

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

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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. 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 9/30/2021

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 Bond Fund of America A (ABNDX)	5/28/1974	3.75% Front	-3.49%	2.68%	2.97%	7.22%
The Investment Company of America A (AIVSX)	1/1/1934	5.75% Front	20.30%	12.21%	13.96%	12.10%

#### 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%	0.57%
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.

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

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

**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 American Funds Inflation Linked Bond Fund, 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 is as follows: \$25,000 for equity, Target Date Retirement, Retirement Income Portfolio Series and most Portfolio Series funds; \$100,000 for most bond funds and American Funds Tax-Aware Conservative Growth and Income Portfolio; \$500,000 for American Funds Inflation Linked Bond Fund, American Funds Short-Term Tax-Exempt Bond Fund, Intermediate Bond Fund of America, Limited Term Tax-Exempt Bond Fund of America, Short-Term Bond Fund of America, American Funds Tax-Exempt Fund of New York, American High-Income Municipal Bond Fund, The Tax-Exempt Bond Fund of America, The Tax-Exempt Fund of California, American Funds Preservation Portfolio and American Funds Tax-Exempt Preservation Portfolio. 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 (0.75% CDSC on American Funds Inflation Linked Bond Fund, American Funds Short-Term Tax-Exempt Bond Fund, Intermediate Bond Fund of America, Limited Term Tax-Exempt Bond Fund of America, Short-Term Bond Fund of America, American Funds Tax-Exempt Fund of New York, American High-Income Municipal Bond Fund, The Tax-Exempt Bond Fund of America, The Tax-Exempt Fund of California, American Funds Preservation Portfolio, American Funds Tax-Exempt Preservation Portfolio). 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.

## Portfolio Illustration Summary

**The Investment Company of America A (AIVSX):** \$250,000 initial investment on 10/01/1996. Dividends and capital gains are reinvested. Withdrawals from 11/01/1996 to 09/30/2021 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 Bond Fund of America A (ABNDX):** \$250,000 initial investment on 10/01/1996. Dividends and capital gains are reinvested. Withdrawals from 11/01/1996 to 09/30/2021 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

Date	Initial Investment	Net Amount Invested
10/01/1996	\$500,000.00	\$500,000

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

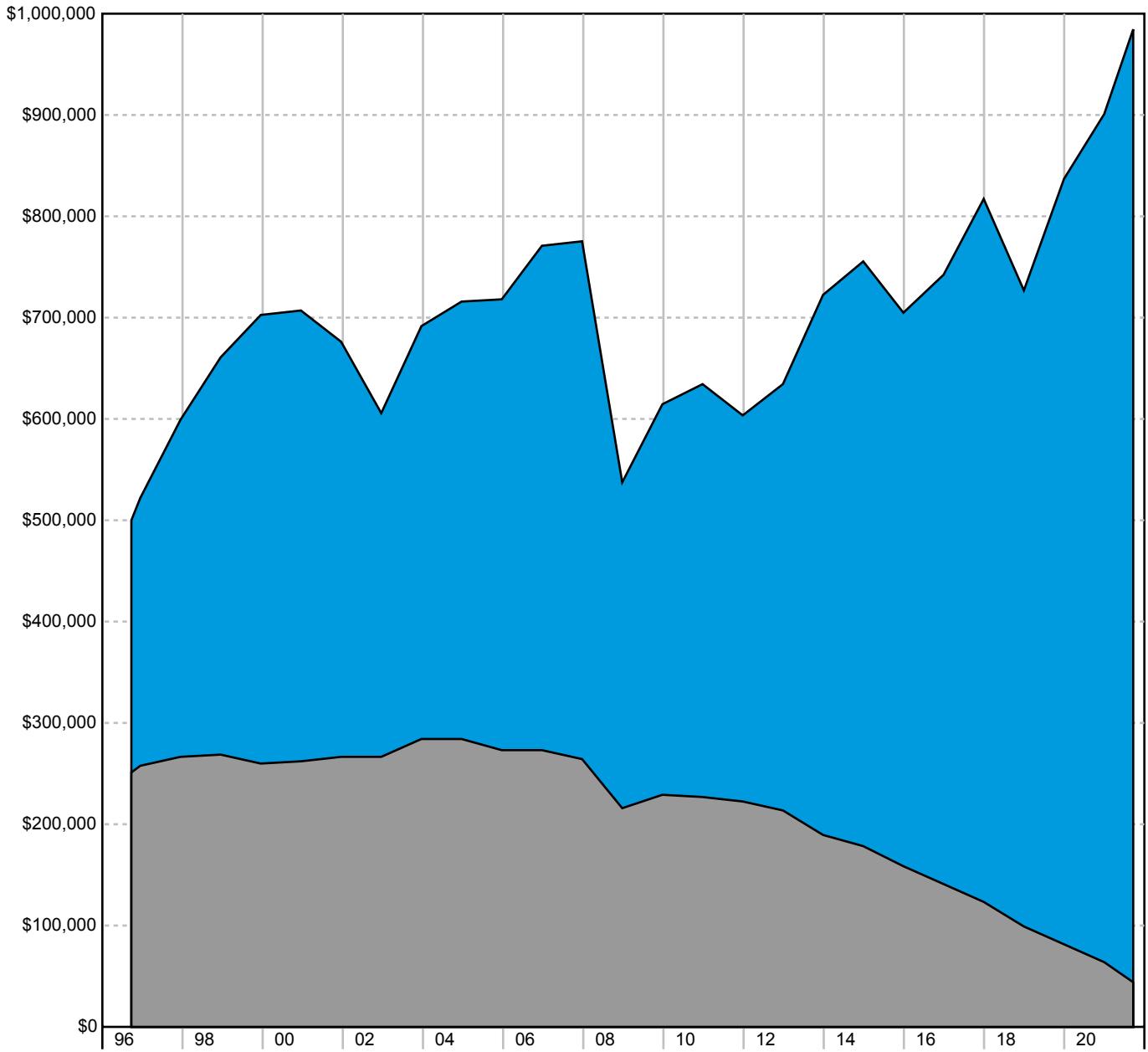
Date	Investment(s)	Withdrawal	Dividend Income	Capital Gains	Total Value
12/31/1996	500,000	4,167	6,598	10,788	521,529
12/31/1997	0	25,125	23,657	27,710	596,940
12/31/1998	0	25,879	24,159	36,693	658,651
12/31/1999	0	26,655	24,692	37,916	701,515
12/31/2000	0	27,455	26,276	28,136	706,221
12/31/2001	0	28,278	25,709	8,372	675,949
12/31/2002	0	29,127	24,663	6,515	603,908
12/31/2003	0	30,001	22,048	2,944	691,620
12/31/2004	0	30,901	20,505	4,916	715,697
12/31/2005	0	31,828	23,277	11,137	717,774
12/31/2006	0	32,782	23,677	28,672	769,925
12/31/2007	0	33,766	23,785	27,143	774,596
12/31/2008	0	34,779	25,255	0	535,482
12/31/2009	0	35,822	18,738	0	613,480
12/31/2010	0	36,897	16,830	0	632,566
12/31/2011	0	38,004	15,731	0	601,779
12/31/2012	0	39,144	15,511	5,709	633,515
12/31/2013	0	40,318	13,216	33,894	722,034
12/31/2014	0	41,528	14,264	47,233	753,730
12/31/2015	0	42,774	12,799	38,289	703,560
12/31/2016	0	44,057	13,522	20,712	741,752
12/31/2017	0	45,379	13,500	36,649	816,977
12/31/2018	0	46,740	15,081	54,662	726,470
12/31/2019	0	48,142	15,995	34,055	836,846
12/31/2020	0	49,586	13,056	4,097	899,984
09/30/2021	0	38,115	9,230	7,778	983,138
<b>Total</b>	<b>500,000</b>	<b>907,247</b>	<b>481,772</b>	<b>514,022</b>	<b>983,138</b>

Average annual return on the investment for the period 10/01/1996 - 09/30/2021 : 8.04%

**Portfolio - (10/1/1996 - 9/30/2021)**

**Total Ending Amount: \$983,138**

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



■ The Investment Company of America A (Ending value: \$939,418)
 ■ The Bond Fund of America A (Ending value: \$43,720)

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

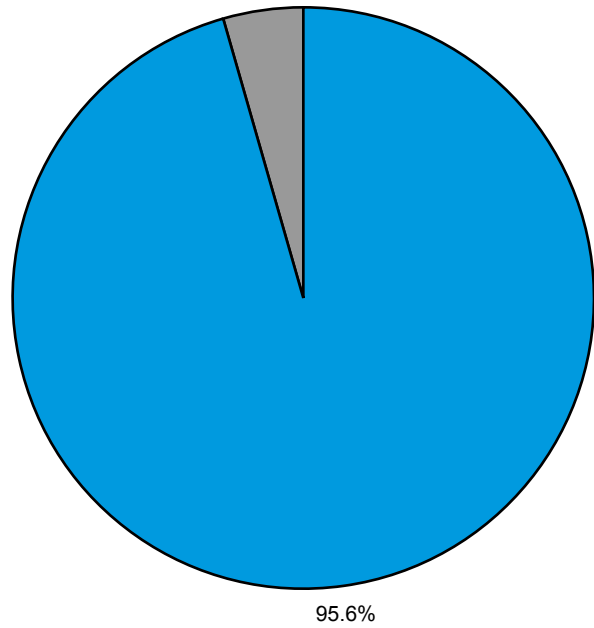
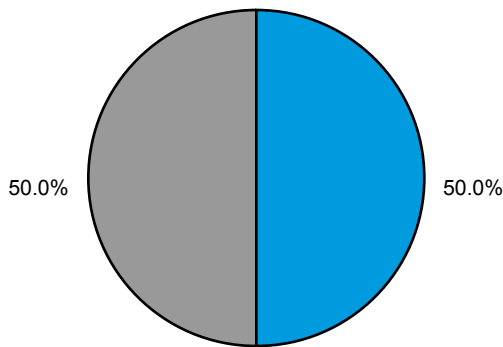
**Portfolio - (10/1/1996 - 9/30/2021)**



**Total Ending Amount: \$983,138**

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

Total Beginning Market Value : \$500,000

Total Ending Market Value : \$983,138



 The Investment Company of America A (Ending value: \$939,418)     The Bond Fund of America A (Ending value: \$43,720)

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



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

Date	Initial Investment	Initial Sales Charge	Net Amount Invested	Shares Purchased
10/01/1996	\$250,000.00	None	\$250,000	10,557.432

\$250,000 initial investment on 10/01/1996. Dividends and capital gains are reinvested. Withdrawals from 11/01/1996 to 09/30/2021 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.

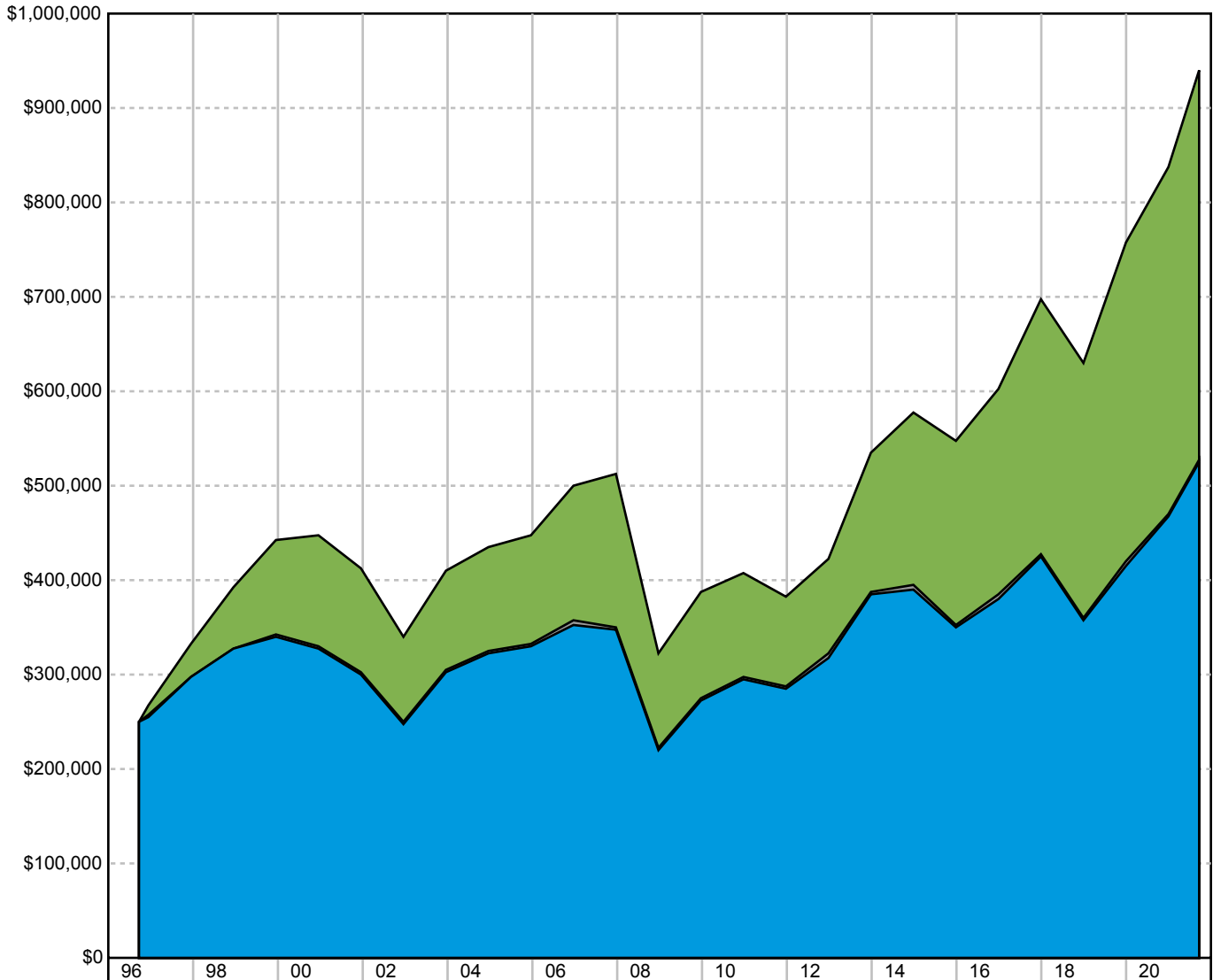
Date	Investment(s)	Withdrawal	Dividend Income	Total Dividend Income	Capital Gains	Shares Held	Total Value
12/31/1996	250,000	2,083	1,466	1,466	10,788	10,975	265,914
12/31/1997	0	12,563	5,374	6,840	27,710	11,714	330,909
12/31/1998	0	12,939	5,920	12,760	33,987	12,620	392,111
12/31/1999	0	13,328	6,384	19,144	37,916	13,630	442,414
12/31/2000	0	13,727	7,059	26,203	28,136	14,339	445,380
12/31/2001	0	14,139	7,402	33,606	8,372	14,405	410,989
12/31/2002	0	14,563	7,397	41,003	6,515	14,398	338,064
12/31/2003	0	15,000	7,345	48,348	2,944	14,188	409,193
12/31/2004	0	15,450	7,255	55,603	4,916	14,068	432,587
12/31/2005	0	15,914	9,392	64,994	11,137	14,207	445,520
12/31/2006	0	16,391	10,348	75,342	28,672	14,883	498,719
12/31/2007	0	16,883	9,696	85,038	27,143	15,520	511,383
12/31/2008	0	17,389	10,395	95,433	0	15,288	320,439
12/31/2009	0	17,911	8,515	103,948	0	14,866	385,782
12/31/2010	0	18,448	8,130	112,078	0	14,458	407,145
12/31/2011	0	19,002	8,192	120,270	0	14,077	381,344
12/31/2012	0	19,572	9,868	130,138	5,709	13,931	420,150
12/31/2013	0	20,159	8,578	138,716	33,894	14,520	532,898
12/31/2014	0	20,764	10,320	149,036	47,233	15,516	575,325
12/31/2015	0	21,387	9,500	158,536	38,289	16,361	545,980
12/31/2016	0	22,028	10,990	169,526	20,712	16,609	601,745
12/31/2017	0	22,689	11,099	180,625	36,649	17,217	695,406
12/31/2018	0	23,370	12,548	193,173	54,662	18,542	628,766
12/31/2019	0	24,071	13,916	207,088	32,981	19,109	756,157
12/31/2020	0	24,793	11,691	218,779	2,149	18,830	836,438
09/30/2021	0	19,057	8,683	227,462	7,690	18,766	939,418
<b>Total</b>	<b>250,000</b>	<b>453,623</b>	<b>227,462</b>	<b>227,462</b>	<b>508,205</b>	<b>18,766</b>	<b>939,418</b>

**Average annual return on the investment for the period 10/01/1996 - 09/30/2021 : 9.62%**

10/1/1996 - 9/30/2021

Total Ending Amount: \$939,418

**The Investment Company of America A (AIVSX)** : \$250,000 initial investment on 10/01/1996. Dividends and capital gains are reinvested. Withdrawals from 11/01/1996 to 09/30/2021 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: \$412,305)
- From Income (Ending value: \$2,795)
- From Principal (Ending value: \$524,319)

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

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

<b>Date</b>	<b>Initial Investment</b>	<b>Initial Sales Charge</b>	<b>Net Amount Invested</b>	<b>Shares Purchased</b>
10/01/1996	\$250,000.00	None	\$250,000	18,368.846

\$250,000 initial investment on 10/01/1996. Dividends and capital gains are reinvested. Withdrawals from 11/01/1996 to 09/30/2021 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.

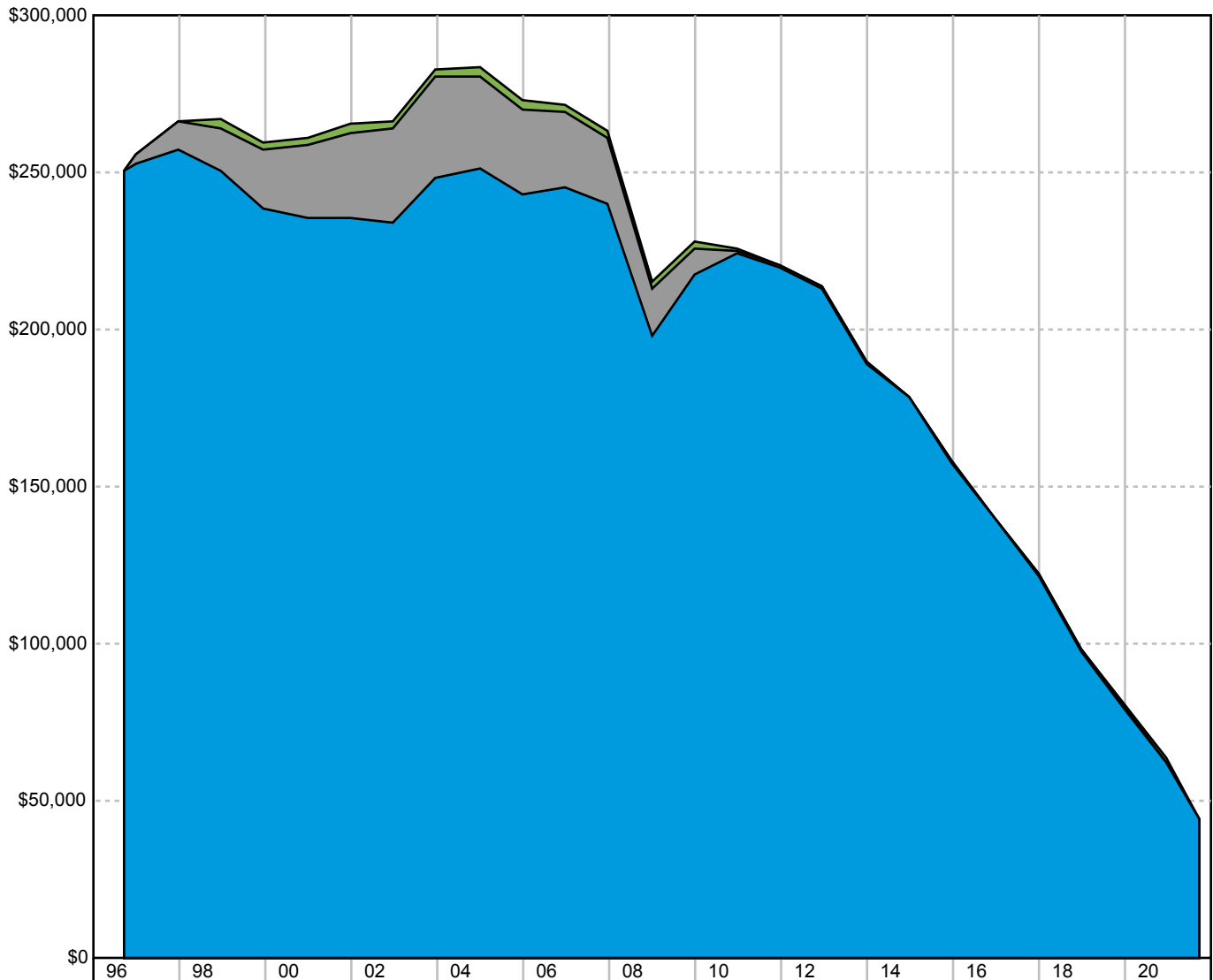
<b>Date</b>	<b>Investment(s)</b>	<b>Withdrawal</b>	<b>Dividend Income</b>	<b>Total Dividend Income</b>	<b>Capital Gains</b>	<b>Shares Held</b>	<b>Total Value</b>
12/31/1996	250,000	2,083	5,131	5,131	0	18,590	255,615
12/31/1997	0	12,563	18,283	23,415	0	19,002	266,031
12/31/1998	0	12,939	18,240	41,654	2,707	19,584	266,540
12/31/1999	0	13,328	18,307	59,961	0	19,962	259,101
12/31/2000	0	13,727	19,218	79,179	0	20,394	260,841
12/31/2001	0	14,139	18,306	97,486	0	20,716	264,960
12/31/2002	0	14,563	17,266	114,751	0	20,933	265,843
12/31/2003	0	15,000	14,702	129,454	0	20,905	282,427
12/31/2004	0	15,450	13,250	142,704	0	20,741	283,110
12/31/2005	0	15,914	13,886	156,590	0	20,594	272,254
12/31/2006	0	16,391	13,329	169,919	0	20,361	271,206
12/31/2007	0	16,883	14,089	184,008	0	20,154	263,213
12/31/2008	0	17,389	14,859	198,868	0	19,985	215,043
12/31/2009	0	17,911	10,223	209,091	0	19,296	227,697
12/31/2010	0	18,448	8,701	217,792	0	18,492	225,422
12/31/2011	0	19,002	7,539	225,330	0	17,565	220,435
12/31/2012	0	19,572	5,643	230,973	0	16,476	213,364
12/31/2013	0	20,159	4,638	235,611	0	15,253	189,136
12/31/2014	0	20,764	3,944	239,555	0	13,927	178,404
12/31/2015	0	21,387	3,299	242,854	0	12,516	157,580
12/31/2016	0	22,028	2,532	245,386	0	11,007	140,007
12/31/2017	0	22,689	2,401	247,787	0	9,431	121,571
12/31/2018	0	23,370	2,533	250,319	0	7,773	97,704
12/31/2019	0	24,071	2,079	252,399	1,074	6,164	80,689
12/31/2020	0	24,793	1,365	253,763	1,948	4,608	63,546
09/30/2021	0	19,057	546	254,310	88	3,248	43,720
<b>Total</b>	<b>250,000</b>	<b>453,623</b>	<b>254,310</b>	<b>254,310</b>	<b>5,817</b>	<b>3,248</b>	<b>43,720</b>

**Average annual return on the investment for the period 10/01/1996 - 09/30/2021 : 5.22%**

10/1/1996 - 9/30/2021

Total Ending Amount: \$43,720

**The Bond Fund of America A (ABNDX)** : \$250,000 initial investment on 10/01/1996. Dividends and capital gains are reinvested. Withdrawals from 11/01/1996 to 09/30/2021 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: \$0)
- From Income (Ending value: \$49)
- From Principal (Ending value: \$43,671)

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