

# 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
American Balanced Fund A (ABALX)	7/26/1975	5.75% Front	0.19%	6.25%	11.29%	10.41%

#### 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>
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](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.

- 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
04/01/1979	\$100.00	5.75%	\$94	11.364

\$100 initial investment on 04/01/1979. Dividends and capital gains are reinvested. Subsequent investments from 05/01/1979 to 03/31/2019 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 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
12/31/1979	900	23	23	0	105	855
12/31/1980	1,280	114	137	0	264	2,301
12/31/1981	1,400	241	377	0	444	3,747
12/31/1982	1,520	382	759	0	654	6,589
12/31/1983	1,640	563	1,323	0	850	9,276
12/31/1984	1,760	726	2,048	857	1,187	11,946
12/31/1985	1,880	867	2,915	607	1,500	17,477
12/31/1986	2,000	1,111	4,026	3,436	2,069	22,411
12/31/1987	2,120	1,490	5,517	1,110	2,490	25,221
12/31/1988	2,240	1,651	7,167	897	2,935	30,699
12/31/1989	2,360	2,093	9,260	1,887	3,483	39,746
12/31/1990	2,480	2,336	11,596	1,019	4,023	41,519
12/31/1991	2,600	2,630	14,226	567	4,525	54,529
12/31/1992	2,720	2,856	17,082	1,302	5,086	62,451
12/31/1993	2,840	3,179	20,261	2,523	5,755	72,335
12/31/1994	2,960	3,355	23,616	302	6,286	75,434
12/31/1995	3,080	3,651	27,267	3,158	7,013	99,233
12/31/1996	3,200	4,069	31,336	6,319	7,947	115,626
12/31/1997	3,320	4,611	35,947	10,916	9,149	143,462
12/31/1998	3,440	5,276	41,224	10,094	10,341	162,967
12/31/1999	3,560	5,991	47,214	14,152	11,931	172,041
12/31/2000	3,680	6,860	54,074	7,268	13,142	203,313
12/31/2001	3,800	7,545	61,620	4,160	14,118	223,763
12/31/2002	3,920	6,199	67,818	340	14,799	213,395
12/31/2003	4,040	5,581	73,399	0	15,418	266,580
12/31/2004	4,160	5,640	79,040	7,056	16,370	294,667
12/31/2005	4,280	6,657	85,697	5,670	17,291	308,134
12/31/2006	4,400	8,270	93,967	7,268	18,355	349,119
12/31/2007	4,520	9,708	103,675	8,336	19,505	376,643
12/31/2008	4,640	10,790	114,466	2,736	20,572	283,481
12/31/2009	4,760	8,609	123,075	0	21,508	348,652
12/31/2010	4,880	7,873	130,947	0	22,268	399,270

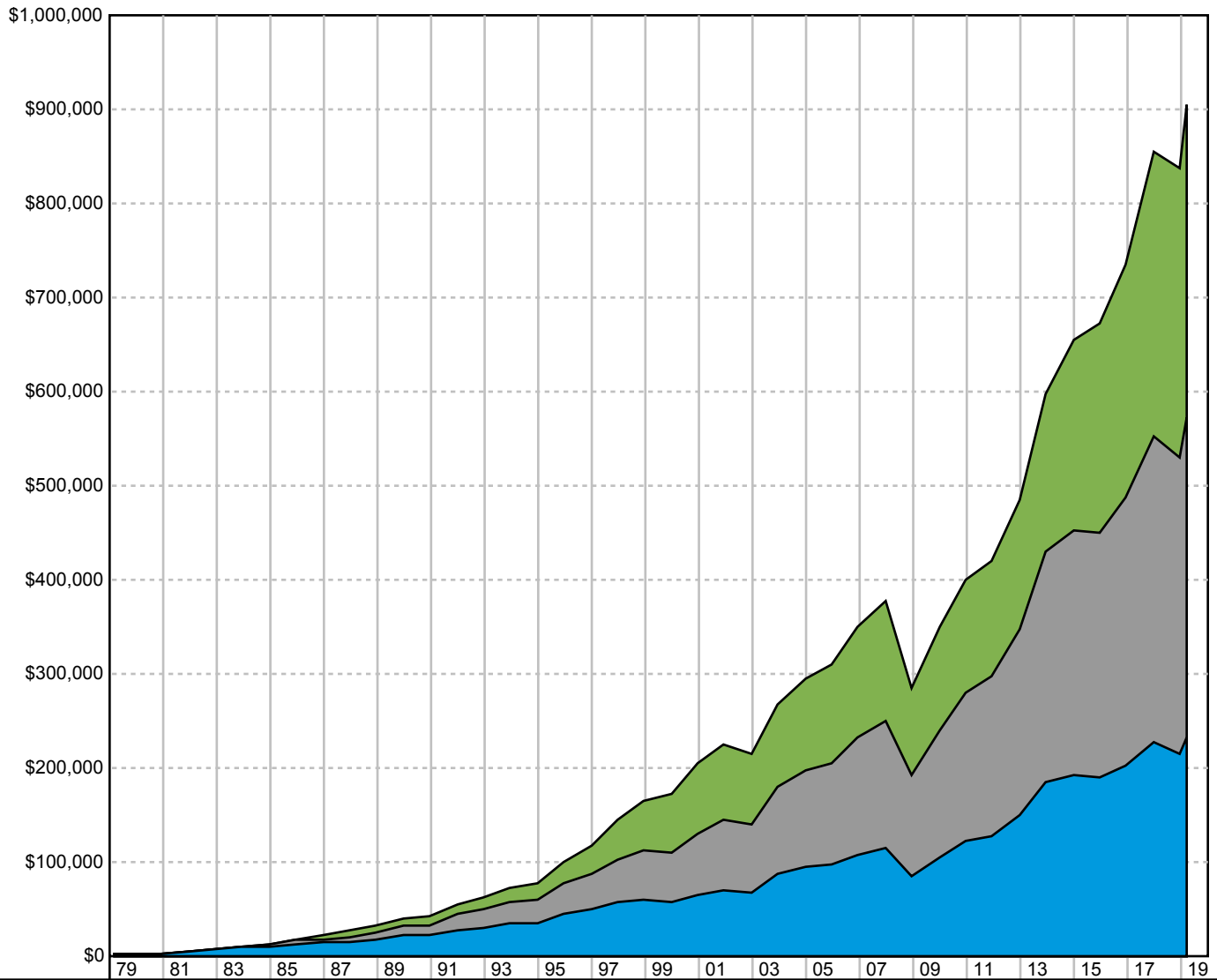
<b>Date</b>	<b>Investment(s)</b>	<b>Dividend Income</b>	<b>Total Dividend Income</b>	<b>Capital Gains</b>	<b>Shares Held</b>	<b>Total Value</b>
12/31/2011	5,000	9,047	139,994	0	23,034	419,453
12/31/2012	5,120	8,879	148,873	0	23,738	484,260
12/31/2013	5,240	9,135	158,008	0	24,373	595,191
12/31/2014	5,360	9,498	167,506	35,779	26,399	653,380
12/31/2015	5,480	10,708	178,214	25,230	28,119	670,072
12/31/2016	5,600	12,565	190,779	17,619	29,567	733,557
12/31/2017	5,720	14,541	205,320	29,614	31,423	853,141
12/31/2018	5,840	16,610	221,930	32,497	33,558	835,599
03/31/2019	1,470	3,361	225,291	0	33,741	903,247
<b>Total</b>	<b>141,210</b>	<b>225,291</b>	<b>225,291</b>	<b>242,721</b>	<b>33,741</b>	<b>903,247</b>

**Average annual return on the investment for the period 04/01/1979 - 03/31/2019 : 9.32%**

4/1/1979 - 3/31/2019

Total Ending Amount: \$903,247

**American Balanced Fund A (ABALX)** : \$100 initial investment on 04/01/1979. Dividends and capital gains are reinvested. Subsequent investments from 05/01/1979 to 03/31/2019 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 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: \$331,161)
- From Income (Ending value: \$341,587)
- From Principal (Ending value: \$230,500)

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