

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

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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 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
American Balanced Fund A (ABALX)	7/26/1975	5.75% Front	2.79%	8.20%	9.17%	10.37%

#### 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%	0.59%

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.**

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.

**American Balanced Fund A (ABALX)**

Date	Initial Investment	Initial Sales Charge	Net Amount Invested	Shares Purchased
10/01/1995	\$500,000.00	None	\$500,000	35,714.286

\$500,000 initial investment on 10/01/1995. Dividends and capital gains are reinvested. Withdrawals from 11/01/1995 to 09/30/2020 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.

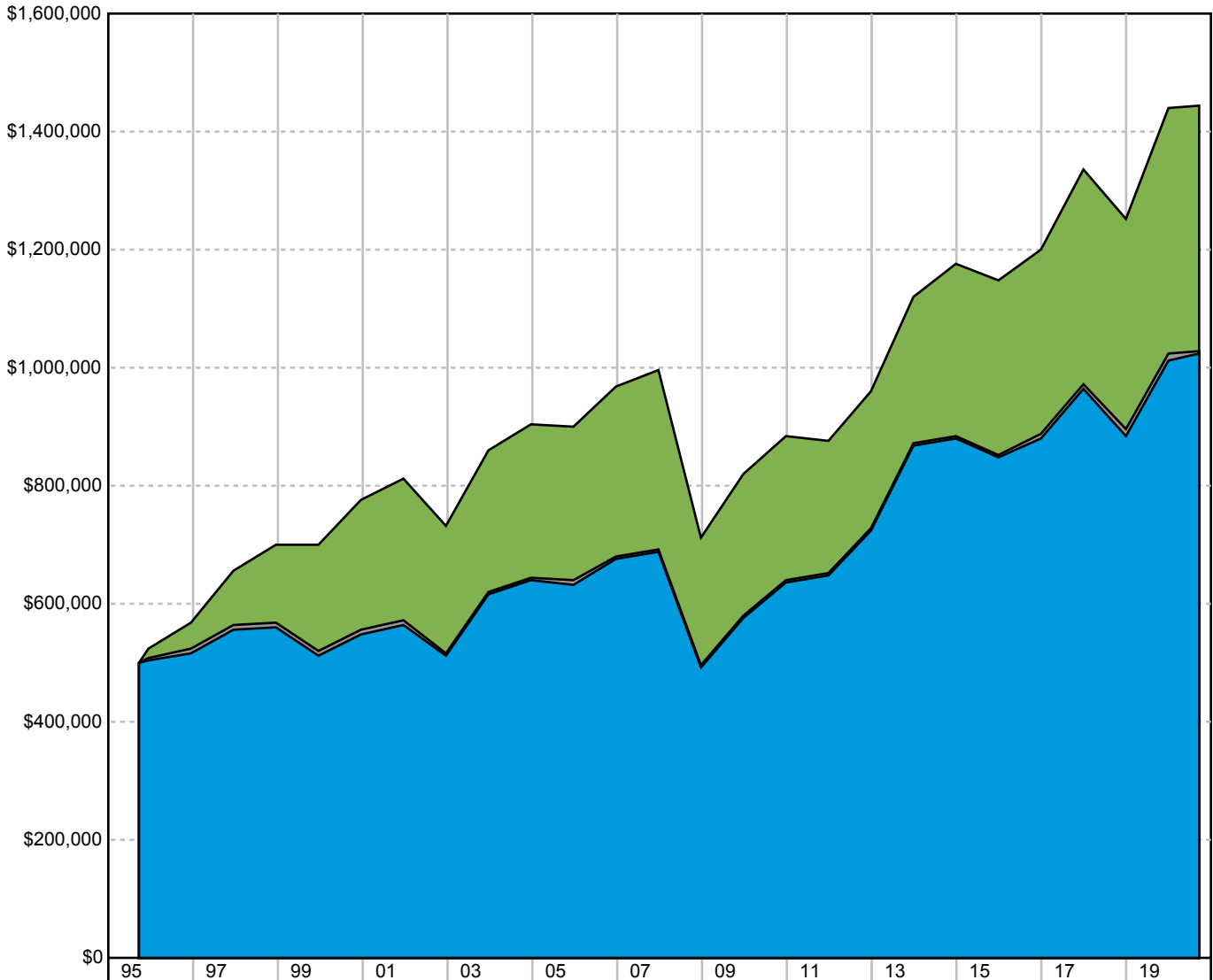
Date	Investment(s)	Withdrawal	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1995	500,000	4,167	4,959	4,959	16,649	36,971	523,133
12/31/1996	0	25,125	20,542	25,502	31,053	38,825	564,898
12/31/1997	0	25,879	21,669	47,171	50,177	41,794	655,329
12/31/1998	0	26,655	23,277	70,448	43,516	44,410	699,901
12/31/1999	0	27,455	24,889	95,337	57,717	48,319	696,766
12/31/2000	0	28,278	26,845	122,182	27,721	50,124	775,419
12/31/2001	0	29,127	27,915	150,097	15,120	51,019	808,657
12/31/2002	0	30,001	21,731	171,828	1,217	50,555	729,010
12/31/2003	0	30,901	18,457	190,285	0	49,735	859,912
12/31/2004	0	31,828	17,676	207,961	21,621	50,160	902,887
12/31/2005	0	32,782	19,809	227,771	16,513	50,357	897,364
12/31/2006	0	33,766	23,392	251,162	20,132	50,843	967,039
12/31/2007	0	34,779	26,170	277,332	22,030	51,545	995,327
12/31/2008	0	35,822	27,694	305,026	7,173	51,495	709,605
12/31/2009	0	36,897	20,756	325,783	0	50,354	816,232
12/31/2010	0	38,004	17,756	343,538	0	49,120	880,727
12/31/2011	0	39,144	19,277	362,815	0	48,043	874,865
12/31/2012	0	40,318	17,894	380,709	0	46,884	956,436
12/31/2013	0	41,528	17,479	398,188	0	45,790	1,118,184
12/31/2014	0	42,774	17,329	415,517	64,227	47,357	1,172,082
12/31/2015	0	44,057	18,665	434,182	43,362	48,165	1,147,772
12/31/2016	0	45,379	20,864	455,046	28,965	48,328	1,199,013
12/31/2017	0	46,740	23,047	478,093	46,410	49,137	1,334,069
12/31/2018	0	48,142	25,192	503,285	48,728	50,270	1,251,718
12/31/2019	0	49,586	26,913	530,198	29,283	50,456	1,438,007
09/30/2020	0	38,115	14,947	545,145	7,310	49,903	1,440,701
<b>Total</b>	<b>500,000</b>	<b>907,247</b>	<b>545,145</b>	<b>545,145</b>	<b>598,923</b>	<b>49,903</b>	<b>1,440,701</b>

**Average annual return on the investment for the period 10/01/1995 - 09/30/2020 : 8.92%**

10/1/1995 - 9/30/2020

Total Ending Amount: \$1,440,701

**American Balanced Fund A (ABALX)** : \$500,000 initial investment on 10/01/1995. Dividends and capital gains are reinvested. Withdrawals from 11/01/1995 to 09/30/2020 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: \$413,107)
- From Income (Ending value: \$4,941)
- From Principal (Ending value: \$1,022,653)

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