

# A Hypothetical Illustration for BUS-121 Spring 2019

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**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](http://americanfunds.com).**

Regular investing does not ensure a profit or protect against loss. Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses, summary prospectuses, CollegeAmerica Program Description and ABLEAmerica Program Description, which should be obtained from a financial professional and should be read carefully before investing. 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 and ABLE-A 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](http://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.

- 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.

As compensation for its oversight and administration, Virginia529<sup>SM</sup> receives a quarterly fee accrued daily and calculated at the annual rate of 0.10% on the first \$20 billion of the net assets invested in ABLEAmerica and CollegeAmerica in the aggregate and 0.05% on net assets between \$20 billion and \$100 billion. This fee applies to both Class 529 and Class ABLE-A shares. Additional breakpoints apply to assets in excess of \$100 billion. Virginia529<sup>SM</sup> is currently waiving the fee with respect to ABLEAmerica assets. This waiver will be in effect through at least July 1, 2019. Subject to the terms of its contractual arrangement with the investment adviser, Virginia529<sup>SM</sup> may elect to extend, modify or terminate the waiver at that time.

### Standardized Average Annual Total Returns for Quarter Ended 3/31/2019

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
The Bond Fund of America A (ABNDX)	5/28/1974	3.75% Front	0.37%	1.69%	4.25%	7.31%

#### Gross Charges and Expenses

<b>Fund Name</b>	<b>Sales Charge</b>	<b>Max CDSC</b>	<b>Max Redem Fee</b>	<b>Total Gross Operating Expense</b>
The Bond Fund of America A (ABNDX)	3.75%	1.00%	0.00%	0.60%

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](http://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.

Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility, as more fully described in the prospectus. These risks may be heightened in connection with investments in developing countries.

Higher yielding, higher risk bonds can fluctuate in price more than investment-grade bonds, so investors should maintain a long-term perspective.

- 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.

**The Bond Fund of America A (ABNDX)**

Date	Initial Investment	Initial Sales Charge	Net Amount Invested	Shares Purchased
03/01/1989	\$100.00	3.75%	\$96	7.294

\$100 initial investment on 03/01/1989. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 04/01/1989 to 02/28/2019 every month, on the first day of the month. The initial investment is subject to a 3.75% sales charge. Subsequent investments are subject to a sales charge of up to 3.75%. The effects of income and capital gains taxes are not demonstrated.

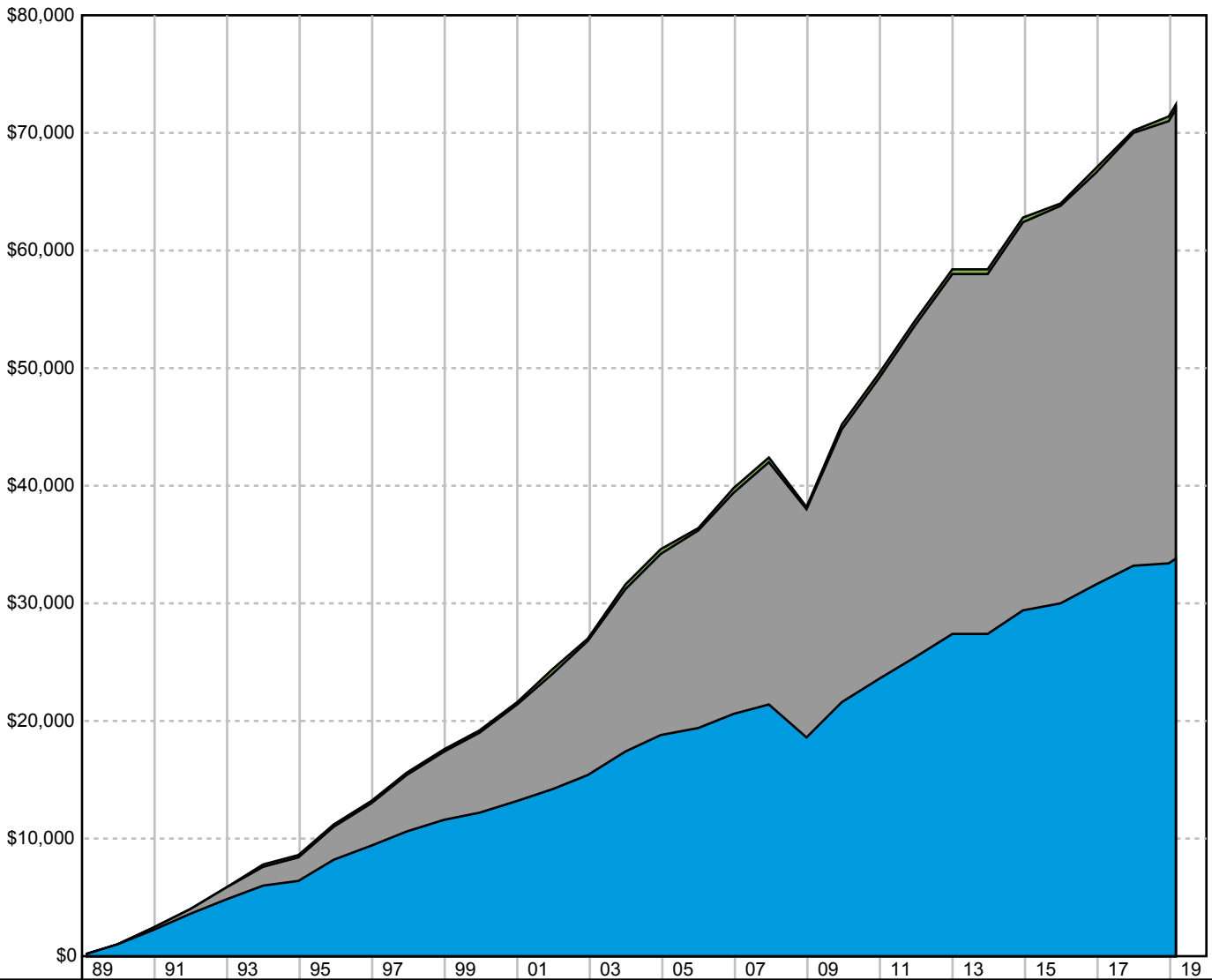
Date	Investment(s)	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1989	1,000	46	46	0	75	999
12/31/1990	1,200	161	207	0	179	2,217
12/31/1991	1,200	279	486	0	290	3,970
12/31/1992	1,200	397	883	16	403	5,640
12/31/1993	1,200	498	1,381	198	530	7,657
12/31/1994	1,200	624	2,005	0	663	8,408
12/31/1995	1,200	768	2,773	0	807	11,200
12/31/1996	1,200	897	3,670	0	958	13,166
12/31/1997	1,200	1,013	4,682	0	1,114	15,599
12/31/1998	1,200	1,139	5,822	171	1,292	17,588
12/31/1999	1,200	1,284	7,106	0	1,476	19,164
12/31/2000	1,200	1,511	8,617	0	1,685	21,555
12/31/2001	1,200	1,601	10,217	0	1,898	24,275
12/31/2002	1,200	1,669	11,887	0	2,124	26,969
12/31/2003	1,200	1,568	13,454	0	2,331	31,490
12/31/2004	1,200	1,554	15,008	0	2,532	34,559
12/31/2005	1,200	1,788	16,796	0	2,751	36,371
12/31/2006	1,200	1,877	18,673	0	2,981	39,708
12/31/2007	1,200	2,178	20,851	0	3,233	42,220
12/31/2008	1,200	2,527	23,378	0	3,541	38,102
12/31/2009	1,200	1,918	25,296	0	3,816	45,027
12/31/2010	1,200	1,820	27,116	0	4,060	49,491
12/31/2011	1,200	1,758	28,873	0	4,295	53,905
12/31/2012	1,200	1,461	30,335	0	4,499	58,266
12/31/2013	1,200	1,354	31,688	0	4,698	58,251
12/31/2014	1,200	1,300	32,988	0	4,891	62,652
12/31/2015	1,200	1,255	34,243	0	5,079	63,946
12/31/2016	1,200	1,122	35,365	0	5,255	66,849
12/31/2017	1,200	1,268	36,634	0	5,443	70,165
12/31/2018	1,200	1,665	38,298	0	5,668	71,248
02/28/2019	200	274	38,572	0	5,705	72,225
<b>Total</b>	<b>36,000</b>	<b>38,572</b>	<b>38,572</b>	<b>385</b>	<b>5,705</b>	<b>72,225</b>

**Average annual return on the investment for the period 03/01/1989 - 02/28/2019 : 4.29%**

3/1/1989 - 2/28/2019

Total Ending Amount: \$72,225

**The Bond Fund of America A (ABNDX)** : \$100 initial investment on 03/01/1989. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 04/01/1989 to 02/28/2019 every month, on the first day of the month. The initial investment is subject to a 3.75% sales charge. Subsequent investments are subject to a sales charge of up to 3.75%. The effects of income and capital gains taxes are not demonstrated.



- From Capital Gains (Ending value: \$345)
- From Income (Ending value: \$38,110)
- From Principal (Ending value: \$33,770)

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