

# A Hypothetical Illustration for BUS-123 Spring 2019

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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 carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses, summary prospectuses, CollegeAmerica Program Description and ABLEAmerica Program Description, which should be obtained from a financial professional and should be read carefully before investing. 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 and ABLE-A 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 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.

As compensation for its oversight and administration, Virginia529<sup>SM</sup> receives a quarterly fee accrued daily and calculated at the annual rate of 0.10% on the first \$20 billion of the net assets invested in ABLEAmerica and CollegeAmerica in the aggregate and 0.05% on net assets between \$20 billion and \$100 billion. This fee applies to both Class 529 and Class ABLE-A shares. Additional breakpoints apply to assets in excess of \$100 billion. Virginia529<sup>SM</sup> is currently waiving the fee with respect to ABLEAmerica assets. This waiver will be in effect through at least July 1, 2019. Subject to the terms of its contractual arrangement with the investment adviser, Virginia529<sup>SM</sup> may elect to extend, modify or terminate the waiver at that time.

### Standardized Average Annual Total Returns for Quarter Ended 3/31/2019

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	0.19%	6.25%	11.29%	10.41%

#### Gross Charges and Expenses

<b>Fund Name</b>	<b>Sales Charge</b>	<b>Max CDSC</b>	<b>Max Redem Fee</b>	<b>Total Gross Operating Expense</b>
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](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.

- 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
04/01/1994	\$400,000.00	None	\$400,000	33,472.803

\$400,000 initial investment on 04/01/1994. Dividends and capital gains are reinvested. Withdrawals from 05/01/1994 to 03/31/2019 every month starting at 5.00% (annually) of Initial Investment and increasing by 3.00%, every twelve months, on the last 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.

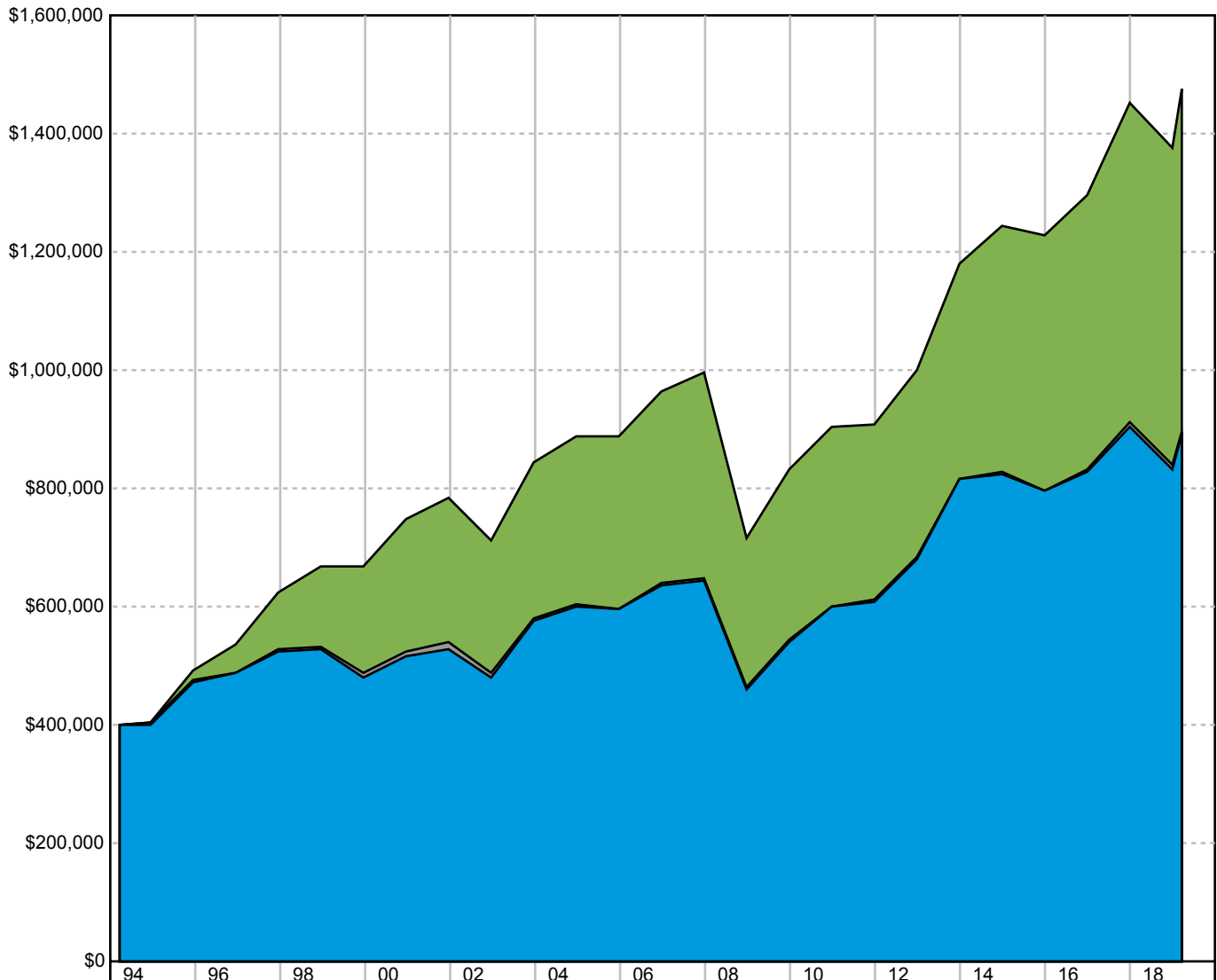
Date	Investment(s)	Withdrawal	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1994	400,000	13,333	14,029	14,029	999	33,618	403,421
12/31/1995	0	20,400	18,719	32,748	15,655	34,642	490,183
12/31/1996	0	21,012	19,375	52,123	29,342	36,579	532,220
12/31/1997	0	21,642	20,545	72,668	47,649	39,591	620,792
12/31/1998	0	22,292	22,177	94,845	41,533	42,280	666,329
12/31/1999	0	22,960	23,830	118,674	55,344	46,226	666,580
12/31/2000	0	23,649	25,834	144,508	26,736	48,215	745,885
12/31/2001	0	24,359	27,000	171,509	14,648	49,323	781,773
12/31/2002	0	25,089	21,127	192,636	1,181	49,125	708,378
12/31/2003	0	25,842	18,049	210,685	0	48,630	840,818
12/31/2004	0	26,617	17,383	228,067	21,312	49,320	887,751
12/31/2005	0	27,416	19,591	247,659	16,371	49,792	887,300
12/31/2006	0	28,238	23,270	270,929	20,076	50,577	961,983
12/31/2007	0	29,086	26,185	297,114	22,097	51,574	995,901
12/31/2008	0	29,958	27,883	324,997	7,202	51,838	714,334
12/31/2009	0	30,857	21,076	346,073	0	51,172	829,500
12/31/2010	0	31,783	18,197	364,270	0	50,351	902,796
12/31/2011	0	32,736	19,924	384,194	0	49,667	904,430
12/31/2012	0	33,718	18,656	402,850	0	48,899	997,546
12/31/2013	0	34,730	18,379	421,229	0	48,172	1,176,353
12/31/2014	0	35,772	18,369	439,598	68,273	50,225	1,243,058
12/31/2015	0	36,845	19,946	459,544	46,456	51,503	1,227,311
12/31/2016	0	37,950	22,496	482,041	31,290	52,134	1,293,446
12/31/2017	0	39,089	25,072	507,113	50,600	53,475	1,451,835
12/31/2018	0	40,261	27,648	534,761	53,601	55,172	1,373,783
03/31/2019	0	10,164	5,491	540,253	0	54,995	1,472,204
<b>Total</b>	<b>400,000</b>	<b>725,797</b>	<b>540,253</b>	<b>540,253</b>	<b>570,363</b>	<b>54,995</b>	<b>1,472,204</b>

**Average annual return on the investment for the period 04/01/1994 - 03/31/2019 : 9.53%**

4/1/1994 - 3/31/2019

Total Ending Amount: \$1,472,204

**American Balanced Fund A (ABALX)** : \$400,000 initial investment on 04/01/1994. Dividends and capital gains are reinvested. Withdrawals from 05/01/1994 to 03/31/2019 every month starting at 5.00% (annually) of Initial Investment and increasing by 3.00% every twelve months, on the last 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: \$576,987)
- From Income (Ending value: \$4,148)
- From Principal (Ending value: \$891,069)

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