

A Hypothetical Illustration for BUS123 Spring 2018

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.

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 American Funds Corporate Bond Fund and 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 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 Retirement Target Date Series funds: Class F-3 shares (through at least April 7, 2018)
- American Funds Developing World Growth and Income Fund, American Funds Global Balanced Fund and American Funds Inflation Linked Bond Fund: Class R-2E and R-5E shares (through at least April 7, 2018)
- The New Economy Fund, New World Fund, American Mutual Fund, Capital World Growth and Income Fund, Capital Income Builder, The Bond Fund of America, Capital World Bond Fund and the American Funds Portfolio Series funds: Class R-5E shares (through at least April 7, 2018)
- American Funds Tax-Exempt Preservation Portfolio: all share classes (through at least April 7, 2018)
- 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)

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
American Balanced Fund A (ABALX)	7/26/1975	5.75% Front	3.14%	8.06%	7.26%	10.51%

Gross Charges and Expenses

Fund Name	Sales Charge	Max CDSC	Max Redem Fee	Total Gross Operating Expense
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.

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
04/01/1993	\$400,000.00	None	\$400,000	31,670.625

\$400,000 initial investment on 04/01/1993. Dividends and capital gains are reinvested. Withdrawals from 05/01/1993 to 03/31/2018 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.

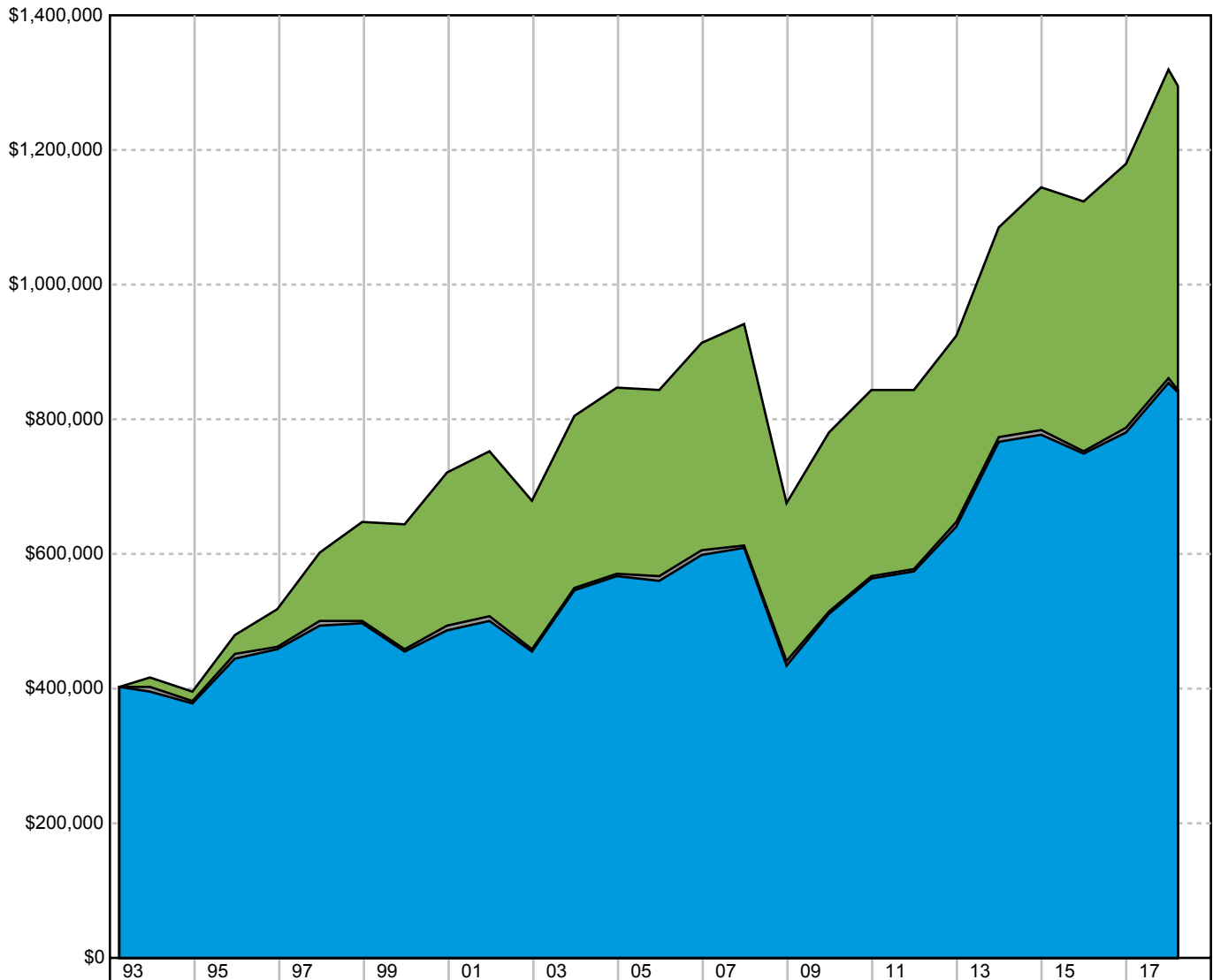
Date	Investment(s)	Withdrawal	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1993	400,000	13,333	14,167	14,167	14,437	32,922	413,835
12/31/1994	0	20,400	18,251	32,418	1,626	32,885	394,619
12/31/1995	0	21,012	18,206	50,624	15,208	33,771	477,855
12/31/1996	0	21,642	18,795	69,418	28,437	35,561	517,415
12/31/1997	0	22,292	19,878	89,297	46,068	38,380	601,804
12/31/1998	0	22,960	21,407	110,704	40,057	40,885	644,352
12/31/1999	0	23,649	22,948	133,652	53,255	44,598	643,098
12/31/2000	0	24,359	24,817	158,469	25,656	46,390	717,657
12/31/2001	0	25,089	25,875	184,343	14,026	47,342	750,363
12/31/2002	0	25,842	20,196	204,540	1,130	47,044	678,378
12/31/2003	0	26,617	17,206	221,746	0	46,423	802,655
12/31/2004	0	27,416	16,526	238,272	20,239	46,955	845,198
12/31/2005	0	28,238	18,576	256,848	15,505	47,281	842,543
12/31/2006	0	29,086	22,003	278,851	18,961	47,885	910,771
12/31/2007	0	29,958	24,691	303,542	20,811	48,694	940,275
12/31/2008	0	30,857	26,215	329,757	6,780	48,827	672,838
12/31/2009	0	31,783	19,735	349,493	0	47,976	777,687
12/31/2010	0	32,736	16,966	366,458	0	47,013	842,948
12/31/2011	0	33,718	18,502	384,960	0	46,190	841,122
12/31/2012	0	34,730	17,254	402,214	0	45,285	923,811
12/31/2013	0	35,772	16,931	419,146	0	44,425	1,084,865
12/31/2014	0	36,845	16,859	436,004	62,578	46,144	1,142,062
12/31/2015	0	37,950	18,238	454,243	42,428	47,142	1,123,402
12/31/2016	0	39,089	20,486	474,729	28,469	47,527	1,179,156
12/31/2017	0	40,261	22,739	497,468	45,845	48,550	1,318,142
03/31/2018	0	10,164	4,818	502,286	0	48,356	1,292,060
Total	400,000	725,797	502,286	502,286	501,515	48,356	1,292,060

Average annual return on the investment for the period 04/01/1993 - 03/31/2018 : 9.21%

4/1/1993 - 3/31/2018

Total Ending Amount: \$1,292,060

American Balanced Fund A (ABALX) : \$400,000 initial investment on 04/01/1993. Dividends and capital gains are reinvested. Withdrawals from 05/01/1993 to 03/31/2018 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: \$448,729)
- From Income (Ending value: \$4,731)
- From Principal (Ending value: \$838,600)

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