



# AMERICAN FUNDS®

From Capital Group

## A Hypothetical Illustration for BUS-123 Spring 2015

---

### 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. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. 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 consider their willingness to keep investing when share prices are declining. Indexes are unmanaged and, therefore, have no expenses. Results for the Lipper indexes do not reflect sales charges. There have been periods when the fund has lagged the index. While it is not possible to invest directly in an index, you can invest in an index fund.

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. The investment advisor for the Target Date Retirement Series is currently waiving its management fee of 0.10%. After December 31, 2013, the advisor may modify or terminate the waiver, but only with fund board approval. From September 1, 2004, through December 31, 2008, the investment advisor to the American Funds and the business manager for The Tax-Exempt Fund of Maryland, The Tax-Exempt Fund of Virginia and Washington Mutual Investors Fund waived a portion of their management fees. The investment advisor has also reimbursed expenses for some funds and share classes. Investment results shown reflect the waiver and reimbursements, without which the results would have been lower. The waiver may be adjusted or discontinued by the investment advisor, subject to any limitations in the fund's prospectus. The expense ratios are as of each fund's prospectus available at the time of publication. The Target Date Retirement Series include the weighted average expenses of the underlying funds. Please see the fund's most recent prospectus for details.

### Standardized Average Annual Total Returns for Quarter Ended 3/31/2015

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	5/28/1974	3.75% Front	1.11%	3.63%	3.35%	7.86%

#### Gross Charges and Expenses

Fund Name	Sales Charge	Max CDSC	Max Redem Fee	Total Gross Operating Expense
The Bond Fund of America A	3.75%	1.00%	0.00%	0.62%

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 (5.75% for equity and target date funds, 3.75% for most bond funds, and 2.50% 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). The sales charge declines for accounts and aggregated investments (\$25,000 for equity and target date funds, \$100,000 for most bond funds, and \$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 one year 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 one year of purchase. NAV for initial investments may apply in other situations. For additional details, please reference the fund's Statutory Prospectus. 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.

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.

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

- The A/529A 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.

**The Bond Fund of America A**

<b>Date</b>	<b>Initial Investment</b>	<b>Initial Sales Charge</b>	<b>Net Amount Invested</b>	<b>Shares Purchased</b>
04/01/1995	\$200,000.00	3.50%	\$193,006	14,880.952

\$200,000 initial investment on 04/01/1995. Dividends and capital gains are reinvested. Withdrawals from 05/01/1995 to 03/31/2015 every month starting at 4.00% (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 subject to a 3.50% sales charge. The effects of income and capital gains taxes are not demonstrated.

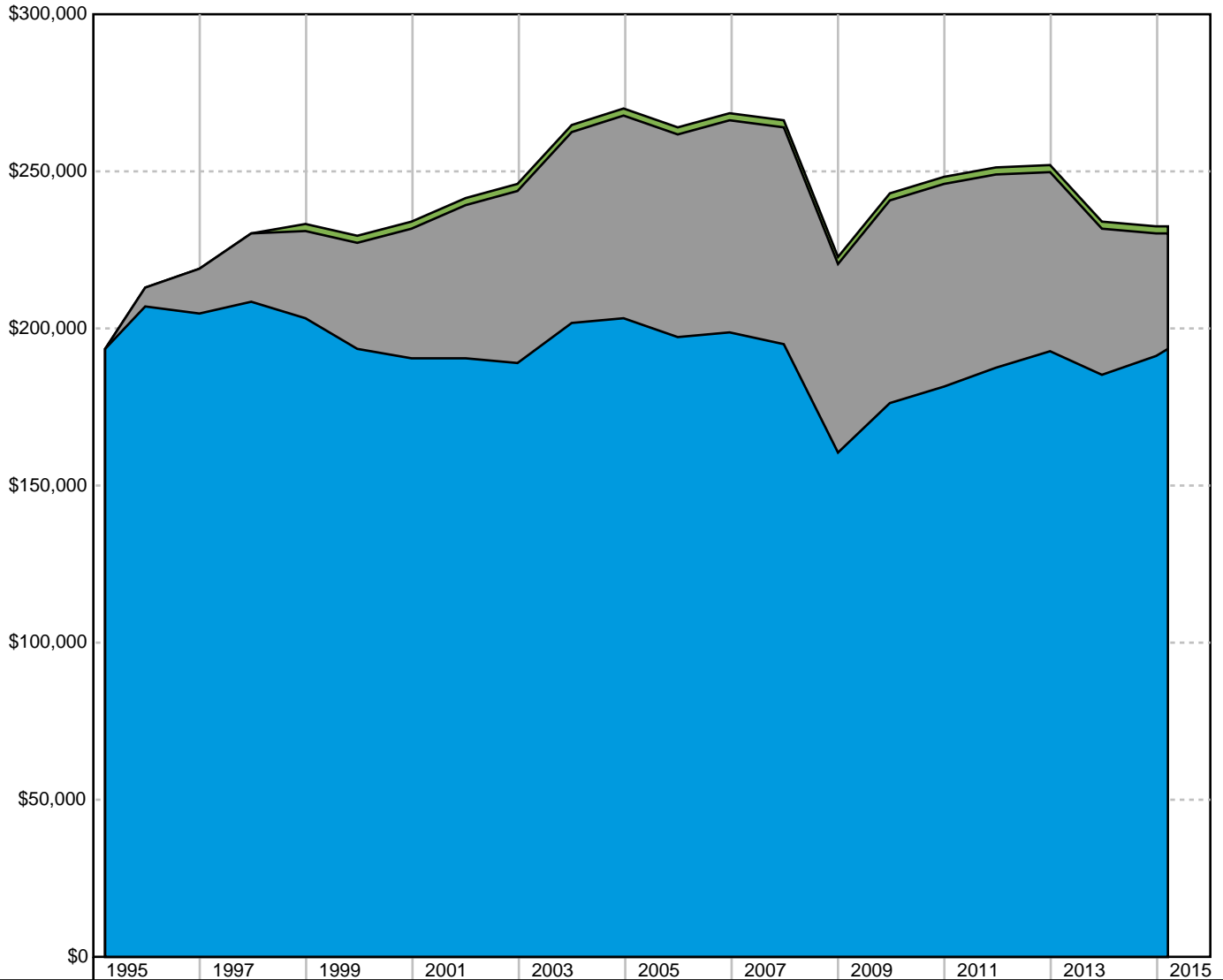
<b>Date</b>	<b>Investment(s)</b>	<b>Withdrawal</b>	<b>Dividend Income</b>	<b>Cumulative Dividend Income</b>	<b>Capital Gains</b>	<b>Shares Held</b>	<b>Total Value</b>
12/31/1995	200,000	5,333	11,532	11,532	0	15,337	212,880
12/31/1996	0	8,160	15,766	27,298	0	15,897	218,578
12/31/1997	0	8,405	15,727	43,025	0	16,425	229,946
12/31/1998	0	8,657	15,858	58,883	2,356	17,118	232,974
12/31/1999	0	8,917	16,104	74,987	0	17,662	229,248
12/31/2000	0	9,184	17,126	92,114	0	18,286	233,876
12/31/2001	0	9,460	16,536	108,650	0	18,832	240,864
12/31/2002	0	9,743	15,819	124,469	0	19,318	245,337
12/31/2003	0	10,036	13,677	138,146	0	19,591	264,681
12/31/2004	0	10,337	12,528	150,674	0	19,753	269,628
12/31/2005	0	10,647	13,360	164,034	0	19,959	263,857
12/31/2006	0	10,966	13,061	177,095	0	20,117	267,954
12/31/2007	0	11,295	14,092	191,187	0	20,331	265,524
12/31/2008	0	11,634	15,205	206,392	0	20,664	222,340
12/31/2009	0	11,983	10,732	217,123	0	20,551	242,496
12/31/2010	0	12,343	9,418	226,541	0	20,308	247,549
12/31/2011	0	12,713	8,436	234,977	0	19,961	250,506
12/31/2012	0	13,094	6,538	241,516	0	19,448	251,848
12/31/2013	0	13,487	5,609	247,125	0	18,828	233,466
12/31/2014	0	13,892	5,001	252,126	0	18,127	232,202
03/31/2015	0	3,507	981	253,106	0	17,931	232,388
<b>Total</b>	<b>200,000</b>	<b>213,794</b>	<b>253,106</b>	<b>253,106</b>	<b>2,356</b>	<b>17,931</b>	<b>232,388</b>

Average annual return on the investment for the period 04/01/1995 - 03/31/2015 : 5.66%

4/1/1995 - 3/31/2015

Total Ending Amount: \$232,388

**The Bond Fund of America A** : \$200,000 initial investment on 04/01/1995. Dividends and capital gains are reinvested. Withdrawals from 05/01/1995 to 03/31/2015 every month starting at 4.00% (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 subject to a 3.50% sales charge. The effects of income and capital gains taxes are not demonstrated.



- From Capital Gains (Ending value: \$2,220)
- From Income (Ending value: \$37,310)
- From Principal (Ending value: \$192,857)

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