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July 1, 2022

Toddler's College Funding Report

Dad and Mom

PREPARED BY

Tushar Kumar

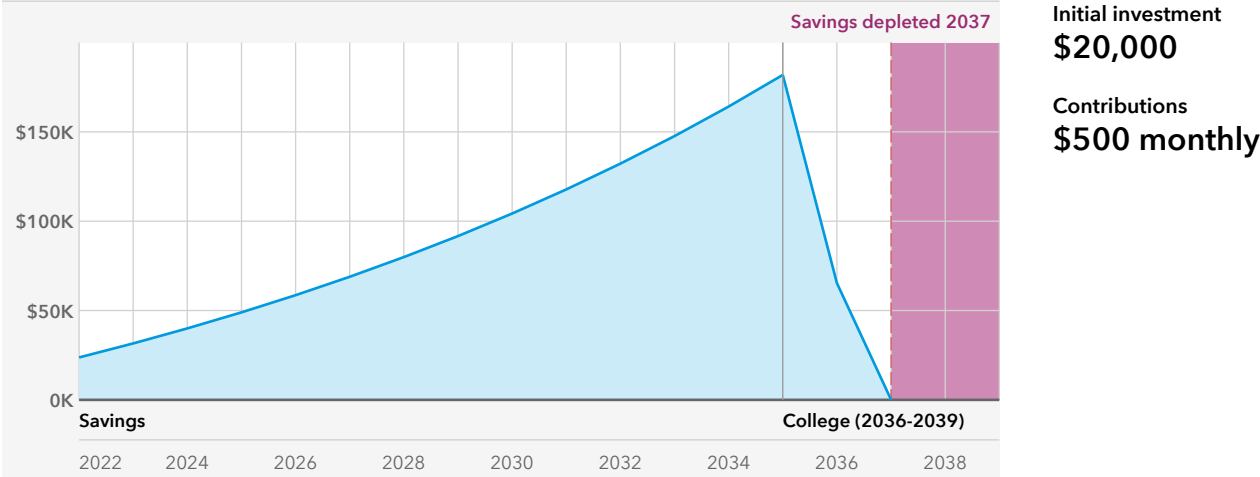
Twin Peaks Wealth Advisors, LLC
1 Daniel Burnham Court, APT 713
APT 713
San Francisco, CA 94109

Email: tushar@twinpwa.com
Phone: (408) 489-3980

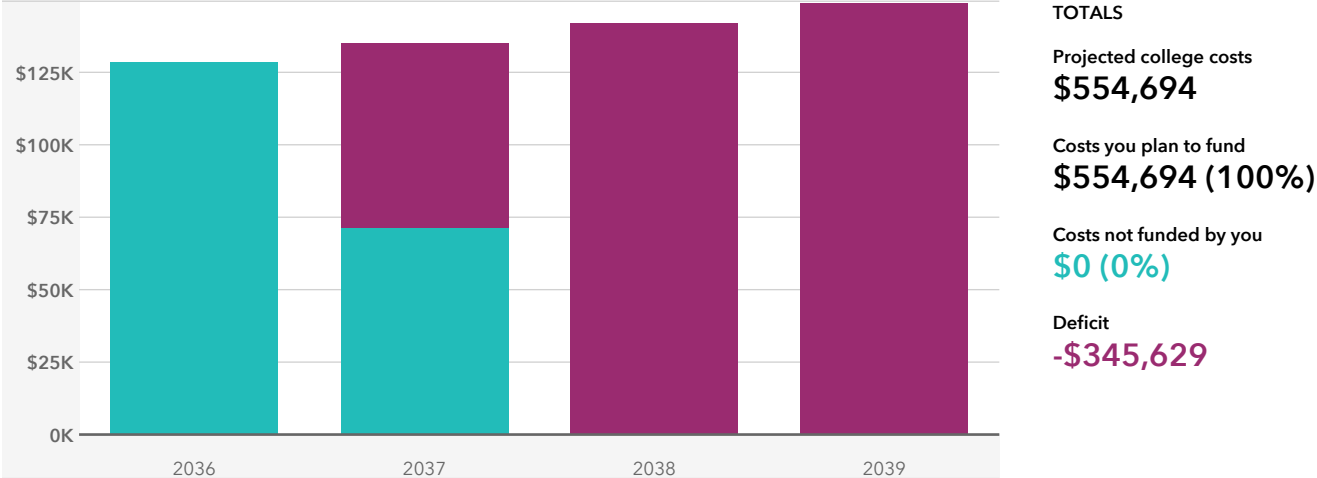
Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

<div>Projected college costs ⓘ</div> <div>\$554,694</div> <div><ul style="list-style-type: none">Toddler has 14 years until college startsPlans to attend a public college (customized current annual cost of \$65,000)Plans to spend 4 years in college5% hypothetical annual college inflation rate</div>	<div>Costs you plan to fund ⓘ</div> <div>\$554,694</div> <div><ul style="list-style-type: none">100% of projected college costs</div>	<div>Your projected savings ⓘ</div> <div>\$209,065</div> <div><ul style="list-style-type: none">\$20,000 initial investment\$500 monthly contributionsNo planned contribution increase7% hypothetical annual growth rate</div>	<div>Savings deficit ⓘ</div> <div>-\$345,629</div> <div>Ongoing monthly contributions may need to increase to \$1,469 to fund 100% of college costs.</div>
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College savings



College costs



Toddler: College savings plan

Dad and Mom

As of July 1, 2022

Toddler: Savings and costs over time

Year	Contributions this year	Cumulative contributions	Hypothetical investment growth	Costs you plan to fund	Year-End savings balance
2022	\$23,000	\$23,000	\$731	\$0	\$23,731
2023	\$6,000	\$29,000	\$1,851	\$0	\$31,582
2024	\$6,000	\$35,000	\$2,401	\$0	\$39,983
2025	\$6,000	\$41,000	\$2,989	\$0	\$48,972
2026	\$6,000	\$47,000	\$3,618	\$0	\$58,590
2027	\$6,000	\$53,000	\$4,291	\$0	\$68,882
2028	\$6,000	\$59,000	\$5,012	\$0	\$79,894
2029	\$6,000	\$65,000	\$5,783	\$0	\$91,676
2030	\$6,000	\$71,000	\$6,607	\$0	\$104,284
2031	\$6,000	\$77,000	\$7,490	\$0	\$117,774
2032	\$6,000	\$83,000	\$8,434	\$0	\$132,208
2033	\$6,000	\$89,000	\$9,445	\$0	\$147,653
2034	\$6,000	\$95,000	\$10,526	\$0	\$164,179
2035	\$6,000	\$101,000	\$11,683	\$0	\$181,861
2036	\$6,000	\$107,000	\$6,202	\$128,696	\$65,368
2037	\$6,000	\$113,000	\$2	\$135,130	-\$63,761
2038	\$6,000	\$119,000	\$0	\$141,887	-\$199,648
2039	\$3,000	\$122,000	\$0	\$148,981	-\$345,629

Take advantage of time

Opening a college savings account as soon as possible and contributing regularly provides the opportunity for compounding growth. The sooner you start, the more potential you have to grow your savings and the less you may have to borrow when it comes time to pay for college.

Consider a CollegeAmerica® 529 savings plan

CollegeAmerica offers the tax advantages, flexibility and control of investing in a 529 plan, plus built-in simplicity and quality investment options from American Funds, offered by Capital Group. Tax-advantaged treatment applies to savings used for qualified education expenses. State tax treatment varies. States take different approaches to the income tax treatment of withdrawals. For example, withdrawals for K-12 expenses may not be exempt from state tax in certain states.

- Launched in 2002
- Chosen by more than 114,000^{††} financial professionals and more than 1 million families nationwide
- The country's largest plan*, with assets more than \$81.9 billion[†]

Three different investment approaches

American Funds College Target Date Series®: Select the target date fund with the year that corresponds roughly to the year in which the beneficiary will likely enroll and withdrawals will begin. The portfolio automatically grows more preservation-oriented as college approaches; through periodic evaluation, you and your financial professional can ensure it remains a good fit.

American Funds Portfolio SeriesSM: The Portfolio Series funds of funds available in CollegeAmerica are managed with specific investment objectives in mind: like growth, income and preservation. Select the option that best fits the beneficiary's time frame and your risk tolerance.

American Funds: The individual American Funds available in CollegeAmerica are good options for those seeking to build customized portfolios.

Explore other ways to meet college costs

There are other options to consider if you have a savings shortfall and are unable to increase the contribution amount to your college savings account.

Invest monetary gifts from relatives and loved ones. Directing money from holiday and birthday gifts to a college savings account can play a meaningful role in supplementing your contributions.

Explore grants and scholarships. These awards are offered by federal, state and local governments, private and non-profit organizations and most colleges. The best part – grants and scholarships, in general, do not need to be paid back.

Research student loans. Student loans are offered by federal and most state governments and from private institutions such as banks. Of course, student loans must be paid back along with any interest incurred.

Take advantage of your local community college. Beginning at a local community college, then transferring to the student's college of choice can reduce overall costs and provide access to an education that might otherwise be out of reach.

Contemplate other colleges. Run scenarios in the College Savings Calculator using different colleges to see if you can find other schools that are both a good fit for the student and your family's finances.

* Largest by assets, according to the 4Q 2020 "529 College Savings Quarterly Update" from ISS Market Intelligence.

†,†† Source: Capital Group as of December 31, 2020, CollegeAmerica AUM is \$81.9B.

Visit capitalgroup.com for more information about college savings strategies, CollegeAmerica 529 savings plans and American Funds College Target Date Series.

Terms & definitions

Projected College Costs: This is the anticipated total price of college (the sum of the projected costs for each year the student plans to attend college). To calculate these yearly costs, the calculator takes the current annual college cost and adjusts for inflation using the college inflation rate specified.

Costs you Plan to Fund: This is the portion of projected college costs you plan to cover (your savings goal).

Your Projected Savings: This is the sum of all contributions (initial investment and subsequent contributions) and the hypothetical growth on those assets.

Savings Deficit: This is the projected savings shortfall based on calculator inputs. It is the difference between your projected savings and the costs you plan to fund.

Increase ongoing contribution by: An increase may be made to the monthly or annual contribution at a specified time in the future. The contribution amount will increase once on the start date specified and remain at the increased amount for the remainder of the illustration.

Annual college inflation rate: The yearly rate at which you anticipate college costs will rise. Used to determine future college costs, the rate is assumed at 5%, but can be changed based on school, type, region and other factors.

Hypothetical annual growth rate: This is the yearly rate at which you anticipate your investment (college savings) will grow. The calculator uses this figure to determine your projected savings.

Calculation details

Contributions

Monthly contributions begin on the last day of the same month that the calculator is run and continue uninterrupted through the month before the last college payment is made. Ongoing monthly contributions are made on the last day of every month. Since the last college expense falls in July for any given year, the last monthly contribution takes place in June of the same year.

Annual contributions begin on the last day of the same year (December 31) that the calculator is run and continue uninterrupted through the year-end before the last college payment is made. Since the last college expense falls in July for any given year, the last annual contribution takes place in December of the preceding year.

Contributions are made at the end of the month or year and therefore do not factor into the investment gains for that period.

College costs

Current annual college costs increase at the annual rate of college inflation to determine projected college costs.

College payments begin in January of the same year that the student begins college. During the college years, annual college costs are split equally between a January and July payment. Payments are deducted from the savings balance at the beginning of the month before the monthly investment growth is calculated. The calculator makes the last college payment in July before the final school year begins.

Increase to ongoing contributions

An increase may be made to the monthly or annual contribution at a specified time in the future. The contribution amount will increase once on the start date specified and remain at the increased amount for the remainder of the illustration.

Hypothetical growth

Savings grow at the hypothetical annual growth rate through January 1 of the last year of college.

Savings deficit

In a deficit situation, the calculator provides the rate of savings (monthly or annual contribution amount) that, if

applied, would have led to projected savings equaling the projected college costs (or portion of costs the user plans to fund).

In a deficit situation where a one-time contribution increase has been elected, the calculator provides the increased monthly or annual contribution amount that, if applied, would have led to projected savings equaling the projected college costs (or portion of costs the user plans to fund).

Additional Information

The College Target Date funds' allocation strategy does not guarantee that investors' education savings goals will be met. The target date is the year that corresponds roughly to the year in which the beneficiary is expected to begin taking withdrawals. Investors and their financial professionals should periodically evaluate their investments to determine whether they continue to meet their needs. The funds' risks are directly related to the risks of the underlying funds.

The American Funds Portfolio Series funds' allocation strategy does not guarantee that investors' objectives will be met. Investors and their financial professionals should periodically evaluate their investments to determine whether they continue to meet their needs. Diversification does not eliminate the risk of investing; losses are possible in a diversified portfolio. The funds' risks are directly related to the risks of the underlying funds. For more information about the risks associated with each underlying fund, please see the fund's prospectus.

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing. Similar information is contained in the CollegeAmerica Program Description, which can be obtained from a financial professional and should be read carefully before investing. CollegeAmerica is distributed by American Funds Distributors, Inc. and sold through unaffiliated intermediaries.

Depending on your state of residence, there may be an in-state plan that provides state tax and other state benefits, such as financial aid, scholarship funds and protection from creditors, not available through CollegeAmerica. Before investing in any state's 529 plan, investors should consult a tax advisor. CollegeAmerica is a nationwide plan sponsored by Virginia529SM.

Each target date portfolio is composed of a mix of underlying funds and is subject to the risks and returns of those funds. Underlying funds may be added or removed during the year. Investment professionals gradually adjust a college target date portfolio over time so that it becomes more preservation-oriented. The college target date is the year that corresponds roughly to the year in which the beneficiary is expected to begin taking withdrawals. The allocation strategy does not guarantee that investors' education savings goals will be met. Investors and their financial professionals should periodically evaluate their investment to determine whether it continues to meet their needs.

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