

# A Hypothetical Illustration for BUS-121 Summer 2018

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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 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](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.

- 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 3/31/2018

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
The Bond Fund of America A (ABNDX)	5/28/1974	3.75% Front	-3.15%	0.85%	2.58%	7.38%

#### Gross Charges and Expenses

Fund Name	Sales Charge	Max CDSC	Max Redem Fee	Total Gross Operating Expense
The Bond Fund of America A (ABNDX)	3.75%	1.00%	0.00%	0.61%

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
06/01/1978	\$100.00	3.75%	\$96	6.784

\$100 initial investment on 06/01/1978. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 07/01/1978 to 05/31/2018 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
12/31/1978	700	26	26	0	50	676
12/31/1979	1,200	137	163	0	145	1,849
12/31/1980	1,200	300	463	0	264	3,095
12/31/1981	1,200	524	987	0	415	4,527
12/31/1982	1,200	767	1,754	0	584	7,404
12/31/1983	1,200	949	2,702	0	749	9,299
12/31/1984	1,200	1,211	3,913	0	946	11,671
12/31/1985	1,200	1,502	5,415	0	1,149	16,102
12/31/1986	1,200	1,836	7,252	537	1,394	19,815
12/31/1987	1,200	1,997	9,249	0	1,626	21,366
12/31/1988	1,200	2,213	11,463	0	1,877	24,851
12/31/1989	1,200	2,611	14,073	0	2,159	28,567
12/31/1990	1,200	2,864	16,937	0	2,477	30,685
12/31/1991	1,200	3,099	20,036	0	2,804	38,412
12/31/1992	1,200	3,370	23,406	124	3,140	43,927
12/31/1993	1,200	3,560	26,966	1,338	3,554	51,361
12/31/1994	1,200	3,914	30,880	0	3,934	49,919
12/31/1995	1,200	4,314	35,193	0	4,343	60,282
12/31/1996	1,200	4,611	39,804	0	4,767	65,540
12/31/1997	1,200	4,860	44,664	0	5,201	72,815
12/31/1998	1,200	5,163	49,827	772	5,714	77,764
12/31/1999	1,200	5,529	55,357	0	6,219	80,717
12/31/2000	1,200	6,211	61,568	0	6,796	86,921
12/31/2001	1,200	6,322	67,890	0	7,373	94,300
12/31/2002	1,200	6,368	74,257	0	7,974	101,272
12/31/2003	1,200	5,796	80,053	0	8,503	114,876
12/31/2004	1,200	5,587	85,640	0	9,003	122,894
12/31/2005	1,200	6,268	91,909	0	9,558	126,352
12/31/2006	1,200	6,439	98,348	0	10,133	134,975
12/31/2007	1,200	7,316	105,664	0	10,774	140,703
12/31/2008	1,200	8,322	113,986	0	11,572	124,520
12/31/2009	1,200	6,203	120,189	0	12,230	144,318

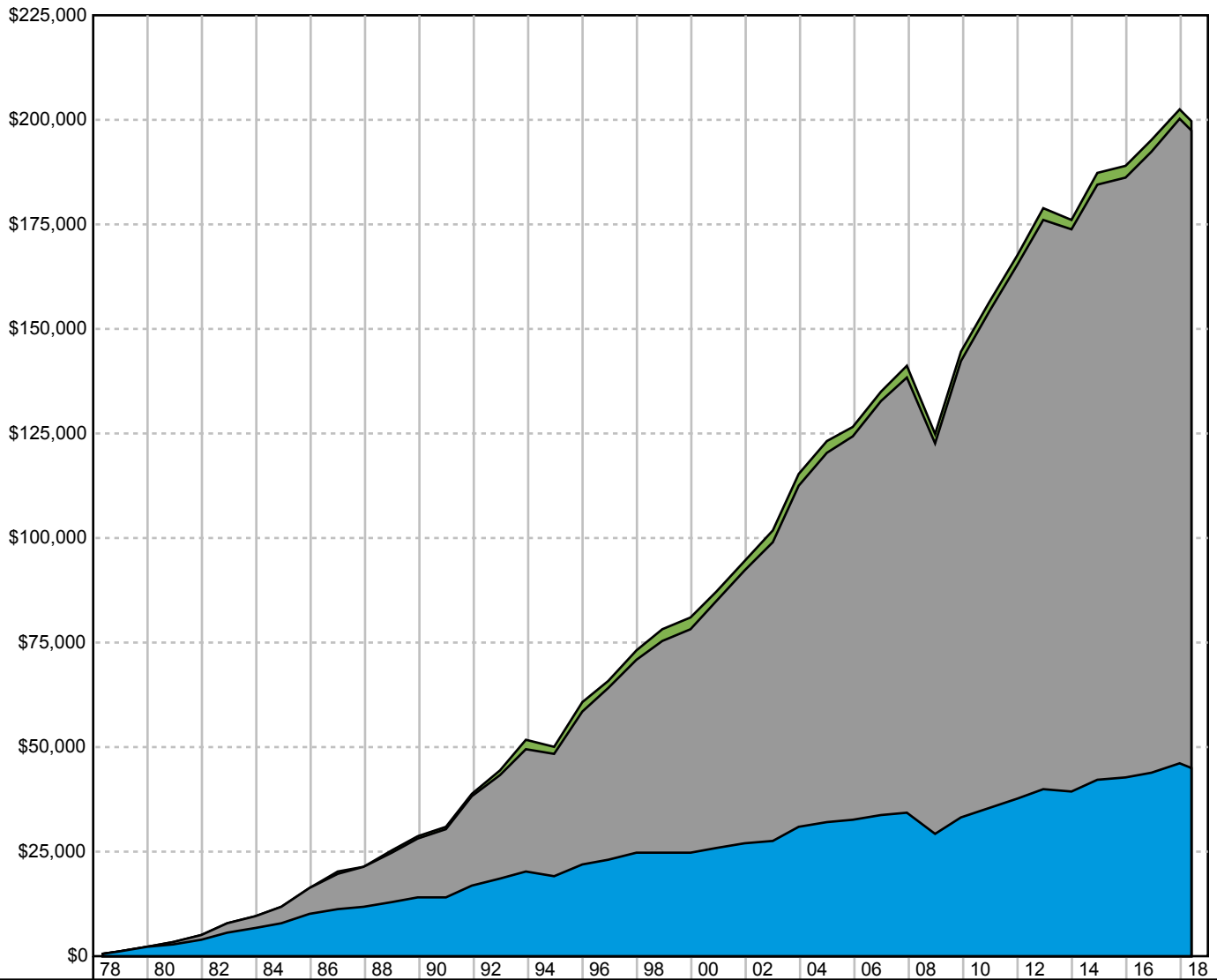
<b>Date</b>	<b>Investment(s)</b>	<b>Dividend Income</b>	<b>Total Dividend Income</b>	<b>Capital Gains</b>	<b>Shares Held</b>	<b>Total Value</b>
12/31/2010	1,200	5,781	125,970	0	12,799	156,025
12/31/2011	1,200	5,493	131,463	0	13,336	167,372
12/31/2012	1,200	4,504	135,967	0	13,778	178,422
12/31/2013	1,200	4,114	140,081	0	14,195	176,018
12/31/2014	1,200	3,901	143,982	0	14,593	186,937
12/31/2015	1,200	3,720	147,702	0	14,974	188,526
12/31/2016	1,200	3,287	150,989	0	15,318	194,849
12/31/2017	1,200	3,674	154,663	0	15,693	202,284
05/31/2018	500	1,734	156,397	0	15,869	199,628
<b>Total</b>	<b>48,000</b>	<b>156,397</b>	<b>156,397</b>	<b>2,771</b>	<b>15,869</b>	<b>199,628</b>

Average annual return on the investment for the period 06/01/1978 - 05/31/2018 : 6.16%

6/1/1978 - 5/31/2018

Total Ending Amount: \$199,628

**The Bond Fund of America A (ABNDX)** : \$100 initial investment on 06/01/1978. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 07/01/1978 to 05/31/2018 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: \$2,456)
- From Income (Ending value: \$152,213)
- From Principal (Ending value: \$44,959)

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