

# A Hypothetical Illustration for BUS-123 Fall 2018

---

**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)

---

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 6/30/2018

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 Investment Company of America A (AIVSX)	1/1/1934	5.75% Front	6.41%	11.41%	8.58%	12.06%

#### Gross Charges and Expenses

Fund Name	Sales Charge	Max CDSC	Max Redem Fee	Total Gross Operating Expense
The Investment Company of America A (AIVSX)	5.75%	1.00%	0.00%	0.58%

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 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 Investment Company of America A (AIVSX)**

<b>Date</b>	<b>Initial Investment</b>	<b>Initial Sales Charge</b>	<b>Net Amount Invested</b>	<b>Shares Purchased</b>
08/01/1978	\$100.00	5.75%	\$94	11.765

\$100 initial investment on 08/01/1978. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 09/01/1978 to 07/31/2018 every month, 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.

<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>
12/31/1978	500	5	5	0	61	454
12/31/1979	1,200	48	53	7	211	1,790
12/31/1980	1,200	117	169	44	359	3,468
12/31/1981	1,200	201	370	244	535	4,620
12/31/1982	1,200	314	684	300	748	7,617
12/31/1983	1,200	373	1,058	341	920	10,363
12/31/1984	1,200	459	1,517	474	1,116	12,281
12/31/1985	1,200	548	2,065	551	1,312	17,724
12/31/1986	1,200	681	2,746	3,495	1,727	22,778
12/31/1987	1,200	936	3,682	1,374	1,987	25,060
12/31/1988	1,200	1,166	4,848	1,614	2,288	29,610
12/31/1989	1,200	1,408	6,255	2,057	2,598	39,592
12/31/1990	1,200	1,588	7,844	600	2,826	41,034
12/31/1991	1,200	1,282	9,126	1,115	3,044	53,202
12/31/1992	1,200	1,465	10,591	1,014	3,249	58,130
12/31/1993	1,200	1,563	12,155	2,528	3,531	66,103
12/31/1994	1,200	1,731	13,885	2,194	3,812	67,353
12/31/1995	1,200	1,943	15,829	3,585	4,132	89,302
12/31/1996	1,200	2,099	17,927	4,376	4,451	107,854
12/31/1997	1,200	2,255	20,182	11,834	5,002	141,317
12/31/1998	1,200	2,602	22,784	15,117	5,634	175,045
12/31/1999	1,200	2,923	25,707	17,545	6,325	205,295
12/31/2000	1,200	3,353	29,060	13,472	6,901	214,355
12/31/2001	1,200	3,646	32,706	4,139	7,209	205,661
12/31/2002	1,200	3,800	36,506	3,380	7,537	176,968
12/31/2003	1,200	3,967	40,473	1,618	7,798	224,895
12/31/2004	1,200	4,095	44,568	2,820	8,070	248,143
12/31/2005	1,200	5,549	50,117	6,660	8,495	266,416
12/31/2006	1,200	6,356	56,473	17,831	9,256	310,153
12/31/2007	1,200	6,167	62,639	17,503	10,008	329,761
12/31/2008	1,200	6,881	69,521	0	10,311	216,112
12/31/2009	1,200	5,963	75,484	0	10,646	276,256

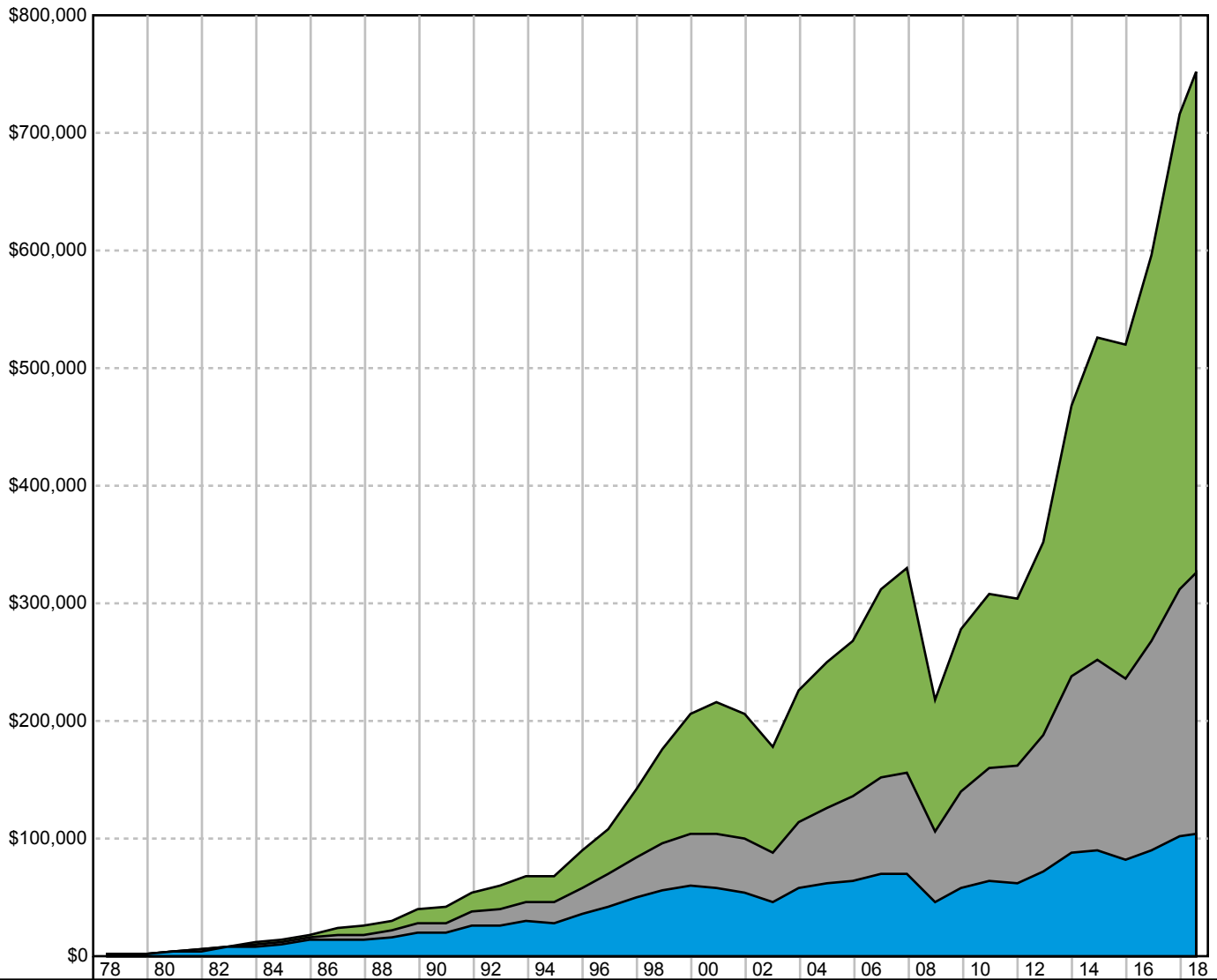
<b>Date</b>	<b>Investment(s)</b>	<b>Dividend Income</b>	<b>Total Dividend Income</b>	<b>Capital Gains</b>	<b>Shares Held</b>	<b>Total Value</b>
12/31/2010	1,200	6,027	81,511	0	10,922	307,552
12/31/2011	1,200	6,399	87,910	0	11,196	303,301
12/31/2012	1,200	8,150	96,061	4,781	11,666	351,853
12/31/2013	1,200	7,416	103,476	29,722	12,733	467,310
12/31/2014	1,200	9,310	112,786	43,106	14,160	525,052
12/31/2015	1,200	8,896	121,683	36,258	15,543	518,655
12/31/2016	1,200	10,740	132,422	20,501	16,440	595,611
12/31/2017	1,200	11,265	143,688	37,651	17,688	714,413
07/31/2018	700	5,408	149,096	9,967	18,080	750,148
<b>Total</b>	<b>48,000</b>	<b>149,096</b>	<b>149,096</b>	<b>319,816</b>	<b>18,080</b>	<b>750,148</b>

**Average annual return on the investment for the period 08/01/1978 - 07/31/2018 : 11.05%**

8/1/1978 - 7/31/2018

Total Ending Amount: \$750,148

**The Investment Company of America A (AIVSX)** : \$100 initial investment on 08/01/1978. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 09/01/1978 to 07/31/2018 every month, 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: \$425,274)
- From Income (Ending value: \$221,138)
- From Principal (Ending value: \$103,736)

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