

A Hypothetical Illustration for BUS-121 Fall 2018

PREPARED BY

Frank Paiano

Private Portfolio of San Diego, Inc.
2320 Soto Street
San Diego, CA 92107-1410

Phone: 619-248-0945

Email: frank@privateportfolio.com

This report is not complete unless all pages, as noted below, are included. Please read the information in the 'Important Disclosures' found at the beginning of this report.

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

Important Disclosures

Figures shown are past results and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. For more current information and month-end results, visit americanfunds.com.

Regular investing does not ensure a profit or protect against loss. Investors should consider their willingness to keep investing when share prices are declining. Market indexes are unmanaged and, therefore, have no expenses. Investors cannot invest directly in an index. Results for the Lipper indexes do not reflect sales charges. There have been periods when the fund has lagged the index.

This illustration must be preceded or accompanied by the fund's current summary prospectus or prospectus, which details charges, expenses, investment objectives and operating policies. The American Funds are distributed by American Funds Distributors, Inc.

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are as of each fund's prospectus available at the time of publication. The expense ratios for Class F-3 shares are estimated. When applicable, investment results reflect fee waivers and/or expense reimbursements, without which results would have been lower. Please see americanfunds.com for more information. For the funds and/or share classes listed below, the investment adviser is currently reimbursing a portion of the funds' fees or expenses, without which the results would have been lower and net expense ratios higher.

- AMCAP Fund: Class R-5E shares (through at least May 1, 2018)
- American Funds Corporate Bond Fund: all share classes (through at least August 1, 2018)
- American Funds Tax-Exempt Fund of New York: all share classes (through at least October 1, 2018)
- American Funds Mortgage Fund: Class R-2E and R-5E shares (through at least November 1, 2018)
- Intermediate Bond Fund of America, Short-Term Bond Fund of America and U.S. Government Securities Fund: Class R-5E shares (through at least November 1, 2018)
- American High-Income Trust and American Funds U.S. Government Money Market Fund: Class R-5E shares (through at least December 1, 2018)
- American Funds 2010 - 2020 and 2040 - 2055 Target Date Retirement funds: Class F-3 shares (through at least January 1, 2019)
- American Mutual Fund: Class R-5E shares (through at least January 1, 2019)
- American Funds Global Balanced Fund: Class R-2E and R-5E shares (through at least January 1, 2019)
- American Funds Tax-Exempt Preservation Portfolio and American Funds 2060 Target Date Retirement Fund: all share classes (through at least January 1, 2019)
- American Funds Developing World Growth and Income Fund: Class F-3, R-2E and R-5E shares (through at least February 1, 2019)
- Capital World Bond Fund: Class R-5E shares (through at least March 1, 2019)

The investment adviser may elect at its discretion to extend, modify or terminate the reimbursements at that time. Please see each fund's most recent prospectus for details. The expense ratios for the College Target Date Series, Target Date Retirement Series and Portfolio Fund Series include the weighted average expenses of the underlying funds. Please see the fund's most recent prospectus for details.

Standardized Average Annual Total Returns for Quarter Ended 9/30/2018

Returns for periods of less than one year are not annualized

Inception Max. Initial Sales

Security Name	Inception Date	Max. Initial Sales Charge/CDSC	1 Year	5 Years	10 Years	Since Inception
American Balanced Fund A (ABALX)	7/26/1975	5.75% Front	2.61%	7.93%	8.70%	10.52%

Gross Charges and Expenses

Fund Name	Sales Charge	Max CDSC	Max Redem Fee	Total Gross Operating Expense
American Balanced Fund A (ABALX)	5.75%	1.00%	0.00%	0.57%

The fund does not assess redemption fees. However, shareholders redeeming shares may be subject to the fund's Purchase Blocking Policy as described in the prospectus.

The illustration included herein does not reflect the effects of taxes in some or all of the investments.

If the results shown on the following pages do not reflect deduction of an initial sales charge (i.e. they are at net asset value), please note that they would have been lower if the sales charge had been deducted.

Class A shares are subject to an up-front maximum sales charge of 5.75% for equity funds and most Portfolio Series funds, 3.75% for most fixed income funds and American Funds Tax-Advantaged Income Portfolio, and 2.50% for Intermediate Bond Fund of America, Short-Term Bond Fund of America, American Funds Short-Term Tax-Exempt Bond Fund, Limited Term Tax-Exempt Bond Fund of America, American Funds Preservation Portfolio and American Funds Tax-Exempt Preservation Portfolio. The sales charge declines for accounts and aggregated investments (\$25,000 for equity and target date funds, \$100,000 for most bond funds, \$500,000 for Intermediate Bond Fund of America, Short Term Bond Fund of America, American Funds Short-Term Tax-Exempt Bond Fund, and Limited Term Tax-Exempt Bond Fund of America). There is no initial sales charge on purchases of \$1 million or more. A 1% contingent deferred sales charge (CDSC) may be assessed if a redemption occurs within 18 months of purchase. Results on the following pages reflect deduction of the CDSC if the investment is \$1 million or more and a withdrawal is selected within 18 months of purchase. Certain withdrawals before age 59 1/2 may be subject to income tax and, if applicable, to a 10% federal penalty. For current information and month-end results, visit americanfunds.com.

The return of principal for bond funds and for funds with significant underlying bond holdings is not guaranteed. Fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

- The A/529-A share 1, 5, and 10-year return for each fund is based on the MOP value.
- The "Average annual return on the investment" is based on the initial investment and the breakpoint chosen.
- Cumulative Volume Discount Reflected Where Applicable in This Illustration.
- NOTE: Systematic Accumulation Plans cannot assure a profit or protect against loss in declining markets.

American Balanced Fund A (ABALX)

Date	Initial Investment	Initial Sales Charge	Net Amount Invested	Shares Purchased
10/01/1988	\$100.00	5.75%	\$94	8.734

\$100 initial investment on 10/01/1988. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 10/31/1988 to 09/30/2018 every month, on the first day of the month. The initial investment is subject to a 5.75% sales charge. Subsequent investments are subject to a sales charge of up to 5.75%. The effects of income and capital gains taxes are not demonstrated.

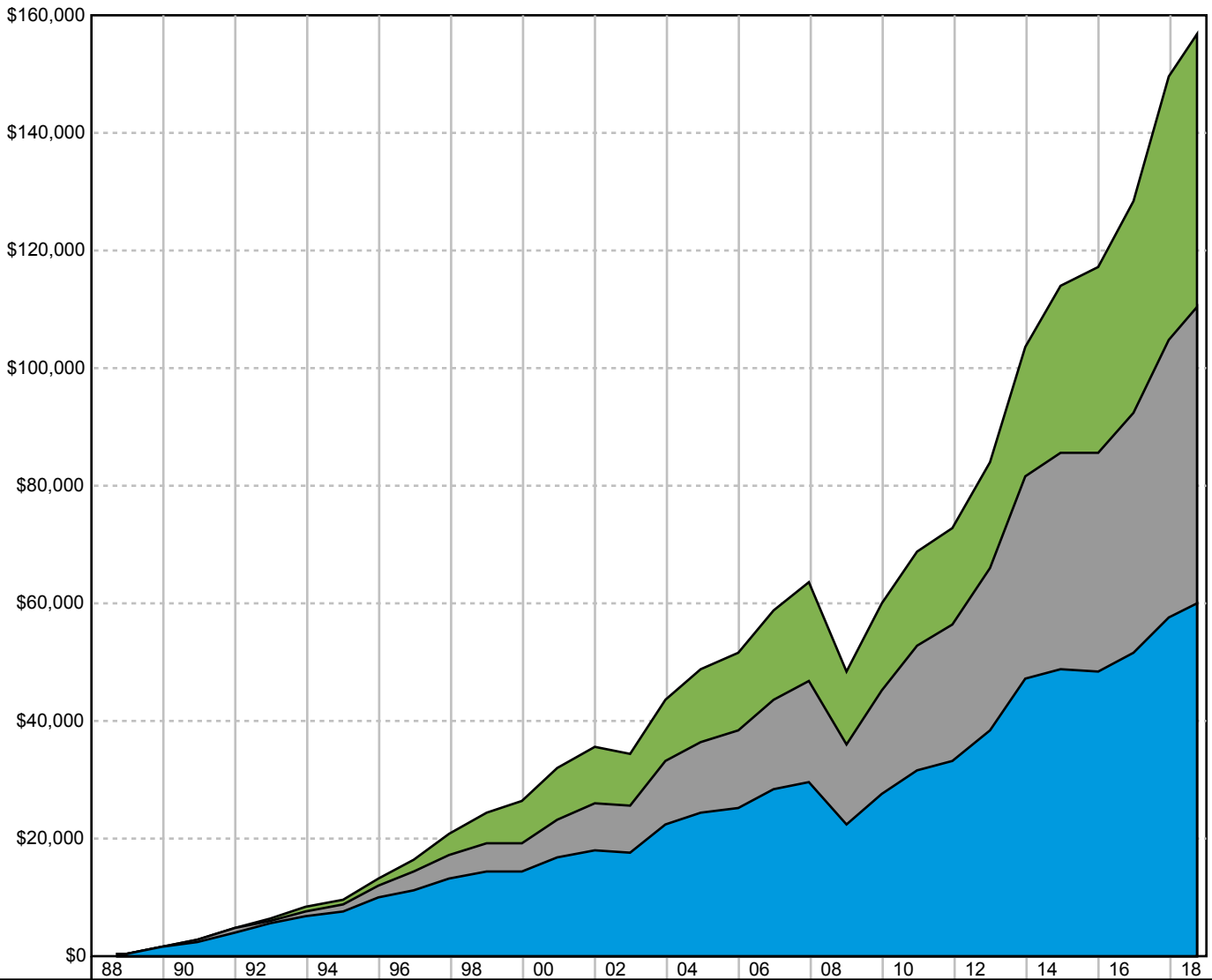
Date	Investment(s)	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1988	300	4	4	8	27	286
12/31/1989	1,200	60	65	75	138	1,579
12/31/1990	1,200	128	193	60	262	2,704
12/31/1991	1,200	203	396	47	385	4,633
12/31/1992	1,200	269	665	126	511	6,272
12/31/1993	1,200	343	1,007	285	650	8,165
12/31/1994	1,200	400	1,407	36	778	9,335
12/31/1995	1,200	471	1,878	419	929	13,151
12/31/1996	1,200	555	2,433	877	1,107	16,103
12/31/1997	1,200	657	3,090	1,572	1,322	20,732
12/31/1998	1,200	775	3,865	1,499	1,538	24,245
12/31/1999	1,200	904	4,769	2,151	1,818	26,219
12/31/2000	1,200	1,059	5,828	1,132	2,047	31,659
12/31/2001	1,200	1,186	7,014	658	2,236	35,435
12/31/2002	1,200	990	8,004	54	2,380	34,315
12/31/2003	1,200	905	8,909	0	2,513	43,456
12/31/2004	1,200	925	9,834	1,162	2,697	48,543
12/31/2005	1,200	1,103	10,936	943	2,875	51,228
12/31/2006	1,200	1,382	12,318	1,218	3,076	58,507
12/31/2007	1,200	1,633	13,951	1,406	3,290	63,536
12/31/2008	1,200	1,827	15,778	462	3,493	48,136
12/31/2009	1,200	1,468	17,246	0	3,678	59,621
12/31/2010	1,200	1,351	18,597	0	3,828	68,642
12/31/2011	1,200	1,560	20,156	0	3,977	72,423
12/31/2012	1,200	1,537	21,693	0	4,113	83,913
12/31/2013	1,200	1,586	23,279	0	4,235	103,422
12/31/2014	1,200	1,653	24,932	6,231	4,598	113,791
12/31/2015	1,200	1,867	26,799	4,402	4,907	116,923
12/31/2016	1,200	2,195	28,994	3,079	5,168	128,211
12/31/2017	1,200	2,544	31,537	5,182	5,499	149,301
09/30/2018	900	1,663	33,201	260	5,601	156,439
Total	36,000	33,201	33,201	33,344	5,601	156,439

Average annual return on the investment for the period 10/01/1988 - 09/30/2018 : 8.52%

10/1/1988 - 9/30/2018

Total Ending Amount: \$156,439

American Balanced Fund A (ABALX) : \$100 initial investment on 10/01/1988. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 10/31/1988 to 09/30/2018 every month, on the first day of the month. The initial investment is subject to a 5.75% sales charge. Subsequent investments are subject to a sales charge of up to 5.75%. The effects of income and capital gains taxes are not demonstrated.



- From Capital Gains (Ending value: \$46,234)
- From Income (Ending value: \$50,439)
- From Principal (Ending value: \$59,766)

This graph must be accompanied by the underlying Hypo illustration(s).