last year? (based on a hypothetical \$10,000 investment)

Share class	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Class T	\$30	0.29%

Management's discussion of fund performance

The fund's Class T shares gained 3.82% for the year ended July 31, 2025. That result compares with a 3.91% gain for the Bloomberg Municipal Short 1-5 Years Index.

What factors influenced results

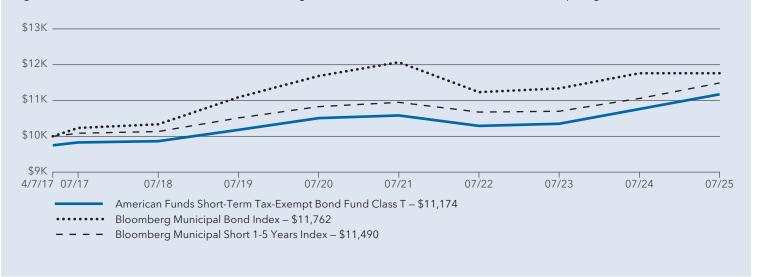
During the fund's fiscal year, municipal bond returns were essentially flat. Yields rose, ending the period near 15-year highs, which was in part driven by shifts in fiscal policy. The U.S. Federal Reserve reduced interest rates three times in 2024, prompting a decline in short-term yields as investors gravitated toward safer assets. Meanwhile, long-term yields moved higher, influenced by heightened market volatility and a strong wave of new municipal bond issuance. This dynamic led to a steepening of the municipal yield curve, with 10-year AAA yields outpacing two-year yields and enhancing the appeal of longer term maturities.

Each of the fund's sectors added positive absolute returns to the portfolio. The fund's holdings in housing debt was particularly additive relative to the benchmark. Likewise, holdings in corporates and transportation debt had a positive impact. Also, exposure to derivatives and cash and money market helped the fund's relative returns.

Conversely, holding a smaller portion of investments than the index in general obligation, non-general obligation government issues, utility and special tax debt had a relative negative impact on returns. Likewise, duration and curve positioning negatively impacted the fund's relative returns.

How a hypothetical \$10,000 investment has grown

Figures reflect deduction of the maximum sales charge and assume reinvestment of dividends and capital gains.



Average annual total returns

	1 year	5 years	Since inception ¹
American Funds Short-Term Tax-Exempt Bond Fund – Class T (with sales charge) ²	1.28%	0.72%	1.34%
American Funds Short-Term Tax-Exempt Bond Fund – Class T (without sales charge) ²	3.82%	1.24%	1.65%
Bloomberg Municipal Bond Index ³	0.00%	0.13%	1.97%
Bloomberg Municipal Short 1-5 Years Index ³	3.91%	1.19%	1.68%

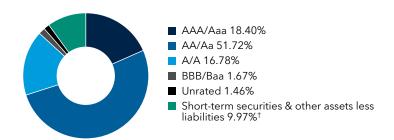
¹ Class T shares were first offered on April 7, 2017.

The fund's past performance is not a predictor of its future performance. The line chart and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or redemption of fund shares.

Key fund statistics

Fund net assets (in millions)	\$2,160	
Total number of portfolio holdings	1,229	
Total advisory fees paid (in millions)	\$4	
Portfolio turnover rate	56%	

Portfolio quality summary* (percent of net assets)



^{*} 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. In assigning a credit rating to a security, the fund looks specifically to the ratings assigned to the issuer of the security by Standard & Poor's, Moody's and/or Fitch. If agency ratings differ, the security will be considered to have received the highest of those ratings, consistent with the fund's investment policies. Securities in the "unrated" category (above) have not been rated by a rating agency; however, the investment adviser performs its own credit analysis and assigns comparable ratings that are used for compliance with the fund's investment policies.

Availability of additional information



Scan the QR code to view additional information about the fund, including its prospectus, financial information, holdings and information on proxy voting. Or refer to the web address included at the beginning of this report.

Important information

To reduce fund expenses, only one copy of most shareholder documents will be mailed to shareholders with multiple accounts at the same address (householding). If you would prefer that your documents not be householded, please contact Capital Group at (800) 421-4225, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by Capital Group or your financial intermediary.

² Investment results assume all distributions are reinvested and reflect applicable fees and expenses. When applicable, results reflect fee waivers and/or expense reimbursements, without which they would have been lower.

³ Results assume all distributions are reinvested. Any market index shown is unmanaged, and therefore, has no expenses. Investors cannot invest directly in an index. Source(s): Bloomberg Index Services Ltd.

[†] Includes derivatives.