

# A Hypothetical Illustration for BUS-121 Spring 2019

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**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](mailto:frank@privateportfolio.com)

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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
03/01/1979	\$100.00	3.75%	\$96	6.954

\$100 initial investment on 03/01/1979. Dividends and capital gains are reinvested. Subsequent investments from 04/01/1979 to 02/28/2019 every month starting at \$100.00 and increasing by \$10.00, every twelve months, 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
12/31/1979	1,000	52	52	0	75	955
12/31/1980	1,290	200	252	0	192	2,257
12/31/1981	1,410	422	674	0	353	3,848
12/31/1982	1,530	688	1,362	0	543	6,879
12/31/1983	1,650	912	2,274	0	739	9,172
12/31/1984	1,770	1,233	3,507	0	983	12,127
12/31/1985	1,890	1,601	5,108	0	1,245	17,438
12/31/1986	2,010	2,027	7,136	601	1,562	22,189
12/31/1987	2,130	2,275	9,411	0	1,879	24,693
12/31/1988	2,250	2,601	12,012	0	2,234	29,582
12/31/1989	2,370	3,157	15,169	0	2,642	34,953
12/31/1990	2,490	3,557	18,726	0	3,112	38,553
12/31/1991	2,610	3,947	22,673	0	3,609	49,442
12/31/1992	2,730	4,390	27,063	163	4,128	57,752
12/31/1993	2,850	4,729	31,792	1,791	4,762	68,816
12/31/1994	2,970	5,298	37,090	0	5,372	68,174
12/31/1995	3,090	5,951	43,040	0	6,041	83,846
12/31/1996	3,210	6,476	49,516	0	6,743	92,718
12/31/1997	3,330	6,937	56,452	0	7,476	104,667
12/31/1998	3,450	7,482	63,934	1,120	8,339	113,489
12/31/1999	3,570	8,135	72,069	0	9,213	119,585
12/31/2000	3,690	9,277	81,346	0	10,219	130,705
12/31/2001	3,810	9,579	90,925	0	11,242	143,787
12/31/2002	3,930	9,780	100,705	0	12,326	156,545
12/31/2003	4,050	9,019	109,724	0	13,310	179,820
12/31/2004	4,170	8,803	118,528	0	14,262	194,671
12/31/2005	4,290	9,998	128,526	0	15,316	202,483
12/31/2006	4,410	10,389	138,914	0	16,426	218,797
12/31/2007	4,530	11,938	150,852	0	17,658	230,614
12/31/2008	4,650	13,734	164,586	0	19,188	206,466
12/31/2009	4,770	10,352	174,938	0	20,529	242,246
12/31/2010	4,890	9,761	184,700	0	21,721	264,785

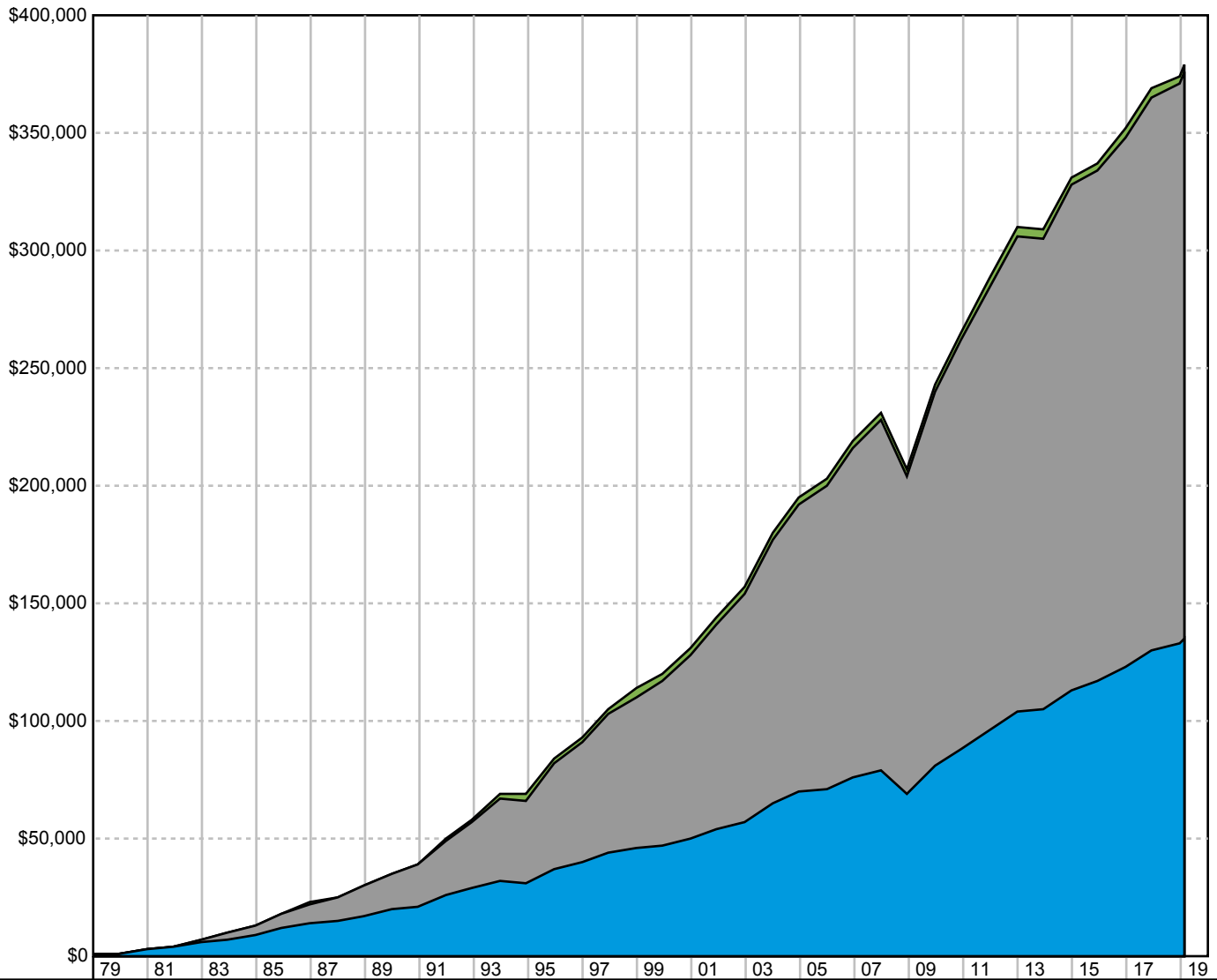
<b>Date</b>	<b>Investment(s)</b>	<b>Dividend Income</b>	<b>Total Dividend Income</b>	<b>Capital Gains</b>	<b>Shares Held</b>	<b>Total Value</b>
12/31/2011	5,010	9,378	194,077	0	22,873	287,061
12/31/2012	5,130	7,766	201,844	0	23,869	309,104
12/31/2013	5,250	7,167	209,011	0	24,841	308,024
12/31/2014	5,370	6,863	215,874	0	25,793	330,406
12/31/2015	5,490	6,612	222,486	0	26,727	336,498
12/31/2016	5,610	5,899	228,385	0	27,607	351,166
12/31/2017	5,730	6,657	235,042	0	28,557	368,102
12/31/2018	5,850	8,727	243,769	0	29,708	373,425
02/28/2019	980	1,435	245,205	0	29,897	378,492
<b>Total</b>	<b>141,210</b>	<b>245,205</b>	<b>245,205</b>	<b>3,676</b>	<b>29,897</b>	<b>378,492</b>

Average annual return on the investment for the period 03/01/1979 - 02/28/2019 : 5.43%

3/1/1979 - 2/28/2019

Total Ending Amount: \$378,492

**The Bond Fund of America A (ABNDX)** : \$100 initial investment on 03/01/1979. Dividends and capital gains are reinvested. Subsequent investments from 04/01/1979 to 02/28/2019 every month starting at \$100.00 and increasing by \$10.00, every twelve months, 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: \$3,281)
- From Income (Ending value: \$240,947)
- From Principal (Ending value: \$134,264)

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