

# A Hypothetical Illustration for BUS-121, Financial Planning and Money Management

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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. American Funds Distributors, Inc., member FINRA.

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. 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 8/1/20)
- American Funds Tax-Exempt Fund of New York: all share classes (through at least 10/1/20)
- American Funds Mortgage Fund: Class R-2E and R-5E shares (through at least 11/1/20)
- Short-Term Bond Fund of America: Class F-3 shares (through at least 11/1/20)
- American Funds Retirement Income Portfolio - Conservative: Class R-2E and R-5 shares (through at least 1/1/21)
- American Funds Retirement Income Portfolio - Moderate: Class R-5E, R-5 and R-6 (through at least 1/1/21)
- American Funds Retirement Income Portfolio - Enhanced: Class R-5 and R-6 shares (through at least 1/1/21)
- American Funds Preservation Portfolio: Class R-2E shares (through at least 1/1/21)
- American Funds Tax-Exempt Preservation Portfolio: all share classes (through at least 1/1/21)

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.

For the funds listed below, the fund's transfer agent is currently waiving a portion of the funds' other expenses, without which the results would have been lower and net expense ratios higher.

- American Funds Developing World Growth and Income Fund and American Funds Inflation Linked Bond Fund: Class F-3 shares (through at least 2/1/21)

The transfer agent may elect at its discretion to extend, modify or terminate the waiver at that time. Please see each fund's most recent prospectus for details.

Virginia529<sup>SM</sup>, as program administrator of ABLEAmerica, is currently waiving the fee owed to it as compensation for its oversight and administration of ABLEAmerica. This waiver will be in effect for Class ABLE-A shares through at least December 1, 2019 for American Funds U.S. Government Money Market Fund and January 1, 2020 for the Portfolio Fund Series. 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 9/30/2020

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	5.38%	3.61%	3.31%	7.38%

#### 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>
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.

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

**Class A shares are subject to an up-front maximum sales charge of 5.75% for equity, Target Date, Retirement Income and most Portfolio Series funds, 3.75% for most fixed income funds and American Funds Tax-Aware Conservative Growth and 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. Data prior to 6/30/2020, returns reflect deduction of the maximum sales charge: 5.75% for equity funds and most Portfolio Series funds and 3.75% for most fixed income funds maximum sales charges. 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.**

- 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.

**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.**

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.

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.

Higher yielding, higher risk bonds can fluctuate in price more than investment-grade bonds, so investors should maintain a long-term perspective.

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

Date	Initial Investment	Initial Sales Charge	Net Amount Invested	Shares Purchased
10/01/1980	\$100.00	3.75%	\$96	8.058

\$100 initial investment on 10/01/1980. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 11/01/1980 to 09/30/2020 every month, on the first day of the month. The initial investment is subject to a 3.75% sales charge. Subsequent investments are subject to a sales charge of up to 3.75%. The effects of income and capital gains taxes are not demonstrated.

Date	Investment(s)	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1980	300	6	6	0	25	294
12/31/1981	1,200	134	140	0	141	1,541
12/31/1982	1,200	320	460	0	271	3,435
12/31/1983	1,200	479	939	0	399	4,955
12/31/1984	1,200	684	1,622	0	552	6,808
12/31/1985	1,200	909	2,531	0	710	9,945
12/31/1986	1,200	1,160	3,691	344	894	12,711
12/31/1987	1,200	1,303	4,993	0	1,075	14,125
12/31/1988	1,200	1,484	6,477	0	1,272	16,835
12/31/1989	1,200	1,789	8,267	0	1,492	19,742
12/31/1990	1,200	1,999	10,266	0	1,741	21,572
12/31/1991	1,200	2,196	12,462	0	1,999	27,387
12/31/1992	1,200	2,418	14,880	90	2,264	31,671
12/31/1993	1,200	2,580	17,460	973	2,586	37,371
12/31/1994	1,200	2,861	20,320	0	2,887	36,631
12/31/1995	1,200	3,179	23,499	0	3,211	44,571
12/31/1996	1,200	3,422	26,921	0	3,547	48,774
12/31/1997	1,200	3,628	30,550	0	3,893	54,500
12/31/1998	1,200	3,875	34,425	579	4,298	58,502
12/31/1999	1,200	4,170	38,595	0	4,701	61,013
12/31/2000	1,200	4,706	43,301	0	5,160	65,997
12/31/2001	1,200	4,811	48,112	0	5,620	71,885
12/31/2002	1,200	4,864	52,976	0	6,101	77,485
12/31/2003	1,200	4,442	57,418	0	6,527	88,179
12/31/2004	1,200	4,295	61,714	0	6,931	94,611
12/31/2005	1,200	4,834	66,547	0	7,378	97,540
12/31/2006	1,200	4,979	71,526	0	7,843	104,471
12/31/2007	1,200	5,671	77,197	0	8,359	109,170
12/31/2008	1,200	6,467	83,663	0	9,001	96,850
12/31/2009	1,200	4,831	88,494	0	9,536	112,528
12/31/2010	1,200	4,513	93,007	0	10,001	121,917
12/31/2011	1,200	4,297	97,304	0	10,442	131,045

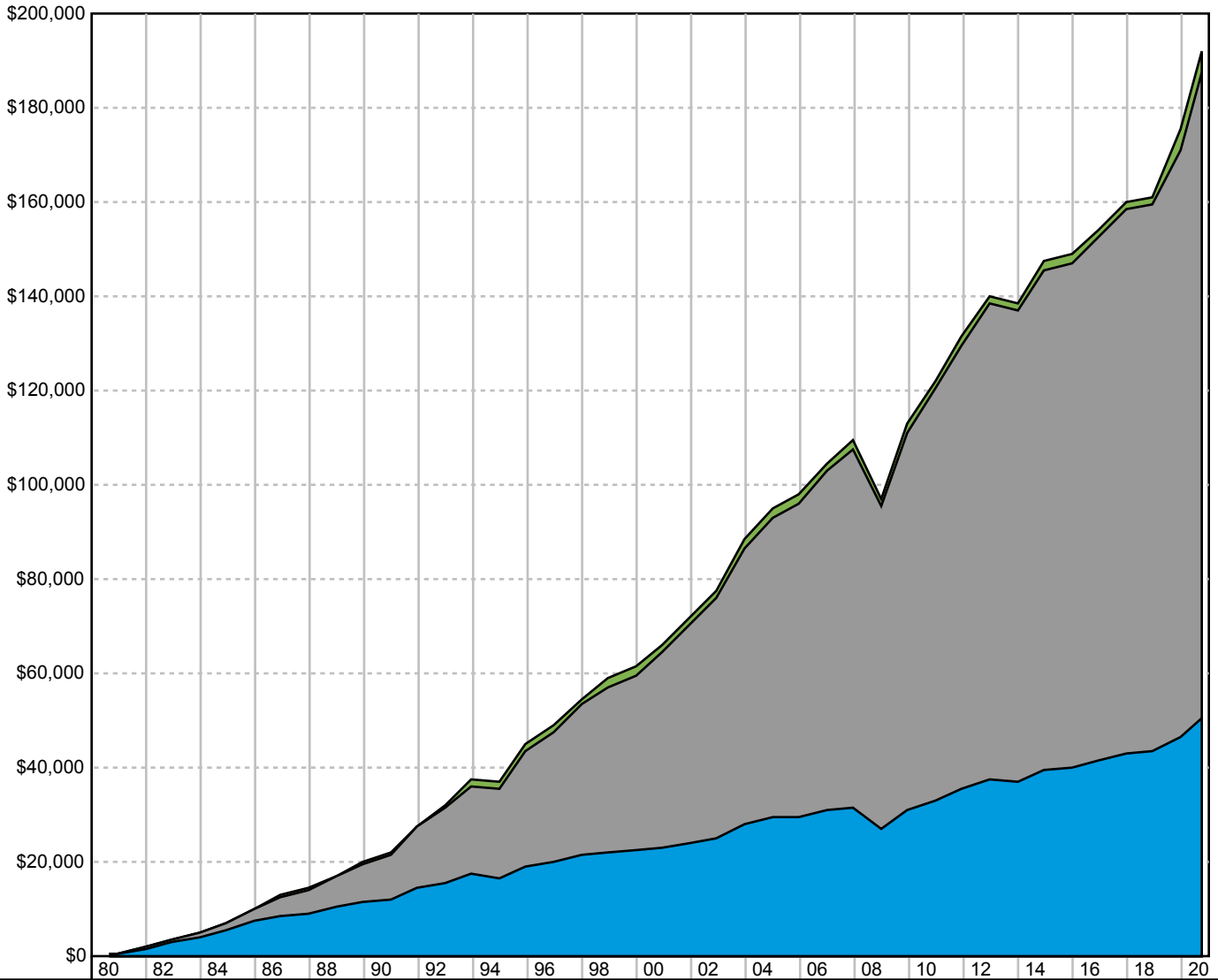
<b>Date</b>	<b>Investment(s)</b>	<b>Dividend Income</b>	<b>Total Dividend Income</b>	<b>Capital Gains</b>	<b>Shares Held</b>	<b>Total Value</b>
12/31/2012	1,200	3,530	100,834	0	10,807	139,955
12/31/2013	1,200	3,230	104,064	0	11,155	138,317
12/31/2014	1,200	3,068	107,132	0	11,487	147,150
12/31/2015	1,200	2,931	110,063	0	11,807	148,646
12/31/2016	1,200	2,594	112,657	0	12,097	153,875
12/31/2017	1,200	2,904	115,562	0	12,412	159,992
12/31/2018	1,200	3,775	119,337	0	12,805	160,965
12/31/2019	1,200	3,912	123,249	2,331	13,372	175,043
09/30/2020	900	2,765	126,013	0	13,636	191,859
<b>Total</b>	<b>48,000</b>	<b>126,013</b>	<b>126,013</b>	<b>4,318</b>	<b>13,636</b>	<b>191,859</b>

**Average annual return on the investment for the period 10/01/1980 - 09/30/2020 : 6.00%**

10/1/1980 - 9/30/2020

Total Ending Amount: \$191,859

**The Bond Fund of America A (ABNDX)** : \$100 initial investment on 10/01/1980. Dividends and capital gains are reinvested. Subsequent investments of \$100.00 from 11/01/1980 to 09/30/2020 every month, on the first day of the month. The initial investment is subject to a 3.75% sales charge. Subsequent investments are subject to a sales charge of up to 3.75%. The effects of income and capital gains taxes are not demonstrated.



- From Capital Gains (Ending value: \$4,476)
- From Income (Ending value: \$137,046)
- From Principal (Ending value: \$50,337)

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