

# A Hypothetical Illustration for BUS-123 Fall 2018

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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 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 9/30/2018

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 Bond Fund of America A (ABNDX)	5/28/1974	3.75% Front	-5.49%	1.18%	3.28%	7.29%

#### 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
10/01/1993	\$400,000.00	None	\$400,000	26,720.107

\$400,000 initial investment on 10/01/1993. Dividends and capital gains are reinvested. Withdrawals from 11/01/1993 to 09/30/2018 every month starting at 5.00% (annually) of Initial Investment and increasing by 3.00%, every twelve months, on the first day of the month as long as funds are available. The initial investment is not subject to sales charge. The effects of income and capital gains taxes are not demonstrated.

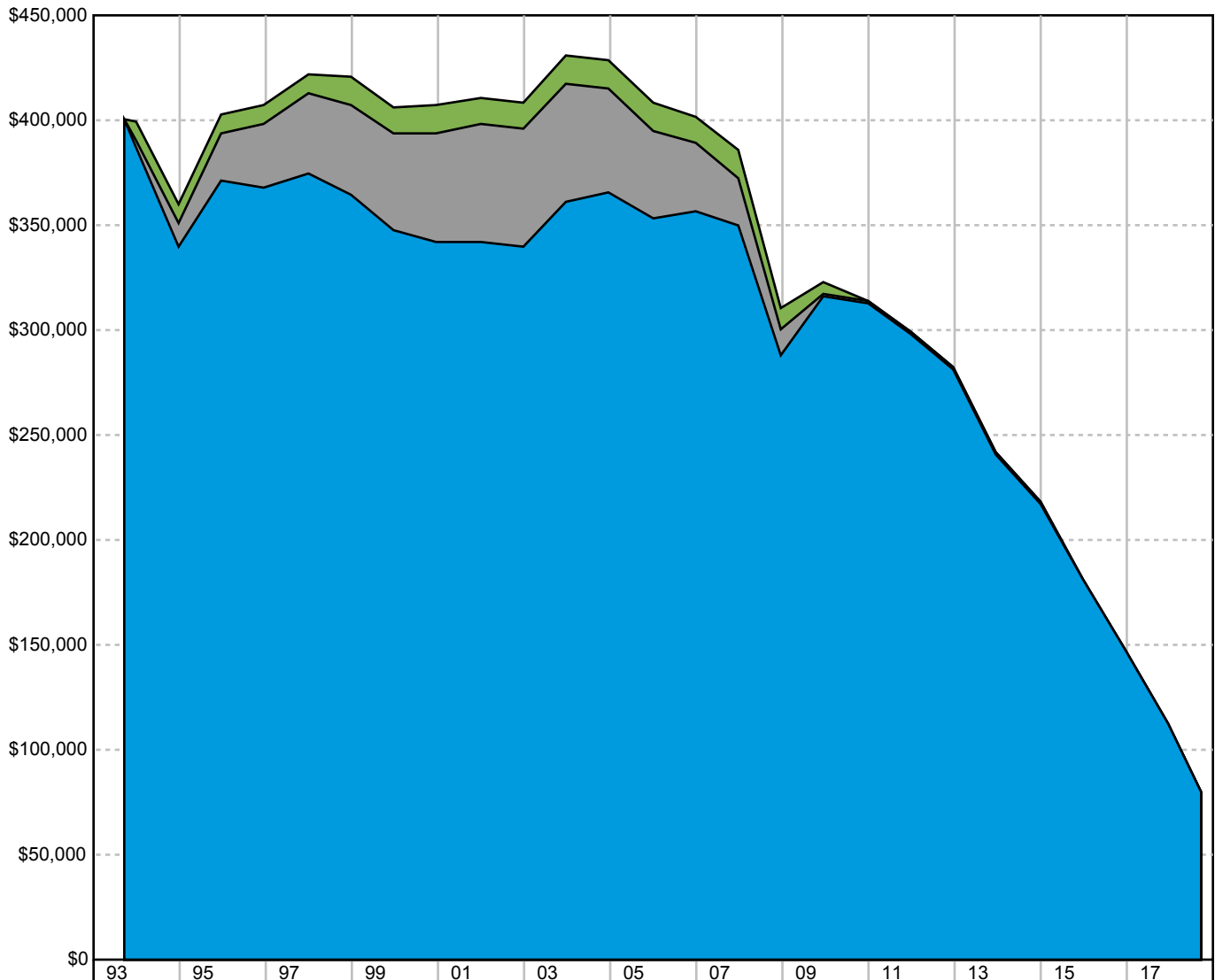
Date	Investment(s)	Withdrawal	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1993	400,000	3,333	6,808	6,808	9,656	27,625	399,175
12/31/1994	0	20,100	29,221	36,029	0	28,320	359,381
12/31/1995	0	20,703	29,801	65,829	0	28,991	402,393
12/31/1996	0	21,324	29,551	95,381	0	29,597	406,964
12/31/1997	0	21,964	29,031	124,412	0	30,106	421,482
12/31/1998	0	22,623	28,821	153,233	4,274	30,868	420,114
12/31/1999	0	23,301	28,770	182,003	0	31,283	406,059
12/31/2000	0	24,000	30,015	212,018	0	31,759	406,194
12/31/2001	0	24,720	28,406	240,424	0	32,044	409,840
12/31/2002	0	25,462	26,604	267,027	0	32,136	408,125
12/31/2003	0	26,226	22,481	289,508	0	31,843	430,195
12/31/2004	0	27,013	20,091	309,599	0	31,327	427,617
12/31/2005	0	27,823	20,861	330,459	0	30,816	407,384
12/31/2006	0	28,658	19,826	350,285	0	30,144	401,523
12/31/2007	0	29,518	20,716	371,001	0	29,487	385,098
12/31/2008	0	30,403	21,561	392,561	0	28,818	310,083
12/31/2009	0	31,315	14,607	407,168	0	27,321	322,393
12/31/2010	0	32,255	12,192	419,360	0	25,668	312,895
12/31/2011	0	33,222	10,332	429,692	0	23,816	298,892
12/31/2012	0	34,219	7,546	437,238	0	21,732	281,433
12/31/2013	0	35,245	6,005	443,243	0	19,427	240,896
12/31/2014	0	36,303	4,912	448,154	0	16,953	217,167
12/31/2015	0	37,392	3,889	452,043	0	14,340	180,536
12/31/2016	0	38,514	2,776	454,820	0	11,573	147,207
12/31/2017	0	39,669	2,363	457,183	0	8,676	111,837
09/30/2018	0	30,492	1,523	458,706	0	6,379	79,552
<b>Total</b>	<b>400,000</b>	<b>725,797</b>	<b>458,706</b>	<b>458,706</b>	<b>13,930</b>	<b>6,379</b>	<b>79,552</b>

**Average annual return on the investment for the period 10/01/1993 - 09/30/2018 : 5.27%**

10/1/1993 - 9/30/2018

Total Ending Amount: \$79,552

**The Bond Fund of America A (ABNDX)** : \$400,000 initial investment on 10/01/1993. Dividends and capital gains are reinvested. Withdrawals from 11/01/1993 to 09/30/2018 every month starting at 5.00% (annually) of Initial Investment and increasing by 3.00%, every twelve months, on the first day of the month as long as funds are available. The initial investment is not subject to sales charge. The effects of income and capital gains taxes are not demonstrated.



- From Capital Gains (Ending value: \$0)
- From Income (Ending value: \$153)
- From Principal (Ending value: \$79,399)

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