

A Hypothetical Illustration for BUS-121 Fall 2018

PREPARED BY

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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
10/01/1993	\$500,000.00	None	\$500,000	38,255.547

\$500,000 initial investment on 10/01/1993. Dividends and capital gains are reinvested. Withdrawals from 11/01/1993 to 09/30/2018 every month starting at 5.00% (annually) of Initial Investment and increasing by 3.00%, every twelve months, on the first day of the month as long as funds are available. The initial investment is not subject to sales charge. The effects of income and capital gains taxes are not demonstrated.

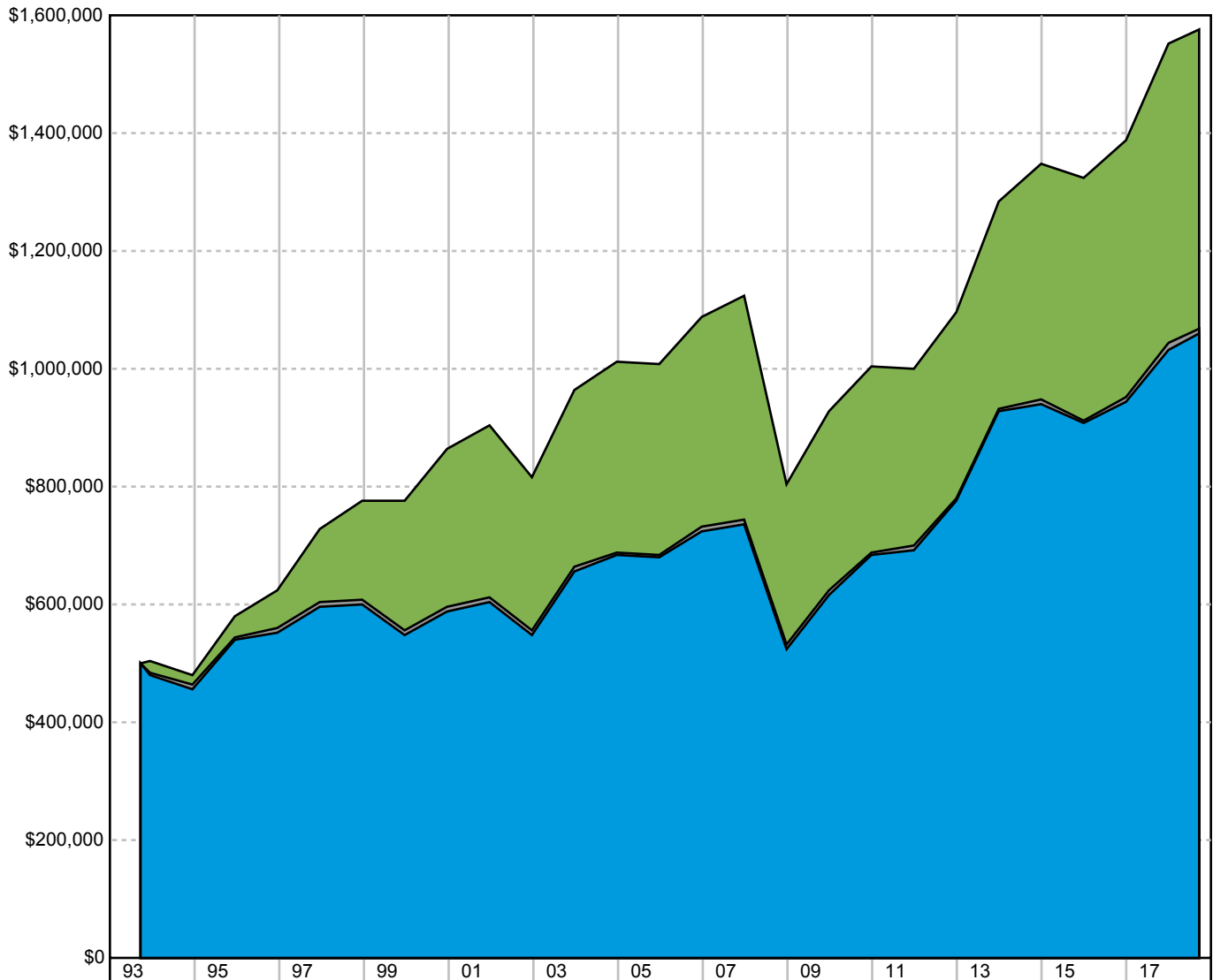
Date	Investment(s)	Withdrawal	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1993	500,000	4,167	5,691	5,691	17,451	39,795	500,229
12/31/1994	0	25,125	22,047	27,737	1,964	39,711	476,531
12/31/1995	0	25,879	21,971	49,708	18,346	40,739	576,461
12/31/1996	0	26,655	22,659	72,367	34,275	42,859	623,596
12/31/1997	0	27,455	23,944	96,311	55,475	46,215	724,645
12/31/1998	0	28,278	25,763	122,074	48,193	49,188	775,205
12/31/1999	0	29,127	27,593	149,667	64,020	53,607	773,012
12/31/2000	0	30,001	29,812	179,479	30,809	55,709	861,815
12/31/2001	0	30,901	31,055	210,534	16,830	56,800	900,285
12/31/2002	0	31,828	24,218	234,752	1,355	56,389	813,131
12/31/2003	0	32,782	20,610	255,362	0	55,585	961,071
12/31/2004	0	33,766	19,776	275,138	24,210	56,168	1,011,017
12/31/2005	0	34,779	22,206	297,345	18,527	56,499	1,006,813
12/31/2006	0	35,822	26,276	323,620	22,634	57,161	1,087,201
12/31/2007	0	36,897	29,455	353,076	24,817	58,066	1,121,253
12/31/2008	0	38,004	31,238	384,314	8,083	58,152	801,328
12/31/2009	0	39,144	23,481	407,795	0	57,043	924,675
12/31/2010	0	40,318	20,152	427,947	0	55,814	1,000,743
12/31/2011	0	41,528	21,944	449,891	0	54,754	997,062
12/31/2012	0	42,774	20,432	470,323	0	53,597	1,093,383
12/31/2013	0	44,057	20,019	490,342	0	52,501	1,282,083
12/31/2014	0	45,379	19,905	510,247	73,849	54,454	1,347,739
12/31/2015	0	46,740	21,502	531,749	49,999	55,550	1,323,747
12/31/2016	0	48,142	24,113	555,862	33,498	55,915	1,387,246
12/31/2017	0	49,586	26,723	582,585	53,856	57,030	1,548,354
09/30/2018	0	38,115	16,901	599,486	2,646	56,345	1,573,720
Total	500,000	907,247	599,486	599,486	600,839	56,345	1,573,720

Average annual return on the investment for the period 10/01/1993 - 09/30/2018 : 9.15%

10/1/1993 - 9/30/2018

Total Ending Amount: \$1,573,720

American Balanced Fund A (ABALX) : \$500,000 initial investment on 10/01/1993. Dividends and capital gains are reinvested. Withdrawals from 11/01/1993 to 09/30/2018 every month starting at 5.00% (annually) of Initial Investment and increasing by 3.00%, every twelve months, on the first day of the month as long as funds are available. The initial investment is not subject to sales charge. The effects of income and capital gains taxes are not demonstrated.



- From Capital Gains (Ending value: \$508,494)
- From Income (Ending value: \$5,653)
- From Principal (Ending value: \$1,059,573)

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