

CGSM

Capital Group Short Duration Municipal Income ETF

Fund Description

CGSM actively manages a portfolio of US municipal bonds exempt from regular federal income tax. The portfolio is mostly comprised of investment grade debts and the average portfolio duration is expected to be one year.

FactSet Analyst Report

CGSM aims to generate current income that is exempt from federal income tax while also preserving capital by holding a portfolio of US municipal bonds. Up to 20% of the fund's assets may be subject to the federal alternative minimum tax. The fund is predominantly investment grade paper, holding at least 90% in debts rated BBB- or Baa3 or higher, but it may also invest in junk bonds. Although investments can be of any maturity, the fund will attempt to maintain a weighted average effective portfolio duration of one year. CGSM is managed by a team of portfolio managers who aim to select attractively priced securities believed to be promising investment opportunities. The fund managers may actively and frequently trade, potentially resulting in a high portfolio turnover rate. Additionally, positions are sold if they are no longer considered attractive.