

# A Hypothetical Illustration for BUS123 Spring 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 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](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 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
The Bond Fund of America A (ABNDX)	5/28/1974	3.75% Front	-3.15%	0.85%	2.58%	7.38%
The Investment Company of America A (AIVSX)	1/1/1934	5.75% Front	5.38%	11.31%	7.92%	12.05%

#### 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 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 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.

This composite illustration must be accompanied by the underlying individual illustrations.

- Cumulative Volume Discount Reflected Where Applicable in This Illustration.
- NOTE: Systematic Accumulation Plans cannot assure a profit or protect against loss in declining markets.

## Portfolio Illustration Summary

**The Bond Fund of America A (ABNDX):** \$200,000 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.

**The Investment Company of America A (AIVSX):** \$200,000 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.

## Portfolio

<b>Date</b>	<b>Initial Investment</b>	<b>Net Amount Invested</b>
04/01/1993	\$400,000.00	\$400,000

See the settings on the Portfolio Illustration Summary Page preceding this illustration.

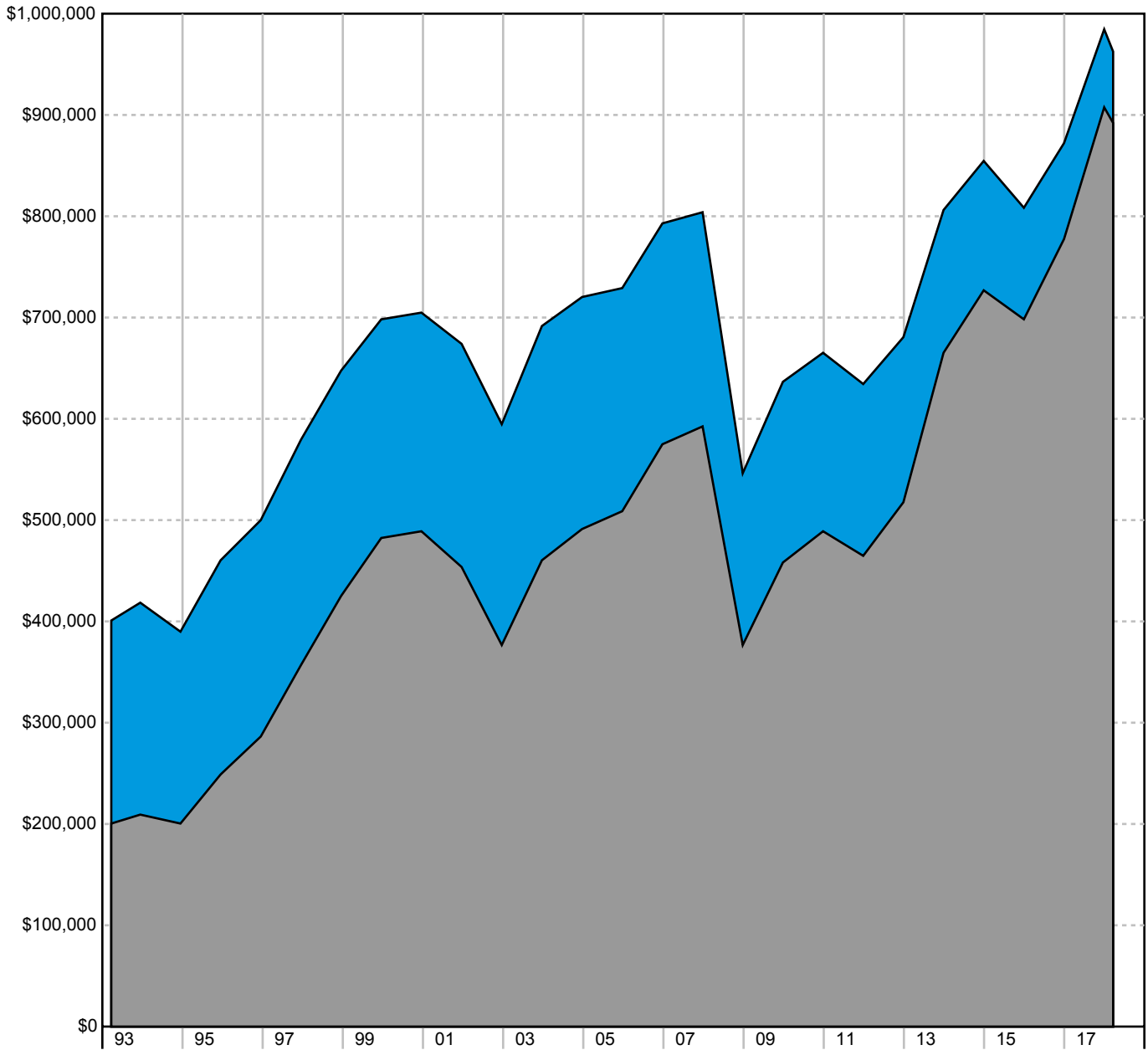
<b>Date</b>	<b>Investment(s)</b>	<b>Withdrawal</b>	<b>Dividend Income</b>	<b>Capital Gains</b>	<b>Total Value</b>
12/31/1993	400,000	13,333	15,045	12,645	418,323
12/31/1994	0	20,400	20,570	6,489	387,906
12/31/1995	0	21,012	21,186	9,963	459,810
12/31/1996	0	21,642	21,204	11,529	498,657
12/31/1997	0	22,292	21,089	29,830	578,814
12/31/1998	0	22,960	21,639	39,069	647,238
12/31/1999	0	23,649	22,192	41,314	697,696
12/31/2000	0	24,359	23,671	30,826	704,423
12/31/2001	0	25,089	23,282	9,221	672,195
12/31/2002	0	25,842	22,417	7,235	594,402
12/31/2003	0	26,617	20,268	3,303	690,104
12/31/2004	0	27,416	18,990	5,560	719,698
12/31/2005	0	28,238	21,952	12,698	728,400
12/31/2006	0	29,086	22,618	32,950	791,393
12/31/2007	0	29,958	22,490	31,430	802,554
12/31/2008	0	30,857	23,929	0	545,165
12/31/2009	0	31,783	18,106	0	635,918
12/31/2010	0	32,736	16,505	0	663,627
12/31/2011	0	33,718	15,725	0	632,450
12/31/2012	0	34,730	16,403	7,031	678,566
12/31/2013	0	35,772	14,122	42,258	804,583
12/31/2014	0	36,845	15,857	59,539	854,347
12/31/2015	0	37,950	14,412	48,772	806,675
12/31/2016	0	39,089	15,867	26,726	870,657
12/31/2017	0	40,261	15,996	47,823	984,295
03/31/2018	0	10,164	3,721	0	961,409
<b>Total</b>	<b>400,000</b>	<b>725,797</b>	<b>489,255</b>	<b>516,211</b>	<b>961,409</b>

Average annual return on the investment for the period 04/01/1993 - 03/31/2018 : 8.49%

Portfolio - (4/1/1993 - 3/31/2018)

Total Ending Amount: \$961,409

See the settings on the Portfolio Illustration Summary Page preceding this illustration.



■ The Bond Fund of America A (Ending value: \$70,709)

■ The Investment Company of America A (Ending value: \$890,700)

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

**The Bond Fund of America A (ABNDX)**

Date	Initial Investment	Initial Sales Charge	Net Amount Invested	Shares Purchased
04/01/1993	\$200,000.00	None	\$200,000	13,821.700

\$200,000 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	200,000	6,667	11,176	11,176	5,061	14,478	209,213
12/31/1994	0	10,200	15,330	26,506	0	14,869	188,684
12/31/1995	0	10,506	15,663	42,169	0	15,250	211,666
12/31/1996	0	10,821	15,562	57,731	0	15,599	214,485
12/31/1997	0	11,146	15,319	73,050	0	15,899	222,590
12/31/1998	0	11,480	15,239	88,288	2,261	16,337	222,348
12/31/1999	0	11,825	15,247	103,535	0	16,597	215,425
12/31/2000	0	12,179	15,948	119,483	0	16,894	216,074
12/31/2001	0	12,545	15,134	134,617	0	17,094	218,634
12/31/2002	0	12,921	14,216	148,833	0	17,198	218,414
12/31/2003	0	13,309	12,053	160,886	0	17,098	230,999
12/31/2004	0	13,708	10,810	171,696	0	16,882	230,442
12/31/2005	0	14,119	11,269	182,964	0	16,674	220,425
12/31/2006	0	14,543	10,756	193,720	0	16,385	218,255
12/31/2007	0	14,979	11,295	205,015	0	16,111	210,409
12/31/2008	0	15,428	11,824	216,839	0	15,846	170,508
12/31/2009	0	15,891	8,066	224,905	0	15,146	178,718
12/31/2010	0	16,368	6,791	231,696	0	14,356	175,002
12/31/2011	0	16,859	5,813	237,508	0	13,462	168,954
12/31/2012	0	17,365	4,293	241,802	0	12,441	161,114
12/31/2013	0	17,886	3,468	245,269	0	11,305	140,177
12/31/2014	0	18,422	2,889	248,159	0	10,080	129,129
12/31/2015	0	18,975	2,349	250,508	0	8,783	110,584
12/31/2016	0	19,544	1,739	252,247	0	7,405	94,195
12/31/2017	0	20,131	1,566	253,813	0	5,964	76,875
03/31/2018	0	5,082	370	254,183	0	5,594	70,709
<b>Total</b>	<b>200,000</b>	<b>362,899</b>	<b>254,183</b>	<b>254,183</b>	<b>7,321</b>	<b>5,594</b>	<b>70,709</b>

**Average annual return on the investment for the period 04/01/1993 - 03/31/2018 : 5.62%**

**The Investment Company of America A (AIVSX)**

Date	Initial Investment	Initial Sales Charge	Net Amount Invested	Shares Purchased
04/01/1993	\$200,000.00	None	\$200,000	10,911.075

\$200,000 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	200,000	6,667	3,868	3,868	7,585	11,170	209,110
12/31/1994	0	10,200	5,240	9,109	6,489	11,275	199,222
12/31/1995	0	10,506	5,523	14,631	9,963	11,483	248,144
12/31/1996	0	10,821	5,641	20,273	11,529	11,728	284,172
12/31/1997	0	11,146	5,771	26,044	29,830	12,610	356,224
12/31/1998	0	11,480	6,400	32,443	36,808	13,675	424,890
12/31/1999	0	11,825	6,945	39,389	41,314	14,857	482,272
12/31/2000	0	12,179	7,724	47,112	30,826	15,723	488,350
12/31/2001	0	12,545	8,148	55,260	9,221	15,898	453,561
12/31/2002	0	12,921	8,200	63,460	7,235	16,013	375,988
12/31/2003	0	13,309	8,215	71,675	3,303	15,919	459,106
12/31/2004	0	13,708	8,180	79,856	5,560	15,911	489,256
12/31/2005	0	14,119	10,683	90,539	12,698	16,198	507,975
12/31/2006	0	14,543	11,862	102,401	32,950	17,104	573,139
12/31/2007	0	14,979	11,195	113,597	31,430	17,971	592,145
12/31/2008	0	15,428	12,105	125,701	0	17,875	374,658
12/31/2009	0	15,891	10,040	135,742	0	17,619	457,200
12/31/2010	0	16,368	9,714	145,456	0	17,352	488,625
12/31/2011	0	16,859	9,913	155,368	0	17,110	463,497
12/31/2012	0	17,365	12,110	167,478	7,031	17,157	517,452
12/31/2013	0	17,886	10,654	178,132	42,258	18,104	664,406
12/31/2014	0	18,422	12,968	191,100	59,539	19,558	725,218
12/31/2015	0	18,975	12,063	203,163	48,772	20,860	696,091
12/31/2016	0	19,544	14,128	217,291	26,726	21,431	776,463
12/31/2017	0	20,131	14,430	231,721	47,823	22,466	907,420
03/31/2018	0	5,082	3,352	235,072	0	22,424	890,700
<b>Total</b>	<b>200,000</b>	<b>362,899</b>	<b>235,072</b>	<b>235,072</b>	<b>508,889</b>	<b>22,424</b>	<b>890,700</b>

**Average annual return on the investment for the period 04/01/1993 - 03/31/2018 : 10.09%**