

# 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	\$60.00	3.75%	\$58	4.376

\$60 initial investment on 03/01/1989. Dividends and capital gains are reinvested. Subsequent investments of \$60.00 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.

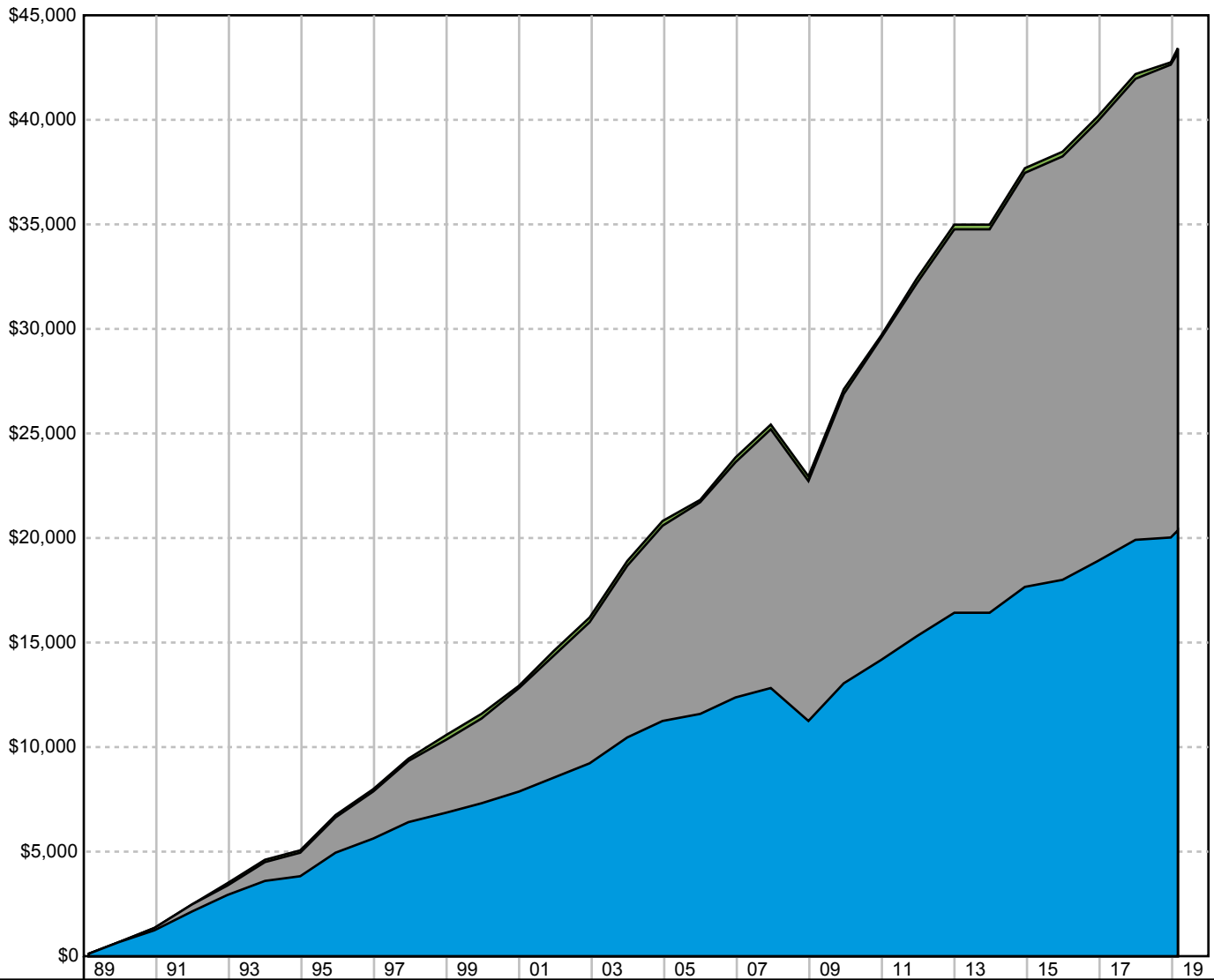
Date	Investment(s)	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1989	600	27	27	0	45	599
12/31/1990	720	97	124	0	107	1,330
12/31/1991	720	167	292	0	174	2,382
12/31/1992	720	238	530	10	242	3,384
12/31/1993	720	299	828	119	318	4,594
12/31/1994	720	375	1,203	0	398	5,045
12/31/1995	720	461	1,664	0	484	6,720
12/31/1996	720	538	2,202	0	575	7,899
12/31/1997	720	608	2,809	0	669	9,359
12/31/1998	720	683	3,493	103	775	10,553
12/31/1999	720	770	4,263	0	886	11,498
12/31/2000	720	907	5,170	0	1,011	12,933
12/31/2001	720	960	6,130	0	1,139	14,565
12/31/2002	720	1,002	7,132	0	1,274	16,181
12/31/2003	720	941	8,073	0	1,399	18,894
12/31/2004	720	932	9,005	0	1,519	20,735
12/31/2005	720	1,073	10,077	0	1,651	21,823
12/31/2006	720	1,126	11,204	0	1,789	23,825
12/31/2007	720	1,307	12,511	0	1,940	25,332
12/31/2008	720	1,516	14,027	0	2,125	22,861
12/31/2009	720	1,151	15,177	0	2,289	27,016
12/31/2010	720	1,092	16,269	0	2,436	29,695
12/31/2011	720	1,055	17,324	0	2,577	32,343
12/31/2012	720	877	18,201	0	2,700	34,959
12/31/2013	720	812	19,013	0	2,819	34,950
12/31/2014	720	780	19,793	0	2,935	37,591
12/31/2015	720	753	20,546	0	3,047	38,368
12/31/2016	720	673	21,219	0	3,153	40,109
12/31/2017	720	761	21,980	0	3,266	42,099
12/31/2018	720	999	22,979	0	3,401	42,749
02/28/2019	120	164	23,143	0	3,423	43,335
<b>Total</b>	<b>21,600</b>	<b>23,143</b>	<b>23,143</b>	<b>231</b>	<b>3,423</b>	<b>43,335</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: \$43,335

**The Bond Fund of America A (ABNDX)** : \$60 initial investment on 03/01/1989. Dividends and capital gains are reinvested. Subsequent investments of \$60.00 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: \$207)
- From Income (Ending value: \$22,866)
- From Principal (Ending value: \$20,262)

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