

# A Hypothetical Illustration for BUS-123, Introduction to Investments, Fall 2021

---

**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)

---

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. Prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. If a sales charge had been deducted, the results would have been lower. For more current information and month-end results, visit [capitalgroup.com](http://capitalgroup.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. Investors should carefully consider investment objectives, risks, charges, and expenses. This and other important information is contained in the fund prospectuses, summary prospectuses, ABLEAmerica Program Description and CollegeAmerica Program Description, which can 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. Lipper indexes track the largest mutual funds (no more than 30), represented by one share class per fund, in the corresponding Lipper category. Lipper averages reflect the current composition of all eligible mutual funds (all share classes) within a given category. 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 American Funds Global Insight Fund and American Funds International Vantage Fund, the expense ratios are estimated. For the funds and/or share classes listed below, the investment adviser has agreed to reimburse a portion of fund expenses through the date(s) listed below, without which results would have been lower and net expenses higher.

- American Funds Short-Term Tax-Exempt Bond Fund: all share classes (expiration: N/A)
- American Funds Tax-Exempt Fund of New York: all share classes (expiration: 10/1/2021)
- American Funds Corporate Bond Fund: all share classes (expiration: 10/30/2021)
- Short-Term Bond Fund of America: Class R-2E shares (expiration: 10/30/2021)
- American Funds Retirement Income Portfolio - Conservative: Class R-2E and R-5E shares (expiration: 1/1/2022)
- American Funds Retirement Income Portfolio - Enhanced: Class R-5 shares (expiration: 1/1/2022)
- American Funds Retirement Income Portfolio - Moderate: Class R-2E, R-5E and R-5 (expiration: 1/1/2022)
- American Funds Tax-Exempt Preservation Portfolio: all share classes (expiration: 1/1/2022)
- American Funds 2065 Target Date Retirement Fund: all share classes (expiration: 1/1/2022)
- American Funds Emerging Markets Bond Fund: all share classes (expiration: 3/1/2022)
- American Funds Strategic Bond Fund: all share classes (expiration: 3/1/2022)
- American Funds International Vantage Fund: Class F-3 shares (expiration: 1/1/2024, so that total expenses do not exceed 0.65%), all other share classes (expiration: 1/1/2022)

The investment advisor may elect at its discretion to extend, modify or terminate the reimbursements as of any noted expiration date. Please see each fund's most recent shareholder report for details.

For the funds listed below, the fund's transfer agent has agreed to waive a portion of fund expenses through the date(s) listed below, without which results would have been lower and net expenses higher.

- Short-Term Bond Fund of America: Class F-3 shares (expiration: 10/30/2021)
- American Funds 2065 Target Date Retirement Fund: Class F-3 shares (expiration: 1/1/2022)
- American Funds Developing World Growth and Income Fund: Class F-3 shares (expiration: 2/1/2022)
- American Funds Inflation Linked Bond Fund: Class F-3 shares (expiration: 2/1/2022)
- The New Economy Fund: Class F-3 shares (expiration: 2/1/2022)
- American Funds Emerging Markets Bond Fund: Class F-3 shares (expiration: 3/1/2022)
- American Funds Strategic Bond Fund: all share classes (expiration: 3/1/2022)
- Capital World Bond Fund: Class F-3 shares (expiration: 3/1/2022)

The transfer agent may elect at its discretion to extend, modify or terminate the waiver as of any noted expiration date.

For the funds listed below, Virginia529<sup>SM</sup>, as program administrator of ABLEAmerica, has agreed to waive the fee owed to it as compensation for its oversight and administration of ABLEAmerica through the date(s) listed below, without which results would have been lower and net expenses higher.

- American Funds U.S. Government Money Market Fund (expiration: 12/1/2021)
- American Funds Moderate Growth and Income Portfolio (expiration: 1/1/2022)
- American Funds Global Growth Portfolio (expiration: 1/1/2022)
- American Funds Growth and Income Portfolio (expiration: 1/1/2022)
- American Funds Growth Portfolio (expiration: 1/1/2022)
- American Funds Conservative Growth and Income Portfolio (expiration: 1/1/2022)
- American Funds Preservation Portfolio (expiration: 1/1/2022)

Subject to the terms of its contractual arrangement with the investment adviser, Virginia529<sup>SM</sup> may elect at its discretion to extend, modify or terminate the waiver as of any noted expiration date.

#### Standardized Average Annual Total Returns for Quarter Ended 6/30/2021

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 Investment Company of America F3 (FFICX)	1/1/1934	0.00% CDSC	35.81%	14.55%	12.95%	12.23%

#### Gross Charges and Expenses

Fund Name	Sales Charge	Max CDSC	Max Redem Fee	Total Gross Operating Expense
The Investment Company of America F3 (FFICX)	0.00%	0.00%	0.00%	0.27%

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 F-3 shares were first offered on January 27, 2017. Class F-3 share results prior to the date of first sale are hypothetical based on the results of the original share class of the fund, adjusted for typical estimated expenses. Certain withdrawals before age 59 1/2 may be subject to income tax and, if applicable, to a 10% federal penalty. Please consult your tax advisor. Please see each fund's prospectus for more information on specific expenses. Please see [capitalgroup.com](http://capitalgroup.com) for more information on specific expense adjustments and the actual dates of first sale.

- The 1, 5, and 10-year return for each fund is based on the NAV value.
- The "Average annual return on the investment" is based on the NAV value.

**The Investment Company of America F3 (FFICX)**

<b>Date</b>	<b>Initial Investment</b>	<b>Initial Sales Charge</b>	<b>Net Amount Invested</b>	<b>Shares Purchased</b>	<b>Advisory Fee</b>
07/01/2001	\$500,000.00	None	\$500,000	16,600.266	1.25%

\$500,000 initial investment on 07/01/2001. Dividends and capital gains are reinvested. Account value is subject to an annual advisory fee of 1.25% assessed every three months based on a fiscal year ending December. All other fees are waived. The effects of income and capital gains taxes are not demonstrated.

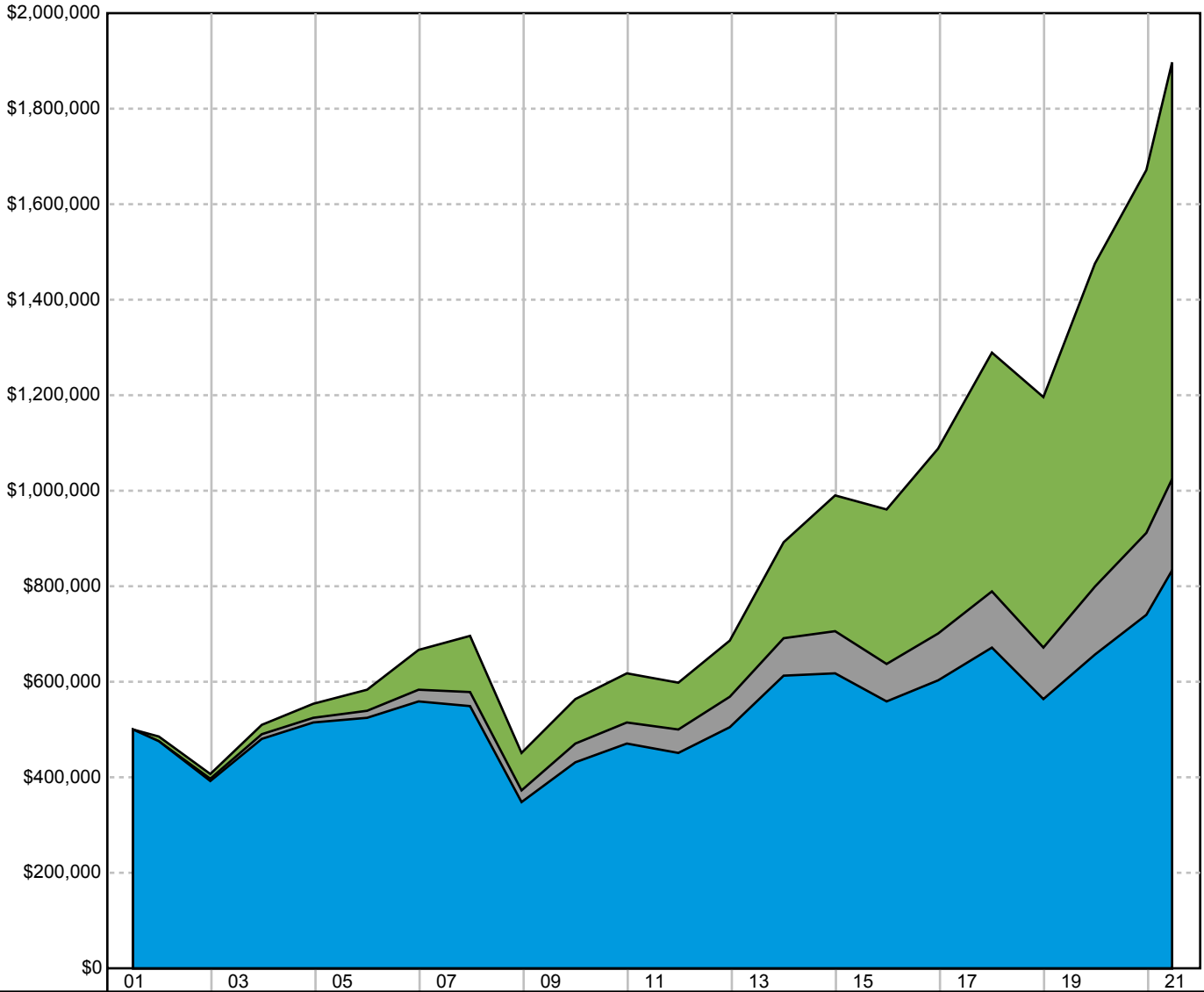
<b>Date</b>	<b>Investment(s)</b>	<b>Advisory Fee</b>	<b>Dividend Income</b>	<b>Total Dividend Income</b>	<b>Capital Gains</b>	<b>Shares Held</b>	<b>Total Value</b>
12/31/2001	500,000	2,910	4,319	4,319	5,819	16,856	480,892
12/31/2002	0	5,381	8,812	13,132	7,808	17,299	406,183
12/31/2003	0	5,599	9,026	22,158	3,656	17,568	506,649
12/31/2004	0	6,544	9,153	31,311	6,261	17,863	549,292
12/31/2005	0	7,013	12,172	43,483	14,537	18,486	579,719
12/31/2006	0	7,858	13,715	57,198	38,279	19,808	663,761
12/31/2007	0	8,790	13,105	70,303	36,976	21,076	694,459
12/31/2008	0	7,031	14,388	84,691	0	21,355	447,602
12/31/2009	0	6,175	12,255	96,946	0	21,663	562,166
12/31/2010	0	7,122	12,170	109,116	0	21,855	615,449
12/31/2011	0	7,569	12,707	121,823	0	22,042	597,122
12/31/2012	0	8,351	15,908	137,732	9,292	22,602	681,685
12/31/2013	0	10,050	14,261	151,993	56,879	24,292	891,499
12/31/2014	0	11,974	17,631	169,623	81,273	26,614	986,851
12/31/2015	0	12,065	16,613	186,236	67,438	28,785	960,552
12/31/2016	0	13,023	19,753	205,989	37,533	30,003	1,087,017
12/31/2017	0	15,111	23,816	229,805	68,093	31,912	1,288,268
12/31/2018	0	16,100	27,222	257,027	103,769	35,189	1,192,922
12/31/2019	0	17,223	30,945	287,972	64,298	37,199	1,471,220
12/31/2020	0	18,098	27,744	315,716	4,251	37,592	1,669,068
06/30/2021	0	11,523	14,366	330,082	15,538	37,965	1,894,827
<b>Total</b>	<b>500,000</b>	<b>205,511</b>	<b>330,082</b>	<b>330,082</b>	<b>621,702</b>	<b>37,965</b>	<b>1,894,827</b>

**Average annual return on the investment for the period 07/01/2001 - 06/30/2021 : 6.89%**

7/1/2001 - 6/30/2021

Total Ending Amount: \$1,894,827

**The Investment Company of America F3 (FFICX)** : \$500,000 initial investment on 07/01/2001. Dividends and capital gains are reinvested. Account value is subject to an annual advisory fee of 1.25% assessed every three months based on a fiscal year ending December. All other fees are waived. The effects of income and capital gains taxes are not demonstrated.



- From Capital Gains (Ending value: \$871,476)
- From Income (Ending value: \$194,832)
- From Principal (Ending value: \$828,519)

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