American Funds®

Virginia College Savings Plan℠
Commonwealth of Virginia

CollegeAmerica®
Program Description

Your guide to
the CollegeAmerica
529 savings plan

March 15, 2008

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Virginia College Savings Plan℠
Commonwealth of Virginia

CollegeAmerica® Program Description

Supplement — effective August 1, 2008 for Program Description dated March 15, 2008

Effective August 1, 2008, the maximum contribution limit for each Beneficiary will be $350,000 across all plans administered by Virginia College Savings Plan, including CollegeAmerica, the Virginia Education Savings Trust,℠ the Virginia Prepaid Education Program℠ and CollegeWealth.℠

The following pages of the Program Description are modified accordingly: Pages 4, 8, 23, 24 and 25.

Please keep this Supplement with your copy of the Program Description.

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This Program Description incorporates by reference the current prospectus of each of the 22 American Funds available in CollegeAmerica. Investors in CollegeAmerica will receive the current prospectus for the individual American Funds selected for their Account.

This Program Description is designed to comply with the Disclosure Principles Statement No. 2 adopted by the College Savings Plan Network on July 26, 2005. You should carefully read and understand this Program Description and the prospectus(es) of the American Funds in which you are investing before making contributions to CollegeAmerica. Please keep this Program Description and the applicable prospectus(es) for future reference.

CollegeAmerica Accounts are not deposits or obligations of, or insured or guaranteed by, the Commonwealth of Virginia or any agency or instrumentality thereof, the U.S. government, the Program Manager, any financial institution, the Federal Deposit Insurance Corporation or any other federal or state governmental agency, entity or person.

In addition to CollegeAmerica, Virginia College Savings Plan (VCSP) administers the Virginia Prepaid Education Program℠ (VPEP), a prepaid tuition plan, the Virginia Education Savings Trust℠ (VEST), a second college savings option and CollegeWealth, a third college savings option available at participating banks. VPEP, VEST and CollegeWealth are not described in this Program Description. These plans offer different investment options with different investment advisers or different benefits. VPEP, VEST and CollegeWealth are distributed differently from CollegeAmerica and may assess different fees, withdrawal penalties and sales commissions, if any, relative to those assessed by CollegeAmerica. For more information about these programs, please call the plans directly at 888/567-0540 or log on to VCSP's website at www.virginia529.com.

For residents of states other than Virginia: Your state or the Beneficiary's state of residence (if different) may sponsor a 529 plan that offers state income tax and other benefits not available to you through CollegeAmerica. Please consult your tax adviser. Additional information for residents of states other than Virginia can be found in the State Income Tax section on page 31.

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CollegeAmerica summary

Program Administrator. Page 14

Virginia College Savings Plan (VCSP) is the Program Administrator and sponsor of CollegeAmerica. VCSP is governed by an eight-member Board, consisting of four members who sit on the Board by virtue of the state offices they hold and four citizen members appointed by the Governor of Virginia.

Program Manager. Page 14

American Funds Service Company℠ (AFS), American Funds Distributors℠ (AFD) and Capital Research and Management Company℠ (CRMC) are the Program Manager. AFS is responsible for the recordkeeping and administration of the program; AFD is the distributor of CollegeAmerica and is responsible for marketing and distributing the program exclusively through financial advisers; and CRMC serves as the investment adviser to CollegeAmerica as well as the investment adviser to the American Funds.

Account Owner, Beneficiary and contributor participation. Pages 22–23

Any individual who is a U.S. citizen or legal U.S. resident may open a CollegeAmerica Account. An Account Owner does not need to be a resident of Virginia to establish a CollegeAmerica Account. The Account can be opened for the benefit of any U.S. citizen or legal U.S. resident of any age, including the Account Owner. Any person or entity may make contributions to a CollegeAmerica Account for the benefit of a Beneficiary.

Contribution and withdrawal limitations and penalties. Pages 23–25

A $250,000-per-Beneficiary contribution limit applies across all plans administered by Virginia College Savings Plan, including CollegeAmerica, the Virginia Education Savings Trust (VEST), the Virginia Prepaid Education Program (VPEP) and CollegeWealth. Multiple accounts for the same Beneficiary will be combined to determine if the maximum contribution amount has been reached. Once the total balance (including earnings) reaches $250,000, we will not accept additional contributions or rollovers.

The Account Owner may use the funds in the Account for any purpose and may make withdrawals at any time. Withdrawals used to pay Qualified Higher Education Expenses are free from federal tax. Any earnings on Non-Qualified Withdrawals are subject to federal income tax and a 10% federal tax penalty.

Investment options. Pages 15–22

You may purchase through your financial adviser, Class 529-A, 529-B, 529-C or 529-F shares of one or more of the American Funds offered in CollegeAmerica. Class 529-B or 529-C shares of The Cash Management Trust of America, Intermediate Bond Fund of America and Short-Term Bond Fund of America may be acquired only by exchanging from Class 529-B or 529-C shares of other American Funds. If your employer offers an employer-sponsored program, you may also purchase Class 529-E shares. Each fund share class has different fees and expenses. Please consult your financial adviser to determine which share class is best for you.

The Account Owner may change the fund or funds in which the Account invests only once per calendar year and upon a change in the Beneficiary of the Account. A subsequent investment change within the same calendar year will be treated as a withdrawal. All accounts maintained by the Account Owner for the same Beneficiary in CollegeAmerica, VEST and CollegeWealth will be aggregated for the purposes of this rule.

Fees and expenses. Pages 26, 35–45

You will be charged a $10 fee for opening an Account with CollegeAmerica as well as an annual $10 Account maintenance fee. In addition, you will be charged fees and expenses associated with the applicable American Funds share class.

Tax considerations. **Pages 29–32**

Earnings can grow free from federal income tax.

The earnings on a Qualified Withdrawal used to pay Qualified Higher Education Expenses are free from federal income tax. Earnings on a Non-Qualified Withdrawal are subject to federal income tax and a 10% federal tax penalty.

CollegeAmerica accepts rollovers from other Qualified Tuition Programs. A rollover must be completed within 60 days of the initial withdrawal to retain tax-free treatment.

Individuals can take advantage of the annual gift tax exclusion by contributing up to $12,000 ($24,000 for married couples) per year per Beneficiary. A special rule applicable only to 529 plans allows an individual to accelerate up to five years' worth of annual exclusions by contributing up to $60,000 ($120,000 for married couples) in one calendar year.

Except in the case of the special five-year gift tax election, if the Contributor dies while there is still money in the Account, the value of the Account is not included in the Contributor's estate.

Virginia residents may take a state income tax deduction for CollegeAmerica contributions. Other states offer residents additional tax benefits if they invest in their own state plan. A few states offer tax benefits to residents investing in any 529 plan, including CollegeAmerica. Consult your tax adviser for more information.

Risk factors. **Pages 15, 26–28**

An investment in the funds is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency, entity or person. You may lose money by investing in the funds. The likelihood of loss is greater if you invest for a shorter period of time.

Principal invested in CollegeAmerica is not guaranteed. Total withdrawals from an Account may be worth more or less than the amount invested initially.

VCSP and the Program Manager reserve the right to make changes to CollegeAmerica at any time.

It is possible that the U.S. Congress, the U.S. Treasury Department, the IRS, the Commonwealth of Virginia and other taxing authorities or the courts may take actions that will adversely affect CollegeAmerica and that such adverse effects may be retroactive. In addition, the IRS has proposed regulations under Section 529 and has not issued final income tax regulations or published rulings concerning Qualified Tuition Programs. There can be no assurance that a change in legal regulation will not adversely affect CollegeAmerica and/or the value of your investment in an Account.

CollegeAmerica Accounts may affect a Beneficiary's ability to qualify for federal need-based financial aid.

Investment results. **Pages 22, 46–47**

The investment results for a CollegeAmerica Account invested in the 22 American Funds available through CollegeAmerica are described in Appendix D to this Program Description.

American Funds Privacy Policy

American Funds considers the privacy of its shareholders to be of fundamental importance and has established a policy to maintain the confidentiality of the information you share with us.

Personal information we collect

We do not sell any information to any third parties. However, we do collect and retain certain nonpublic personal information about you, including:

- information we receive from you or from your financial adviser, such as your name and address;
- an address we receive from a third party when you have moved;
- information, such as account balance and transaction activity, about your investment transactions (including, to the extent necessary for our servicing your account(s) with us, your investments with third parties); and
- information (commonly referred to as “cookies”) collected from the Web browser of your computer that allows our website to recognize your browser.

You may review and correct any personal information by accessing our website, americanfunds.com, or by contacting us at 800/421-0180.

Personal information we may disclose

We occasionally disclose nonpublic personal information about you to affiliates and nonaffiliates as permitted by law. Some instances when we have shared information include:

- disclosing information to a third party in order to process account transactions that you request or authorize;
- sharing information with companies related to us so we can make you aware of new funds or other services that we offer;
- disclosing your name and address to companies that mail fund-related materials, such as shareholder reports (note that these companies may not use the information for any other purpose);
- disclosing information to research companies that help conduct shareholder surveys to assess and improve our financial services; and
- disclosing information in connection with legal proceedings, such as responding to a subpoena.

When information is shared with third parties, they are *not* permitted to use the information for any purpose other than to assist our servicing of your account(s) or as permitted by law.

If you close your account(s) or if we lose contact with you, we will continue to share information in accordance with our current Privacy Policy and practices. We restrict access to your nonpublic personal information to authorized employees. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

These measures reflect our commitment to maintaining the privacy of your confidential information. We appreciate the confidence you have shown by entrusting us with your assets.

If you would like to learn more or have any questions, please call us at **800/421-0180, ext. 1**.

This privacy disclosure applies to investment and shareholder services offered by:

American Funds Distributors,SM Inc.
American Funds Service CompanySM
Capital Research and Management CompanySM
Capital Bank and Trust CompanySM

And all of the American Funds listed below:

AMCAP Fund,® Inc.
American Balanced Fund,® Inc.
American High-Income Municipal Bond Fund,® Inc.
American High-Income Trust℠
American Mutual Fund,® Inc.
The Bond Fund of America,℠ Inc.
Capital Income Builder,® Inc.
Capital World Bond Fund,® Inc.
Capital World Growth and Income Fund,℠ Inc.
The Cash Management Trust of America®
EuroPacific Growth Fund®
Fundamental Investors,℠ Inc.
The Growth Fund of America,® Inc.
The Income Fund of America,® Inc.
Intermediate Bond Fund of America®
The Investment Company of America®
Limited Term Tax-Exempt Bond Fund of America℠
The New Economy Fund®
New Perspective Fund,® Inc.
New World Fund,℠ Inc.
Short-Term Bond Fund of America,℠ Inc.
SMALLCAP World Fund,® Inc.
The Tax-Exempt Bond Fund of America,® Inc.
The Tax-Exempt Fund of California®
The Tax-Exempt Fund of Maryland®
The Tax-Exempt Fund of Virginia®
The Tax-Exempt Money Fund of America℠
U.S. Government Securities Fund℠
The U.S. Treasury Money Fund of America℠
Washington Mutual Investors Fund,℠ Inc.

The privacy disclosure also applies to:

The funds within American Funds Target Date Retirement Series,® Inc.

If there are changes to the terms of our Privacy Policy, documents containing the policy, relevant information on our website and fund prospectus attachments will be updated.

Virginia College Savings Plan Privacy Policy

Protecting the privacy of your nonpublic personal information is important to us at Virginia College Savings Plan. We respect your right to privacy and recognize your trust in us to keep information about you secure and confidential.

1. We collect nonpublic personal information about you from the following sources:
   - Information we receive from you on applications, correspondence, forms and through other methods of communication
   - Information about your transactions with respect to your account(s)

2. We do not disclose any nonpublic personal information about our customers or former customers to anyone except as permitted by law. We may disclose all of the information we collect, as described above, to companies that perform marketing and mailing services on our behalf and to other financial institutions with whom we have joint marketing agreements. These companies are required to adhere to our privacy and security standards and to use the information for the limited purpose for which it was shared.

3. We restrict access to nonpublic personal information about you to those employees and persons who need to know the information in order to provide service to you. We maintain physical, electronic and procedural safeguards in compliance with federal regulations to safeguard your nonpublic personal information.

4. We reserve the right to modify or supplement this Privacy Policy at any time. If we ever decide to share your nonpublic personal information other than as described above, we will provide you with a notice informing you of the change and, when required by applicable law, we will allow time for you to choose whether you want the information shared.

Frequently asked questions

Here are answers to some frequently asked questions. For more detailed information, please refer to the narrative section of this Program Description. If you are not sure about the meaning of certain terms used in this section, check the glossary of terms on page 33 of this Program Description.

Getting started with CollegeAmerica

1. What is CollegeAmerica?

CollegeAmerica is a 529 college savings plan offered by Virginia College Savings Plan, an independent agency of the Commonwealth of Virginia, and American Funds. CollegeAmerica allows you to save for higher education expenses through a tax-advantaged Account invested in the American Funds. 529 plans are named after the section of the Internal Revenue Code that created them.

2. How do I open a CollegeAmerica Account?

You may open an Account by contacting any broker or financial adviser authorized to sell the American Funds and CollegeAmerica.

Contributing to CollegeAmerica

3. How much do I need to open a CollegeAmerica Account?

You may invest as little as $250 per fund ($1,000 for The Cash Management Trust of America). For an employer-sponsored program, you may invest as little as $25 per fund.

4. What is the maximum I can contribute to a CollegeAmerica Account?

The maximum contribution limit is $250,000 for each Beneficiary. The $250,000-per-Beneficiary limit applies across all plans administered by Virginia College Savings Plan, including CollegeAmerica, the Virginia Education Savings Trust, the Virginia Prepaid Education Program and CollegeWealth. Multiple accounts for the same Beneficiary will be combined to determine if the maximum contribution amount has been reached. Once the total balance (including any earnings) reaches $250,000, we will not accept additional contributions or rollovers. If the total account value is below $250,000, you can continue to contribute regardless of how much you have already contributed.

5. What type of assets can I contribute to my CollegeAmerica Account?

You may contribute funds by check, wire transfer or an automatic purchase plan. You cannot contribute securities or other property. For an employer-sponsored program, contributions generally must be made through an automatic purchase plan.

6. Can someone other than the Account Owner contribute to the CollegeAmerica Account?

Yes, anyone can contribute to the Account. However, only the Account Owner can make decisions regarding the Account, including taking withdrawals from the Account, changing the Account's investments and changing the Beneficiary.

7. Does my contributing to CollegeAmerica guarantee that my Beneficiary will be admitted to his or her college of choice?

No, having a CollegeAmerica Account does not guarantee admission to a college in Virginia or elsewhere.

8. Can I contribute to CollegeAmerica and a Coverdell Education Savings Account in the same year?

Yes. Contributing to CollegeAmerica will not affect your ability to invest in other education savings vehicles, such as a Coverdell Education Savings Account.

Account Owners

9. Who can set up a CollegeAmerica Account?

Anyone who is a U.S. citizen or legal U.S. resident can establish a CollegeAmerica Account. You do not have to be a resident of Virginia.

10. Can a child establish a CollegeAmerica Account?
Yes, a child can establish a CollegeAmerica Account. If the Account Owner is a minor, however, a parent or guardian must sign the Account application.

11. May a trust establish a CollegeAmerica Account?
Yes. However, there may be legal considerations. It is the responsibility of the trustee of a trust to determine whether any provision of the trust is inconsistent with the requirements of Section 529.

As a general matter, an investment in a 529 account may not be appropriate for many trusts. For an investor who wishes to eliminate the need for probate of assets set aside for the higher education of family members or friends, direct ownership of a CollegeAmerica Account may be a better alternative than ownership of a CollegeAmerica Account through a trust. A CollegeAmerica Account is generally not an asset of the probate estate of the Account Owner upon death.

12. Can a CollegeAmerica Account be owned jointly?
No, joint ownership is not permitted.

13. Can the Account Owner specify a successor Account Owner?
Yes, the Account Owner is strongly encouraged to designate a successor Account Owner. However, a successor Account Owner cannot be named for an UGMA/UTMA Account or an Account owned by a trust or other entity. If the original Account Owner dies or is declared legally incompetent, the designated successor becomes the Account Owner. If there is no successor owner, the estate of the deceased Account Owner becomes the new Account Owner.

Beneficiaries

14. Who can be a Beneficiary?
The Account can be opened for the benefit of any U.S. citizen or legal U.S. resident, including the Account Owner. The Beneficiary does not need to be related to the Account Owner.

15. Are there age limitations for a CollegeAmerica Account Beneficiary?
No, the Beneficiary can be any age.

16. Can I change the Beneficiary on my CollegeAmerica Account?
Yes, the Account Owner can change the Beneficiary of a CollegeAmerica Account at any time. To avoid federal income tax and a 10% federal tax penalty on earnings, the new Beneficiary must be a Member of the Family of the previous Beneficiary.

17. Who qualifies as a Member of the Family?
Generally, a Member of the Family includes the Beneficiary's immediate family. The following individuals are considered to be Members of the Family:

- a son or daughter or a descendant of either;
- a stepson or stepdaughter;
- a brother, sister, stepbrother or stepsister;
- a father or mother or an ancestor of either;
- a stepfather or stepmother;
- a brother or sister of the father or mother;
- a son or daughter of a brother or sister;
- a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law;
- the spouse of the Beneficiary or the spouse of any individuals described above; or
- a first cousin of the Beneficiary.

A legally adopted child is treated as the child of the adoptive parent as if by blood. The terms "brother" and "sister" include half brothers and half sisters.

18. What happens if the Beneficiary receives a scholarship, becomes disabled or dies?
The Account Owner can withdraw the assets if the Beneficiary receives a scholarship, becomes disabled or dies. A withdrawal on account of the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award) is subject to federal income tax but no federal tax penalty.

19. What if the Beneficiary does not use the Account for higher education expenses?
The Account Owner may select a new Beneficiary who is a Member of the Family of the previous Beneficiary without income tax or penalty. In the alternative, the Account Owner may withdraw the funds but will have to pay federal income tax and a 10% federal tax penalty on the earnings.

20. Can two individuals be named as joint Beneficiaries on a single Account?
No, only one individual can be designated as the Beneficiary of an Account.

Using your CollegeAmerica Account

21. How can I use the funds in my CollegeAmerica Account?
You can use the assets in your CollegeAmerica Account to pay for the Beneficiary's Qualified Higher Education Expenses. Earnings withdrawn for any use other than Qualified Higher Education Expenses are subject to federal income tax and a 10% federal tax penalty. However, a withdrawal on account of the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award) is subject to federal income tax but no federal tax penalty.

22. What is considered a Qualified Higher Education Expense?
Qualified Higher Education Expenses include tuition, room and board, books and certain other fees and expenses at an Eligible Educational Institution.

23. What is an Eligible Educational Institution?
An Eligible Educational Institution is one that is eligible to participate in a student financial aid program under Title IV of the Higher Education Act of 1965. Most community colleges, public and private colleges, universities and vocational schools in the United States are Eligible Educational Institutions. Some foreign institutions are also eligible. To find out if a school is eligible, go to the Department of Education's website at www.fafsa.ed.gov/FOTWWebApp/FSLookupServlet.

24. Who is responsible for determining that a withdrawal was made for Qualified Higher Education Expenses?
The Account Owner or the Beneficiary makes the determination and must retain appropriate documentation to show that a withdrawal was made for Qualified Higher Education Expenses.

25. Can I use my CollegeAmerica assets to pay for graduate school?
Yes. You can use the assets for undergraduate and graduate school as well as specialized training, such as medical school or law school.

26. Can I pay tuition at a private elementary or high school with my CollegeAmerica assets?
CollegeAmerica is designed to pay higher education expenses. Therefore, a withdrawal used for tuition at a private elementary or high school will be subject to federal income tax and a 10% federal tax penalty on earnings.

27. Is there a minimum number of credit hours that the Beneficiary must take in order to use CollegeAmerica funds?
There is no minimum level of study. If, however, the student is enrolled on a less than half-time basis, withdrawals for room and board will not be considered Qualified Higher Education Expenses.

28. Is there a time limit for using the assets in a CollegeAmerica Account?
Yes. The Account Owner must use the assets in the Account or designate a new Beneficiary within 30 years after the Beneficiary

graduates from high school or within 30 years after opening the Account, whichever comes later. Requests for an extension of this time limit will be considered on a case-by-case basis.

29. Must the Beneficiary attend school in Virginia?
No, the Account Owner can use a CollegeAmerica Account to pay for Qualified Higher Education Expenses at an Eligible Educational Institution in any state.

Investments

30. What investment options does CollegeAmerica offer?
You may invest in one or more of 22 American Funds. CollegeAmerica is designed for you and your financial adviser to choose an investment portfolio that fits your financial plan, time horizon and tolerance for risk.

31. Who manages the CollegeAmerica investment options?
Capital Research and Management Company, one of the oldest and most respected investment management firms in the United States, serves as investment adviser to the 22 American Funds available as investment options in CollegeAmerica.

32. Can I purchase different share classes through CollegeAmerica?
Yes, you may purchase Class 529-A, 529-B, 529-C or 529-F shares through your financial adviser. Class 529-B or 529-C shares of The Cash Management Trust of America, Intermediate Bond Fund of America and Short-Term Bond Fund of America may be acquired only by exchanging from Class 529-B or 529-C shares of other American Funds. If your employer offers an employer-sponsored option, you may also purchase Class 529-E shares. Each fund share class has different fees and expenses. Please consult your financial adviser to determine which share class is best for you.

33. Can I change my Account's investment allocation?
Yes, you can change investments once every calendar year or when you change the Beneficiary. If you have accounts for the same Beneficiary with the Virginia Education Savings Trust, CollegeAmerica and CollegeWealth, you may change the investments in any account once per calendar year without tax consequences, provided that any change to more than one account is made at the same time.

34. Is my CollegeAmerica investment guaranteed?
No, CollegeAmerica Accounts are not deposits or obligations of, or insured or guaranteed by, the Commonwealth of Virginia or any instrumentality of the Commonwealth, the U.S. government, the Program Manager, any financial institution, the Federal Deposit Insurance Corporation or any other federal or state governmental agency, entity or person.

35. Does my contributing to CollegeAmerica guarantee that I will be able to pay for college?
No, there is no guarantee that the money in the Account will be sufficient to cover the higher education expenses of the Beneficiary.

Fees and expenses

36. What fees are charged by CollegeAmerica?
You will be charged a $10 fee for opening an Account with CollegeAmerica as well as an annual $10 Account maintenance fee. In addition, you will be charged fees and expenses associated with the applicable American Funds share class.

Rollovers and transfers

37. Can I roll over funds from another 529 plan to CollegeAmerica?
Yes, CollegeAmerica will accept funds from other 529 plans.

38. How often can I roll over my assets from one 529 plan to another without federal income tax consequences?
You are permitted to roll over funds without federal income tax consequences from one 529 plan to another 529 plan for the same Beneficiary once every 12 months.

39. Can I transfer my Coverdell Education Savings Account or proceeds from Qualified U.S. Savings Bonds to CollegeAmerica?

Yes. You may transfer your Coverdell account or proceeds from Qualified U.S. Savings Bonds to CollegeAmerica without adverse tax consequences. You may need to meet income limits to avoid federal income tax on any Savings Bonds you redeem.

40. Can assets from an UGMA/UTMA account be transferred to CollegeAmerica?

Yes, but there are significant legal and tax considerations. The custodian of a Uniform Gifts to Minors Act (UGMA) or Uniform Transfers to Minors Act (UTMA) may be required to sell the assets in the UGMA/UTMA account — a taxable event. When the custodian invests the cash proceeds of the UGMA/UTMA account in a CollegeAmerica Account, the beneficiary of the UGMA/UTMA account must also be the Beneficiary of the CollegeAmerica Account and cannot be changed. Moreover, upon receipt of notification that the Beneficiary has reached the age of majority (18 or 21 in most states), the Beneficiary will become the Account Owner.

Your financial adviser's firm may restrict transfers from UGMA/UTMA accounts. We urge you to consult your financial adviser before making a transfer from an UGMA/UTMA account to CollegeAmerica.

Income tax considerations (for additional information for residents of states other than Virginia, please see the state income tax section on page 32)

41. How are the earnings in my CollegeAmerica Account taxed?

Earnings in a CollegeAmerica Account can grow free from federal income tax. You may exclude the earnings on withdrawals used to pay Qualified Higher Education Expenses from income for federal tax purposes.

42. Is there a federal tax deduction for contributions?

No. Contributions to CollegeAmerica are made with after-tax dollars.

43. Is there a state tax deduction for contributions to a CollegeAmerica Account?

If you are a resident of Virginia, there is a deduction for CollegeAmerica contributions. If you reside in a state other than Virginia, please consult your financial adviser for state tax information.

44. What is the Virginia state tax deduction for contributions to a CollegeAmerica Account?

A resident of Virginia who is the owner of a CollegeAmerica Account may deduct contributions of up to $2,000 ($4,000 beginning in 2009) from his or her state taxable income. If more than $2,000 ($4,000 beginning in 2009) is contributed in one year, the remainder may be carried forward and deducted in future tax years. For Account Owners age 70 and older, the entire amount of any contribution may be deducted in the year contributed or in a future year.

45. What if I deduct my CollegeAmerica contributions in computing my Virginia taxes, then withdraw some or all of the funds in my Account for a purpose other than to pay Qualified Higher Education Expenses?

Your deduction is subject to recapture in the year a withdrawal is made for any reason other than to pay Qualified Higher Education Expenses or due to the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award).

Gift tax considerations

46. What are the federal gift tax consequences of contributing to CollegeAmerica?

- Individuals can take advantage of the annual gift tax exclusion by contributing up to $12,000 ($24,000 for married couples) per year per Beneficiary without having to file a gift tax return or pay gift taxes.
- A special rule applicable only to 529 plans allows an individual to accelerate up to five years' worth of annual exclusions by contributing up to $60,000 ($120,000 for married couples) in one calendar year. While no gift taxes are payable, the donor can only take advantage of this rule by making an election on a federal gift tax return, IRS Form 709. If you take full advantage of this special rule, additional contributions or other gifts to the same individual during that calendar year or the next four calendar years may exceed the annual gift tax exclusion.

- Contributions made to a 529 plan in excess of the annual gift tax exclusion will not cause gift taxes to be payable unless the contributions (together with all other gifts) that exceed the annual gift tax exclusion are greater than the Contributor's lifetime gift tax exemption of $1 million.

Estate tax and generation-skipping transfer tax considerations

47. What are the federal estate tax consequences if the Account Owner dies?

The value of the Account is not included in the Account Owner's estate for estate tax calculation purposes unless the Account Owner dies within five calendar years of making an election to take advantage of the special annual gift tax exclusion rule. In that case, the portion of the contribution allocable to years after the year of the Account Owner's death will be included in the Account Owner's estate for estate tax calculation purposes.

48. What are the estate tax consequences if the Beneficiary dies?

The value of any interest in the Account is included in the Beneficiary's gross estate for federal estate tax purposes.

49. When may the generation-skipping transfer tax apply?

The generation-skipping transfer tax may apply either when an individual contributes to an Account for someone who is more than one generation younger than the Contributor, such as a grandchild, or when the Account Owner changes the Beneficiary to a new Beneficiary who is more than one generation younger than the previous Beneficiary. Consult your tax and financial advisers.

Financial aid considerations

50. What effect does having a CollegeAmerica Account have on the Beneficiary's eligibility for federal financial aid?

CollegeAmerica Accounts may affect a Beneficiary's ability to qualify for federal need-based financial aid. However, federal law provides that, effective as of July 1, 2006, a 529 account, such as a CollegeAmerica Account, will be regarded as an asset of the Account Owner (unless the Account Owner is a dependent student) for federal financial aid purposes. Effective July 1, 2009, a 529 account, such as a CollegeAmerica Account, will be regarded as an asset of the student if the student is an independent student and an asset of the parent if the student is a dependent student. An independent student generally includes an individual who:

- is age 24 by December 31 of the award year,
- is an orphan, in foster care or a ward of the court (other rules may apply),
- is an emancipated minor,
- is a war veteran,
- is a graduate or professional student,
- is married,
- has legal dependents other than a spouse,
- is homeless (other rules may apply), or
- has special and unusual circumstances which can be documented to his or her financial aid administrator.

Governance and administration

About the Program. The Virginia General Assembly created Virginia College Savings Plan (VCSP) as an independent state agency in its 1994 session. Its enabling legislation is codified at Chapter 4.9 of Title 23 of the Code of Virginia (1950), as amended (Sections 23–38.75 through 23–38.87). In its 1999 session, the General Assembly unanimously passed legislation authorizing the VCSP Board to create one or more savings trust investment options in conformance with the provisions of Section 529. In July 2001, the Board determined to offer CollegeAmerica, a 529 savings plan sold exclusively through financial advisers. CollegeAmerica was launched in February 2002.

Program Administrator. VCSP, the Program Administrator of CollegeAmerica, is governed by an eight-member Board, consisting of four members who sit on the Board by virtue of the state offices they hold and four citizen members appointed by the Governor of Virginia. The ex officio members are the Director of the State Council of Higher Education for Virginia, the Chancellor of the Virginia Community College System, the State Treasurer and the State Comptroller. The Virginia Auditor of Public Accounts or its legally authorized representative annually audits VCSP, including CollegeAmerica. The fee paid to VCSP (0.10% of assets) on all CollegeAmerica assets is not used for any purpose other than program administration and operation of VCSP.

Program Manager. Consistent with Virginia law, VCSP selected American Funds Service Company, American Funds Distributors and Capital Research and Management Company (collectively, the "Program Manager") to manage CollegeAmerica following an extensive search of mutual fund managers. As a result of this search, the Investment Committee of the Board recommended, and the full Board approved, the selection of the Program Manager. On July 20, 2001, VCSP entered into a 15-year agreement with the Program Manager. In a May 1, 2006 amendment, VCSP and the Program Manager extended the term of the agreement for an additional 10-year period. American Funds Service Company is responsible for the recordkeeping and administration of the program. American Funds Distributors is the distributor of CollegeAmerica and is responsible for marketing and distributing the program exclusively through financial advisers. Capital Research and Management Company serves as the investment adviser to CollegeAmerica as well as the investment adviser to the American Funds.

Investment options

The investment options offered by CollegeAmerica are managed by Capital Research and Management Company. You may choose to invest your contribution to CollegeAmerica in one or more of the 22 American Funds listed below.

Available American Funds. The following American Funds have been approved by the VCSP Board to be offered in CollegeAmerica. The Board may, at any time and without prior notice to Account Owners, change the investment options that are available for future contributions and existing Accounts.

Growth funds
AMCAP Fund
The Growth Fund of America
The New Economy Fund

International and global growth funds
EuroPacific Growth Fund
New Perspective Fund
New World Fund
SMALLCAP World Fund

Growth-and-income funds
American Mutual Fund
Capital World Growth and Income Fund
Fundamental Investors
The Investment Company of America
Washington Mutual Investors Fund

Equity-income funds
Capital Income Builder
The Income Fund of America

Balanced fund
American Balanced Fund

Bond funds
American High-Income Trust
The Bond Fund of America
Capital World Bond Fund
Intermediate Bond Fund of America
Short-Term Bond Fund of America
U.S. Government Securities Fund

Money market fund
The Cash Management Trust of America

Fund investment objectives and risks. The investment objectives and risks of the funds are summarized below. Investors should read the most current prospectus(es) of the American Funds in which you are investing before making contributions to CollegeAmerica.

Investment risks associated with investing in American Funds. Your investment in the funds is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency, entity or person. You may lose money by investing in the funds. The likelihood of loss is greater if you invest for a shorter period of time.

Growth funds

AMCAP Fund (AMCAP)

The fund seeks to make your investment grow over time by investing primarily in stocks of U.S. companies with a record of above–average, long-term growth. The fund may also invest in securities of issuers based outside the United States to a limited extent.

The fund is designed for investors seeking capital appreciation through investments in stocks. Investors in the fund should have a long-term perspective and be able to tolerate potentially wide price fluctuations. Your investment in the fund is subject to risks, including the possibility that the value of the fund's portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad.

The Growth Fund of America (GFA)

The fund seeks to make your investment grow by investing primarily in common stocks of companies that appear to offer superior opportunities for growth of capital.

The fund is designed for investors seeking capital appreciation through stocks. Investors in the fund should have a long-term perspective and be able to tolerate potentially wide price fluctuations. Your investment in the fund is subject to risks, including the possibility that the value of the fund's portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad.

The New Economy Fund (NEF)

The fund seeks to make your investment grow over time by investing primarily in stocks of companies in the services and information areas of the global economy. The fund may invest a significant portion of its assets in issuers based outside the United States.

The fund is designed for investors seeking greater capital appreciation through investments in stocks of issuers based around the world. Investors in the fund should have a long-term perspective and be able to tolerate potentially wide price fluctuations. Your investment in the fund is subject to risks, including the possibility that the value of the fund's portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States may be affected to a greater extent. The fund may be subject to additional risks because it invests in a more limited group of sectors and industries than the broad market.

International and global growth funds

EuroPacific Growth Fund (EUPAC)

The fund seeks to make your investment grow over time by investing primarily in stocks of issuers located in Europe and the Pacific Basin.

The fund is designed for investors seeking capital appreciation and diversification through investments in stocks of issuers based outside the United States. Investors in the fund should have a long-term perspective and be able to tolerate potentially wide price fluctuations. Your investment in the fund is subject to risks, including the possibility that the value of the fund's portfolio holdings will fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad, and currency fluctuations.

New Perspective Fund (NPF)

The fund seeks to make your investment grow over time by investing in stocks of companies located around the world. Providing you with future income is a secondary objective.

The fund is designed for investors seeking capital appreciation through stocks. Investors in the fund should have a long-term perspective and be able to tolerate potentially wide price fluctuations. Your investment in the fund is subject to risks, including the possibility that the value of the fund's portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States may be affected to a greater extent.

New World Fund (NWF)

The fund seeks to make your investment grow over time by investing primarily in stocks of companies with significant exposure to countries with developing economies and/or markets. The fund may also invest in debt securities of issuers, including issuers of lower rated bonds, with exposure to these countries.

The fund is designed for investors seeking capital appreciation. Investors in the fund should have a long-term perspective and be able to tolerate potentially wide price fluctuations. Your investment in the fund is subject to risks, including the possibility that the value of the fund's portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States, particularly in countries with developing economies and/or markets, may be affected to a greater extent. The values of debt securities owned by the fund may be affected by changing interest rates and credit risk assessments, as well as by events specifically involving the issuers of those securities. Lower quality or longer maturity bonds may be subject to greater price fluctuations than higher quality or shorter maturity bonds.

SMALLCAP World Fund (SCWF)

The fund seeks to make your investment grow over time by investing primarily in stocks of companies located around the world with small market capitalizations measured at the time of purchase. The fund's investment adviser currently defines "small market capitalization" companies to be companies with market capitalizations of $3.5 billion or less. This definition is subject to change.

The fund is designed for investors seeking capital appreciation through stocks. Investors in the fund should have a long-term perspective and be able to tolerate potentially wide price fluctuations. Your investment in the fund is subject to risks, including the possibility that the value of the fund's portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States may be affected to a greater extent. Investing in smaller companies may pose additional risks as it is often more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies.

Growth-and-income funds

American Mutual Fund (AMF)

The fund seeks to provide you with current income, growth of capital and conservation of principal. The fund invests primarily in common stocks of larger, more established companies that have long records of increasing earnings and dividends.

The fund is designed for investors seeking both income and capital appreciation, as well as conservation of principal. In pursuing its objectives, the fund seeks to develop a portfolio that is more resilient to market declines. The fund's equity investments are limited to securities of companies that are included on its eligible list. The eligible list is reviewed and approved by the fund's board of directors at the recommendation of Capital Research and Management Company, the fund's investment adviser. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad.

Capital World Growth and Income Fund (WGI)

The fund seeks to make your investment grow over time and provide you with current income by investing primarily in stocks of well-established companies located around the world.

The fund is designed for investors seeking both capital appreciation and income. In pursuing its objective, the fund tends to invest in stocks that the investment adviser believes to be relatively resilient to market declines. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad.

Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States may be affected to a greater extent.

Fundamental Investors (FI)

The fund seeks to make your investment grow and provide you with income over time by investing primarily in common stocks of large, established companies that offer growth potential at reasonable prices. The fund may also invest significantly in securities of issuers domiciled outside the United States.

The fund is designed for investors seeking both capital appreciation and income. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States may be affected to a greater extent.

The Investment Company of America (ICA)

The fund seeks to make your investment grow and provide you with income over time by investing primarily in common stocks that offer growth and dividend potential.

The fund is designed for investors seeking both capital appreciation and income. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad.

The fund's investments are limited to securities of companies that are included on its eligible list. Changes to the eligible list are reviewed and authorized by the fund's board of directors at the recommendation of Capital Research and Management Company, the fund's investment adviser.

Washington Mutual Investors Fund (WMIF)

The fund seeks to produce income and to provide an opportunity for growth of principal consistent with sound common stock investing. The fund invests primarily in common stocks of larger, more established companies that are listed on, or meet the financial listing requirements of, the New York Stock Exchange and have a strong record of earnings and dividends.

The fund is designed to provide fiduciaries, organizations, institutions and individuals with a convenient and prudent medium of investment in high-quality common stocks and securities convertible into common stocks. It is especially designed to serve those individuals who are charged with the responsibility of investing retirement plan trusts, other fiduciary-type reserves or family funds, but who are reluctant to undertake the selection and supervision of individual stocks.

The fund strives to maintain a fully invested, diversified portfolio, consisting primarily of high-quality common stocks. The fund has stringent Investment Standards based upon criteria originally adopted by the United States District Court for the District of Columbia and in effect for many years for determining eligibility under the Court's Legal List procedure for the investment of trust funds. Applying these Investment Standards, the fund's investment adviser compiles an "Eligible List" of investments considered appropriate for a prudent investor seeking opportunities for income and growth of principal consistent with common stock investing. The investment adviser is required to select the fund's investments exclusively from the Eligible List. The investment adviser monitors the Eligible List and makes recommendations to the board of directors of additions to, or deletions from, the Eligible List to comply with the fund's Investment Standards.

Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests, as well as economic, political or social events in the United States or abroad.

Equity-income funds

Capital Income Builder (CIB)

The fund primarily seeks to provide you with a level of current income that exceeds the average yield on U.S. stocks generally and a growing stream of income over the years. Secondarily, the fund strives to make your investment grow over time. The fund invests primarily in a broad range of income-producing securities, including stocks with a history of, or potential for, increasing dividends. The fund may also invest significantly in securities of issuers domiciled outside the United States.

The fund is designed for investors seeking current income and capital appreciation through a mix of investments that provide above-average price stability. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to economic, political or social events in the United States or abroad.

The values of and the income generated by debt securities owned by the fund may be affected by changing interest rates and credit risk assessments, as well as by events specifically involving the issuers of those securities. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States may be affected to a greater extent.

The Income Fund of America (IFA)

The fund seeks to provide you with current income and, secondarily, to make your investment grow. It invests primarily in a broad range of income-producing securities, including stocks and bonds. Generally, the fund will invest a substantial portion of its assets in equity-type securities.

The fund is designed for investors seeking current income and capital appreciation through a mix of investments that provides above-average price stability. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to economic, political or social events in the United States or abroad.

The prices of and the income generated by securities owned by the fund may be affected by events specifically involving the companies issuing those securities. The values of, and the income generated by, debt securities owned by the fund may be affected by changing interest rates and credit risk assessments, as well as by events specifically involving the issuers of those securities. Lower quality or longer maturity bonds may be subject to greater price fluctuations than higher quality or shorter maturity bonds. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States may be affected to a greater extent.

Balanced fund

American Balanced Fund (AMBAL)

The fund strives to provide you with conservation of capital, current income and long-term growth of both capital and income. The fund invests in a broad range of securities, including stocks and bonds.

The fund is designed for investors seeking current income and capital appreciation through a mix of investments that provide above-average price stability. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to events specific to the companies or markets in which the fund invests and by changing interest rates and credit risk assessments, as well as economic, political or social events in the United States or abroad.

Bond funds

American High-Income Trust (AHIT)

The fund seeks to provide you with a high level of current income and, secondarily, capital appreciation. The fund seeks to achieve these objectives by investing primarily in a broad range of higher yielding and generally lower quality debt securities, including corporate loans, that also provide an opportunity to increase in value. Typically, when an issuer's financial health improves, the value of its debt securities tends to rise.

The fund is designed for investors seeking a high level of current income and who are able to tolerate greater credit risk and price fluctuations than exist in funds investing in higher quality debt securities. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to economic, political or social events in the United States or abroad.

The values of, and the income generated by, debt securities owned by the fund may be affected by changing interest rates and credit risk assessments as well as by events specifically involving the issuers of those securities. Lower quality or longer maturity debt securities may be subject to greater price fluctuations than higher quality or shorter maturity debt securities. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States may be affected to a greater extent.

The Bond Fund of America (BFA)

The fund seeks to maximize your level of current income and preserve your capital by investing primarily in bonds. Normally, the fund invests the majority of its assets in bonds rated A and above. The fund may also invest in lower rated bonds.

The fund is designed for investors seeking current income, capital preservation over the long term and more price stability than that offered by stocks. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to economic, political or social events in the United States or abroad.

The values of, and the income generated by, debt securities owned by the fund may be affected by changing interest rates and credit risk assessments as well as by events specifically involving the issuers of those securities. Lower quality or longer maturity bonds may be subject to greater price fluctuations than higher quality or shorter maturity bonds. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States may be affected to a greater extent.

Capital World Bond Fund (WBF)

The fund seeks to provide you, over the long term, with a high level of total return as is consistent with prudent management, by investing primarily in investment grade bonds issued by entities based around the world and denominated in various currencies, including U.S. dollars. The fund may also invest in lower quality, higher yielding debt securities. The total return of the fund will be the result of interest income, changes in the market value of the fund's investments and changes in the value of other currencies relative to the U.S. dollar.

The fund is designed for investors seeking returns through a portfolio of bonds issued by entities based around the world. Your investment in the fund is subject to risks, including the possibility that the value of the fund's portfolio holdings may fluctuate in response to economic, political or social events in the United States or abroad. The values of, and the income generated by, debt securities owned by the fund may be affected by changing interest rates and credit risk assessments, as well as by events specifically involving the issuers of those securities. Lower quality or longer maturity bonds may be subject to greater price fluctuations than higher quality or shorter maturity bonds.

Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global economic, political or social instability, securities issued by entities based outside the United States, particularly in countries with developing economies and/or markets, may be affected to a greater extent.

The fund is nondiversified, which allows it to invest a greater percentage of its assets in any one issuer than would otherwise be the case. However, the fund intends to limit its investments in the securities of any single issuer.

Intermediate Bond Fund of America (IBFA)

The fund seeks to provide you with current income while preserving your investment by maintaining a portfolio having a dollar-weighted average maturity of no less than three years and no greater than five years under normal market conditions. The fund invests primarily in debt securities with quality ratings of A or better. The fund may invest up to 10% of its assets in securities rated BBB or Baa (or in unrated securities determined to be of equivalent quality by the fund's investment adviser).

The fund is designed for investors seeking income, higher credit quality and capital preservation over the long term. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to economic, political or social events in the United States or abroad. The values of debt securities owned by the fund may be affected by changing interest rates and credit risk assessments as well as by events specifically involving the issuers of those securities.

The fund primarily invests in intermediate-term debt securities, including securities issued and guaranteed by the U.S. government and securities backed by mortgages or other assets. The fund may also invest in debt securities and mortgage-backed securities issued by federal agencies and instrumentalities that are not backed by the full faith and credit of the U.S. government. Examples of such securities are mortgage-backed securities issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). These securities are neither issued nor guaranteed by the U.S. Treasury.

Short-Term Bond Fund of America (STBF)

The fund seeks to provide you with current income while preserving your investment by maintaining a portfolio having a dollar-weighted average maturity no greater than three years and consisting primarily of debt securities with quality ratings of AA or Aa or better and unrated securities determined to be of equivalent quality.

The fund is designed for investors seeking income, higher credit quality and capital preservation over the long term.

The fund primarily invests in short-term debt securities, including securities issued and guaranteed by the U.S. government, mortgage- and asset-backed securities. The fund may invest in debt securities and mortgage-backed securities issued by federal agencies and instrumentalities that are not backed by the full faith and credit of the U.S. government. Examples of such securities are mortgage-backed securities issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). These securities are neither issued nor guaranteed by the U.S. Treasury.

Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to economic, political or social events in the United States or abroad. The values of, and the income generated by, debt securities owned by the fund may be affected by changing interest rates and credit risk assessments as well as by events specifically involving the issuers of those securities.

U.S. Government Securities Fund (GVT)

The fund seeks to provide you with a high level of current income as well as to preserve your investment by investing primarily in securities that are guaranteed or sponsored by the U.S. government. All securities held by the fund will be rated AAA/Aaa or equivalent.

The fund is designed for investors seeking income, higher credit quality and capital preservation over the long term. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its portfolio holdings may fluctuate in response to economic, political or social events in the United States or abroad.

At least 80% of the fund's assets will be invested in securities that are guaranteed or sponsored by the U.S. government, including debt securities and mortgage-backed securities issued by federal agencies and instrumentalities that are not backed by the full faith and credit of the U.S. government. Examples of such securities are mortgage-backed securities issued by the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). The fund may invest up to 20% if its assets in non-government securities rated AAA or Aaa (or in unrated securities determined to be of equivalent quality by the fund's investment adviser).

While the fund invests in the highest quality debt securities, these securities are subject to interest rate and prepayment risks. Interest rate risk is the risk that the market value of the fixed-income securities owned by the fund will fluctuate as interest rates go up or down. Prepayment risk is the risk that the issuers of fixed-income securities owned by the fund will prepay them at a time when interest rates have declined, which may require the fund to reinvest the proceeds in lower yielding securities. It is important to note that neither the fund nor its yield is guaranteed by the U.S. government.

Money market fund

The Cash Management Trust of America (CMTA)

The fund provides you with an opportunity to earn income on your cash reserves while preserving the value of your investment and maintaining liquidity. The Cash Management Trust seeks to achieve this objective by investing primarily in high-quality money market instruments, such as commercial paper and commercial bank obligations.

Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

More information about the American Funds. Information regarding the investment policies of the American Funds and the related risks may be obtained from the applicable prospectuses. You may obtain copies of prospectuses by calling **800/421-0180** or by visiting **americanfunds.com**.

Investment results

The investment results for a CollegeAmerica Account invested in the 22 American Funds available through CollegeAmerica are described in Appendix D to this Program Description.

Opening and contributing to an Account

Opening an Account. Any individual who is a U.S. citizen or legal U.S. resident may open a CollegeAmerica Account. In addition, U.S. trusts, corporations, partnerships, Non-Profit Organizations and other entities may open an Account. Only a trust whose terms are consistent with the requirements of Section 529 should open a CollegeAmerica Account. It is the responsibility of the trustee of a trust to determine whether any provision of the trust is inconsistent with the requirements of Section 529. If, after investing in a CollegeAmerica Account, the trustee determines that the trust cannot be administered in a manner consistent with the requirements of Section 529, the Program Manager will not be liable for any market losses or other charges imposed in connection with any withdrawals from the Account.

To open a CollegeAmerica Account, you must complete a CollegeAmerica Account application. You do not have to be a Virginia resident to open an Account. There are no age or income restrictions to open an Account. There may be only one Account Owner (joint ownership is not permitted).

Designating a Beneficiary. When you open an Account, you must designate a Beneficiary, who may be a relative, friend or even yourself. A Beneficiary must be either a U.S. citizen or legal U.S. resident. Non-Profit Organizations are not required to designate a Beneficiary.

Contributing to an Account. Any person or entity may make contributions to a CollegeAmerica Account for the benefit of a Beneficiary at any time. Individuals or entities other than the Account Owner that contribute funds to the Account will have no subsequent control over the contributions. Only the Account Owner may request transfers, rollovers, investment changes, withdrawals and Beneficiary changes.

- **Form of contribution.** All contributions must be in cash or cash equivalent and cannot be in the form of securities or other property. Contributions may be made by check or automatic withdrawal from a bank account.

- **Automatic contributions.** An authorization to make contributions by automatic withdrawal from a bank account will remain in effect until the Program Manager has received written notification of its termination. The Account Owner or the Program Manager may terminate contributions by automatic withdrawals at any time.

- **Possible rule changes.** A recent advance notice of proposed rulemaking from the Department of the Treasury and the Internal Revenue Service indicates that future regulations may either prohibit or provide special rules for contributions by entities other than individuals.

Successor Owner. The Account Owner is strongly encouraged to designate a successor owner at the time the CollegeAmerica Account is established. The successor owner must be a U.S. citizen or legal U.S. resident. If the original Account Owner dies or is declared legally incompetent, the successor owner becomes the Account Owner. If the Account Owner dies and there is no successor owner, the estate of the Account Owner will become the Account Owner. The Account Owner can change the successor owner by written notification to the Program Manager.

Contribution limits

- **Maximum.** Once the total Account balance (including any earnings) reaches $250,000, we will not accept additional contributions or rollovers. If the Account value is below $250,000, you can contribute regardless of how much you have already contributed. For purposes of this limit, the Program Manager will consider other CollegeAmerica Accounts opened for the same Beneficiary and accounts in the other Qualified Tuition Programs administered by VCSP — VEST, VPEP and CollegeWealth. If a Non-Profit Organization does not designate a Beneficiary for an Account, the Account will not be subject to the $250,000 maximum contribution limit.

  The Board may increase the $250,000 maximum contribution limit based on the estimated cost of Qualified Higher Education Expenses at Eligible Educational Institutions in the United States.

- **Minimum.** To open an Account, you must invest at least the minimum amount required by each of the American Funds you select. Please refer to the applicable fund prospectus for minimum contribution and subsequent investment information.

Changes to an Account

Changing investments. The Account Owner may change the fund or funds in which the Account invests only once per calendar year and upon a change in the Beneficiary of the Account. For purposes of the investment change rule, all accounts maintained by the Account Owner for the same Beneficiary in CollegeAmerica, VEST and CollegeWealth will be aggregated. Once an investment change is made in one account, a subsequent investment change in that account or in another account maintained for the same Beneficiary in VEST, CollegeAmerica or CollegeWealth within the same calendar year will be treated as a withdrawal. The Account Owner may, however, change the investments in more than one account for the same beneficiary once per calendar year without tax consequences, provided that the change to all accounts is made at the same time.

Changing the Beneficiary. An Account Owner may change the Beneficiary of the CollegeAmerica Account at any time. To avoid treatment of the change as a withdrawal, the new Beneficiary must be a Member of the Family of the previous Beneficiary.

The Account Owner must complete a Beneficiary change form indicating the relationship of the new Beneficiary to the previous Beneficiary. A Beneficiary change may be denied or limited if it causes one or more Qualified Tuition Program accounts administered by VCSP for the same Beneficiary to exceed the $250,000 maximum contribution limit.

A recent advance notice of proposed rulemaking from the Department of the Treasury and the Internal Revenue Service indicates that, in the case of a Qualified Tuition Program account for which the Account Owner is also the Beneficiary, future regulations may require any subsequent change in the Beneficiary to be treated as a deemed distribution to the Account Owner and a gift to the new Beneficiary via a rollover. In addition, the future regulations may provide that a change in Beneficiary that would result in the imposition of any tax, e.g., by changing the Beneficiary to one generation lower or to a Beneficiary who is not a Member of the Family, would be treated, for gift tax purposes, as a deemed distribution to the Account Owner, the opening of a new account, and the making of a new gift by the Account Owner for the new Beneficiary.

Changing the Account Owner. The Account Owner may transfer the ownership of a CollegeAmerica Account, provided that no consideration is given or accepted for the transfer. Please consult your tax adviser regarding the tax consequences of any such transfer.

Rollovers and transfers

Qualified Tuition Programs. We will accept rollovers from other Qualified Tuition Programs to CollegeAmerica. To transfer your funds from your current Qualified Tuition Program to CollegeAmerica, please complete the CollegeAmerica Account application. You will need to provide appropriate documentation from the transferring institution that shows the earnings portion of the rollover. If such documentation is not provided, the entire rollover will be treated as earnings.

Please note that, if you withdraw funds from a Qualified Tuition Program with the intention of contributing these funds to CollegeAmerica, you must do so within 60 days of the initial withdrawal in order to retain the tax-free treatment of the rollover.

If you are not changing the Beneficiary, you may roll over a CollegeAmerica Account to another Qualified Tuition Program provided that the Account has not been rolled over in the previous 12 months. The Program Manager must provide to a transferee 529 program manager a statement providing the earnings portion of the rollover by the earlier of: (1) 30 days after the rollover or (2) January 10 of the calendar year following the calendar year in which the rollover occurred.

Coverdell Education Savings Accounts and Qualified U.S. Savings Bonds.

- **Coverdell Education Savings Accounts.** We will accept transfers from a Coverdell Education Savings Account to CollegeAmerica. The transfer is considered a nontaxable withdrawal from the Coverdell Education Savings Account. You will need to complete a CollegeAmerica Account application and provide appropriate documentation from the trustee or custodian of the Coverdell Education Savings Account that shows the earnings portion of the transfer. If such documentation is not provided, the entire transfer will be treated as earnings.

- **Qualified U.S. Savings Bonds.** We will accept transfers of Qualified U.S. Savings Bonds to CollegeAmerica. You will need to complete a CollegeAmerica Account application and provide appropriate documentation, such as a 1099-INT form or a written statement from the financial institution that redeemed the Qualified U.S. Savings Bonds, that shows the earnings portion of the transfer. If such documentation is not provided, the entire transfer will be treated as earnings. Please consult your tax adviser regarding the tax consequences of such a transfer.

UGMA or UTMA contributions. A CollegeAmerica Account may be opened with UGMA/UTMA funds. These types of accounts involve additional restrictions. Specifically, UGMA/UTMA custodians/Account Owners may not change the Beneficiary of a custodial CollegeAmerica Account. At the time the Program Manager is notified by either the UGMA/UTMA custodian or the Beneficiary that the Beneficiary has reached the age of majority, the Beneficiary will become the Account Owner. Additional contributions to the CollegeAmerica Account holding UGMA/UTMA funds will be subject to these restrictions.

Neither VCSP nor the Program Manager is liable for any consequences related to a custodian's improper use or transfer of UGMA/UTMA custodial funds. Transfers from UGMA/UTMA accounts create significant legal considerations and may be restricted by your financial adviser's firm. Please consult your adviser before making such a transfer.

A transfer of assets or rollover may be denied or limited if it causes one or more Qualified Tuition Program accounts administered by VCSP for the same Beneficiary to exceed the $250,000 maximum contribution limit.

Withdrawals

Withdrawals in general. Only the Account Owner may request withdrawals from an Account. The Account Owner may use the funds in the Account for any purpose and may make withdrawals at any time.

Generally, each withdrawal from an Account comprises two pro rata components: (1) a return of principal and (2) earnings. The return of principal portion of any withdrawal, whether Qualified or Non-Qualified, is not taxable. As explained in more detail below, the earnings portion of a withdrawal may be subject to taxation, and possibly penalties, depending upon whether the withdrawal is Qualified or Non-Qualified. The Account Owner or the Beneficiary is responsible for determining whether a withdrawal is Qualified or Non-Qualified and whether a penalty applies.

Qualified Withdrawals. If the Account Owner withdraws funds to pay for Qualified Higher Education Expenses of the Beneficiary, the withdrawal will be Qualified. The earnings on Qualified Withdrawals used to pay Qualified Higher Education Expenses are free from federal income tax and are not subject to a 10% federal tax penalty. The earnings on a withdrawal made as a result of the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award) will be subject to federal income tax. However, the earnings will not be subject to the 10% federal tax penalty.

The Account Owner or the Beneficiary is responsible for retaining the appropriate documentation for the tax treatment of Qualified Withdrawals.

A recent advance notice of proposed rulemaking from the Department of the Treasury and the Internal Revenue Service indicates that future regulations may include a rule that would require a Qualified Withdrawal to be used to pay Qualified Higher Education Expenses incurred during the same calendar year as the Qualified Withdrawal or by March 31 of the following year.

Qualified Higher Education Expenses. Qualified Higher Education Expenses are expenses that are incurred by a Beneficiary attending an Eligible Educational Institution. Generally, these expenses include:
- tuition;
- all mandatory fees;
- textbooks, supplies and required equipment;
- room and board during any academic period during which the Beneficiary is enrolled at least half-time in a degree, certificate or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution.

To be considered Qualified Higher Education Expenses, room and board costs may not exceed the following amounts:
- on-campus: actual invoice amount for room and board;
- off-campus: up to the applicable room and board portion of the Cost of Attendance as determined by the Eligible Educational Institution.

Non-Qualified Withdrawals. Those withdrawals that are not Qualified Withdrawals are Non-Qualified Withdrawals. Any earnings on Non-Qualified Withdrawals are subject to a 10% federal tax penalty in addition to federal and, if applicable, state income tax. The Account Owner or the Beneficiary is responsible for determining whether a withdrawal is Non-Qualified, making the appropriate filings with the IRS and paying the 10% federal tax penalty on earnings.

A recent advance notice of proposed rulemaking from the Department of the Treasury and the Internal Revenue Service indicates that future regulations may include rules that tax as income, rather than as a return of the investment, Non-Qualified Withdrawals by the Account Owner that include contributions made by another person. Such rules would make the Account Owner liable for income tax on the entire amount of the funds distributed for the Account Owner's benefit, except to the extent that Account Owner can substantiate that he or she made contributions to the Qualified Tuition Program account, and therefore, has an investment in the account.

Losses on investments. If you have an investment loss in your CollegeAmerica Account, you can take the loss as a deduction on your income tax return but only when all amounts from that Account have been withdrawn and the total withdrawals are less than the total contributions made to the Account. You can claim the loss as a miscellaneous itemized deduction, subject to the 2%-of–adjusted-gross-income limit.

Account statements and confirmations

Account Owners will receive a confirmation of all American Funds transactions in their CollegeAmerica Account. The Program Manager will issue quarterly statements to all Account Owners reflecting activity in their CollegeAmerica Account. The Account Owner or the Beneficiary will have 120 days after a confirmation or Account statement is sent to the Account Owner to correct any error made by the Program Manager that may be reflected on that confirmation or Account statement.

Fees and expenses

The fees relating to the Account's investment in one or more American Funds will vary, depending on the class of shares and the American Funds selected.

At the time an Account is opened, it will incur a $10 initial Account fee. Thereafter, the Account will be charged an annual $10 Account maintenance fee. These fees may be increased without prior notice to Account Owners. Shares of the American Funds held in a CollegeAmerica Account will be redeemed automatically to pay these fees or the Account Owner may pay these fees separately.

These fees and expenses are described in Appendices A, B and C to this Program Description.

Program risks and special considerations

Program Description. You should carefully read and understand this Program Description before making contributions to CollegeAmerica. Please keep this Program Description for future reference.

The information contained in this Program Description is believed to be accurate as of the date of the Program Description and is subject to change without prior notice. Account Owners should rely only on the information contained in this Program Description. No one is authorized to provide information about CollegeAmerica that is different from the information contained in the Program Description.

No guarantee of principal. Total withdrawals from an Account may be worth more or less than the amount invested initially.

Limited shareholder rights. Account Owners do not have a direct ownership interest in the American Funds held in an Account and do not have the rights of a shareholder of the American Funds, including the right to vote any proxies relating to fund shares.

Possible change or termination of CollegeAmerica. VCSP and the Program Manager reserve the right to make changes to CollegeAmerica at any time. Neither VCSP nor the Program Manager is required by law to continue offering CollegeAmerica Accounts, to accept additional contributions to existing CollegeAmerica Accounts or to allow new CollegeAmerica Accounts to be opened.

Meeting college expenses not guaranteed. Even if an Account balance for a Beneficiary reaches the maximum limit allowed in CollegeAmerica, there is no assurance that the value of the Account will be sufficient to cover all the higher education expenses a Beneficiary may incur or that the rate of return on an Account will equal or exceed the rate at which higher education expenses may rise each year. The rate of inflation on education expenses is uncertain and could exceed the rate of return on an Account. Neither VCSP nor the Program Manager is responsible for paying any higher education expenses that exceed the balance of a CollegeAmerica Account at the time a withdrawal is requested.

Admission to, continuation at or graduation from college not guaranteed. Having a CollegeAmerica Account does not guarantee that: (1) a Beneficiary will be admitted to any institution of higher education; (2) a Beneficiary will be allowed to continue enrollment at any institution of higher education after admission; (3) a Beneficiary will graduate from any institution of higher education; or (4) a Beneficiary will qualify for in-state tuition rates at any Virginia state-supported public college or university.

Changing legal regulations. It is possible that the U.S. Congress, the U.S. Treasury Department, the IRS, the Commonwealth of Virginia and other taxing authorities or the courts may take actions that will adversely affect CollegeAmerica and that such adverse effects may be retroactive. The Program Manager is under no obligation to continue to market and administer CollegeAmerica in the event that a change in the tax or other federal or state law makes continued operation not in the best interests of Account Owners or Beneficiaries. There can be no assurance that a change will not adversely affect CollegeAmerica and/or the value of your investment in an Account.

On January 17, 2008, the Department of the Treasury and the Internal Revenue Service released an advance notice of proposed rulemaking for the regulations relating to Qualified Tuition Programs. The advance notice indicates that the proposed rulemaking will include rules relating to the tax treatment of contributions to and participants in Qualified Tuition Programs. The proposed rulemaking will also include a general anti-abuse rule that will apply when Qualified Tuition Program accounts are established or used for purposes of avoiding transfer tax or for other purposes inconsistent with Section 529. Generally, the rules will be applied prospectively, with the exception of the anti-abuse rule, which may be applied retroactively.

Treatment of Accounts for financial aid purposes. CollegeAmerica Accounts may affect a Beneficiary's ability to qualify for federal need-based financial aid. However, federal law provides that, effective as of July 1, 2006, a 529 account, such as a CollegeAmerica Account, will be regarded as an asset of the Account Owner (unless the Account Owner is a dependent student) for federal financial aid purposes. Effective July 1, 2009, a 529 account, such as a CollegeAmerica Account, will be regarded as an asset of the student if the student is an independent student and an asset of the parent if the student is a dependent student. An independent student generally includes an individual who:

- is age 24 by December 31 of the award year,
- is an orphan, in foster care or a ward of the court (other rules may apply),
- is an emancipated minor,
- is a war veteran,
- is a graduate or professional student,
- is married,
- has legal dependents other than a spouse,
- is homeless (other rules may apply), or
- has special and unusual circumstances which can be documented to his or her financial aid administrator.

CollegeAmerica Accounts should not affect a Beneficiary's eligibility for merit-based scholarships. In addition, CollegeAmerica Accounts do not affect a Beneficiary's eligibility for a Virginia Tuition Assistance Grant for Virginia Beneficiaries who attend an eligible private, nonprofit institution of higher education in Virginia.

Medicaid eligibility. A CollegeAmerica Account may adversely affect an Account Owner's eligibility for federal and state assistance programs, particularly Medicaid. Please consult your financial adviser for additional information.

Changes in Program Manager. On July 20, 2001, VCSP and the Program Manager entered into a 15-year agreement. In a May 1, 2006 amendment, VCSP and the Program Manager extended the term of the agreement for an additional 10-year period. The term of the agreement is automatically extended for successive additional terms of one year each unless either party provides notice in writing to the other party that the agreement will terminate at the end of the term. VCSP and the Program Manager may terminate the agreement at any time by mutual consent during the initial or an extension term. In addition, both VCSP and the Program Manager have the right to terminate the agreement under specified circumstances. In the event that the agreement is terminated, VCSP may select another program manager for CollegeAmerica without prior notice to Account Owners.

Limit on Account duration. For beneficiaries who have not graduated from high school at the time a CollegeAmerica Account is opened, the Account Owner has 30 years after the projected date of the Beneficiary's high school graduation to use all assets in their CollegeAmerica Account. For beneficiaries who have graduated from high school at the time an Account is opened, the Account Owner has 30 years after the date the CollegeAmerica Account was opened to use all assets in their CollegeAmerica Account. Any time spent by a Beneficiary as an active-duty member of any branch of the U.S. Armed Services will be added to the 30-year period. If an Account is rolled over to a new Beneficiary, the applicable 30-year time limit will begin again, based on the new Beneficiary's age and date of Account inception. Requests for extensions of this Account duration limit will be considered by the Program Manager on a case-by case basis.

If the CollegeAmerica Account is not depleted within the 30-year Account duration limit, the Program Manager will contact the Account Owner regarding the status of the CollegeAmerica Account. If neither the VCSP Board nor the Program Manager, after diligent commercial efforts, is able to locate the Account Owner, the Beneficiary or any designee of survivorship rights, the Board shall report the unclaimed amounts to the Virginia State Treasurer as unclaimed property pursuant to Section 55–210.12 of the Code of Virginia (1950), as amended.

Claims against Accounts. Federal bankruptcy law may protect from creditors contributions to an Account made on behalf of a Beneficiary who was a child, stepchild, grandchild, or stepgrandchild of the debtor in the year in which the contribution was made. All contributions made at least two years prior to the filing of the bankruptcy petition are protected. Contributions up to $5,000 that are made more than one year, but less than two years, before the filing of the bankruptcy petition are protected. Contributions made less than one year before the filing of the bankruptcy petition are not protected.

Virginia law also provides Account Owners and Beneficiaries protection from creditors. When Virginia law is applied, an Account may not be attached, garnished, seized or appropriated by any creditor to pay any debt or liability.

In addition, federal law provides that an Account cannot be used as security or collateral on any loan. Neither VCSP nor the Program Manager represents or warrants protection from creditors. You should consult a legal adviser about the application of these laws to your particular situation.

Other considerations. An investment in CollegeAmerica may not be the appropriate investment program for everyone. You should evaluate other tax-advantaged education savings programs and consult your financial adviser.

Federal securities laws

Exemption from registration. CollegeAmerica Accounts are considered municipal fund securities and have not been registered as securities under the Securities Act of 1933 in reliance on an exemption from registration available for obligations issued by a public instrumentality of a state. In addition, the Accounts have not been registered with any state in reliance on an exemption from registration available for obligations issued by an instrumentality of a state.

Continuing disclosure. Under Rule 15c2–12(b)(5) of the Securities Exchange Act of 1934 (the "Rule"), certain information must be provided to Account Owners on a periodic basis. To comply with this Rule, VCSP has executed a Continuing Disclosure Agreement for the benefit of Account Owners (the "Disclosure Agreement"). Under the Disclosure Agreement, certain financial information and operating data relating to the American Funds offered in CollegeAmerica (the "Annual Information") will be provided to appropriate parties, as well as notices of the occurrence of certain events identified in the Disclosure Agreement, if material. The Annual Information will be filed by or on behalf of VCSP with each Nationally Recognized Municipal Securities Information Repository (the "NRMSIRs") and with any Virginia information repository. Notices of certain enumerated events will be filed by or on behalf of VCSP with the NRMSIRs or the Municipal Securities Rulemaking Board and with any Virginia information repository.

Other than the Disclosure Agreement, VCSP has not previously entered into a continuing disclosure undertaking pursuant to the Rule. A failure by VCSP to comply with the Disclosure Agreement will not constitute a default under the Agreement, and Account Owners are limited to the remedies described in the Disclosure Agreement.

Tax considerations

Federal income tax

Contributions. There is no federal income tax deduction for contributions to CollegeAmerica.

Earnings. Earnings in a CollegeAmerica Account can grow free from federal income tax.

Withdrawals. The earnings portion of a withdrawal may be subject to taxation, and possibly penalties, depending upon whether the withdrawal is Qualified or Non-Qualified. The return of principal portion of any withdrawal, whether Qualified or Non-Qualified, is not taxable.

The earnings on Qualified Withdrawals used to pay Qualified Higher Education Expenses are free from federal income tax and are not subject to a 10% federal tax penalty.

Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award) will be subject to federal income tax. However, the earnings will not be subject to the 10% federal tax penalty.

The Account Owner or the Beneficiary is responsible for retaining the appropriate documentation for the tax treatment of Qualified Withdrawals. A recent advance notice of proposed rulemaking from the Department of the Treasury and the Internal Revenue Service indicates that future regulations may include a rule that would require a Qualified Withdrawal to be used to pay Qualified Higher Education Expenses incurred during the same calendar year as the Qualified Withdrawal or by March 31 of the following year.

Any earnings on Non-Qualified Withdrawals are subject to a 10% federal tax penalty in addition to federal and, if applicable, state income tax. The Account Owner or Beneficiary is responsible for determining whether a withdrawal is Non-Qualified, making the appropriate filings with the IRS and paying the 10% federal tax penalty on earnings.

A recent advance notice of proposed rulemaking from the Department of the Treasury and the Internal Revenue Service indicates that future regulations may include rules that tax as income, rather than as a return of the investment, Non-Qualified Withdrawals by the Account Owner that include contributions made by another person. Such rules would make the Account Owner liable for income tax on the entire amount of the funds distributed for the Account Owner's benefit except to the extent that Account Owner can substantiate that he or she made contributions to the Qualified Tuition Program account, and therefore, has an investment in the account.

An Account Owner can take an investment loss as a deduction on their income tax return but only when all amounts from that Account have been withdrawn and the total withdrawals are less than the total contributions made to the Account. The Account Owner can claim the loss as a miscellaneous itemized deduction, subject to the 2%-of-adjusted-gross-income limit.

Rollovers. CollegeAmerica accepts rollovers from other Qualified Tuition Programs. A rollover must be completed within 60 days of the initial withdrawal to retain tax-free treatment. You are permitted to roll over funds without federal income tax consequences from one 529 plan to another 529 plan for the same Beneficiary once every 12 months.

Transfers

- **Coverdell Education Savings Accounts.** CollegeAmerica accepts transfers from a Coverdell Education Savings Account. The transfer is considered a nontaxable withdrawal.

- **Qualified U.S. Savings Bonds.** CollegeAmerica accepts transfers of Qualified U.S. Savings Bonds to CollegeAmerica. You may need to meet income limits to avoid federal income tax on any U.S. Savings Bonds you redeem.

- **UGMA or UTMA contributions.** To transfer assets from UGMA/UTMA accounts, custodians may be required to sell the assets in the account. The sale would be a taxable event. Please consult your financial adviser before making such a transfer.

Federal gift, estate and generation-skipping transfer taxes

Federal gift tax. A contribution to an Account is considered a completed gift for federal gift and estate tax purposes. If an individual's contributions to an Account or Accounts for a Beneficiary, together with all other gifts by the individual to the Beneficiary, do not exceed $12,000 per year ($24,000 per married couple), there will be no federal gift tax consequences.

If an individual's contribution to an Account for a Beneficiary in a single year is greater than $12,000 ($24,000 per married couple), the individual may treat the contribution, up to $60,000 ($120,000 per married couple), under a special gift tax election, as having been made ratably over a five-year period.

Contributions made to a 529 plan in excess of the annual gift tax exclusion will not cause gift taxes to be payable unless the contributions (together with all other gifts) that exceed the annual gift tax exclusion are greater than the Contributor's lifetime gift tax exemption of $1 million.

Generally, a permissible change of the Beneficiary will not result in federal gift tax consequences in the Account Owner. Such a change will, however, be treated as a gift from the previous Beneficiary to the new Beneficiary if the new Beneficiary is one or more generations younger than the Beneficiary being replaced. A recent advance notice of proposed rulemaking from the Department of the Treasury and the Internal Revenue Service indicates that future regulations may provide that a change in Beneficiary that would result in the imposition of any tax, e.g., by changing the Beneficiary to one generation lower or to a Beneficiary who is not a Member of the Family, would be treated as a deemed distribution to the Account Owner for gift tax purposes and the opening of a new account, and the making of a new gift, by the Account Owner for the new Beneficiary. In addition, in the case of a Qualified Tuition Program account for which the Account Owner is also the Beneficiary, future regulations may require any subsequent change in the Beneficiary to be treated as a deemed distribution to the Account Owner and a gift to the new Beneficiary via a rollover.

Federal estate tax. Except in the case of the special gift tax election, if the Contributor dies while there is still money in the Account, the value of the Account is not included in the Contributor's estate. If the Contributor made the special gift tax election, and the Contributor dies before the five-year period beginning with the calendar year of the gift has elapsed, the portion of the contribution allocable to the years remaining in the five-year period (excluding any earnings on such contribution) is included in the Contributor's estate for estate tax purposes.

Upon the death of a Beneficiary, the value of the Beneficiary's interest in the Account is included in the gross estate of the Beneficiary for the federal estate tax purposes.

A recent advance notice of proposed rulemaking from the Department of the Treasury and the Internal Revenue Service indicates that future regulations may set forth circumstances under which the value of a Qualified Tuition Program account will not be included in the estate of a deceased Beneficiary for federal estate tax purposes. For example, according to the advance notice, these regulations may state that if a successor Beneficiary is named and the successor Beneficiary is a Member of the Family and is in the same or a higher generation as the deceased Beneficiary, the value of the account will not be included in the gross estate of the deceased Beneficiary for federal estate tax purposes.

Federal generation-skipping transfer tax. The generation-skipping transfer tax may apply to contributions made to an Account if the Beneficiary is deemed to be a member of a generation that is more than one generation younger than the generation of the Contributor.

Contributions that qualify for the annual gift tax exclusion are not subject to generation-skipping transfer tax. Generation-skipping transfer tax will be payable only on the amount by which contributions in excess of the annual exclusion amount exceed the Contributor's lifetime generation-skipping transfer tax exemption ($2,000,000 for 2006–2008). Consequently, this tax is unlikely to apply to many Contributors. Where it applies, however, the generation-skipping transfer tax is imposed at the maximum federal estate tax rate.

If the Account Owner changes the Beneficiary to a new Beneficiary who is more than one generation younger than the previous Beneficiary, the generation-skipping transfer tax may be triggered.

Consult your tax adviser regarding the specific application of these rules to your particular circumstances.

State income tax

Deduction for contributions. Virginia allows an Account Owner to deduct from Virginia taxable income up to $2,000 of contributions ($4,000 beginning in 2009), including any rollover contributions, per year per Account in the year the contribution was made or in a future year. The Account Owner may take this tax deduction even if the contribution is made by an individual other than the Account Owner.

If more than $2,000 ($4,000 beginning in 2009) is contributed in one year to a Virginia Qualified Tuition Program account, the remainder may be carried forward and subtracted in future taxable years, up to $2,000 ($4,000 beginning in 2009) per year per account, until the entire contribution has been fully deducted.

For Account Owners age 70 or older, the entire amount of any contribution may be deducted in the year contributed or in a future year. If an Account Owner turns 70 and has contributions to deduct as a result of contributions made prior to attaining age 70, all of these remaining contributions may be deducted in full in the year the Account Owner reaches age 70.

Recapture of deduction. Any deduction is subject to recapture in the year a withdrawal or refund is made for any reason other than: (1) to pay Qualified Higher Education Expenses or (2) due to the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award). In addition, a rollover to a non–Virginia Qualified Tuition Program will require the Account Owner to add back to his or her Virginia taxable income in the year of the rollover distribution any amounts previously deducted from the Account Owner's Virginia taxable income.

Please note that in the case of a transfer of ownership of an Account, the new Account Owner succeeds to the previous owner's tax attributes, including, but not limited to, carryover and recapture of deductions.

Virginia tax treatment of investments and distributions. Generally, earnings on contributions are not included in Virginia taxable income. In addition, Qualified Withdrawals used for Qualified Higher Education Expenses are not included in Virginia taxable income. Finally, Qualified Withdrawals made on account of the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award) may be excluded from Virginia taxable income.

For residents of states other than Virginia. States other than Virginia take different approaches to offering state-based benefits, such as state tax deductions, to residents investing in 529 plans. For example, some states offer residents no tax or other benefits for investing in a 529 plan, including an in-state plan. A few states offer tax benefits to residents investing in any 529 plan, including CollegeAmerica. A number of other states offer tax or other benefits to residents investing only in the in-state plan.

Any state tax or other benefit offered with respect to a particular 529 plan should be one of many appropriately weighted factors to be considered in making an investment decision. Please consult your financial, tax or other adviser to learn more about how state tax and other benefits (including limitations) apply to your circumstances. You may also wish to contact the 529 plan of your home state or any other state to learn more about the features, benefits and limitations of that 529 plan.

Tax reporting

An IRS Form 1099-Q will be issued in the event of a withdrawal from or a trustee-to-trustee rollover from a CollegeAmerica Account. It is the responsibility of the recipient of the 1099-Q to determine whether a withdrawal is Qualified or Non-Qualified and whether taxes and a penalty apply.

Coordination with other education tax incentives

Withdrawals from an Account may affect other education tax incentives available to you. The coordination between these incentives is complex. Please consult your tax adviser.

Coverdell Education Savings Accounts. Depending on your income level, Coverdell Education Savings Accounts may permit tax-free growth and exclusion from gross income for earnings withdrawn to pay education expenses. Through 2010, the annual limit on contributions to a Coverdell Education Savings Account is $2,000 per contributor per Beneficiary. Contributions may be made to both an Account and a Coverdell Education Savings Account in the same calendar year. If total withdrawals from a Coverdell Education Savings Account and an Account exceed the Beneficiary's Qualified Higher Education Expenses for any calendar year, the expenses must be allocated between the two withdrawals.

HOPE Scholarship and Lifetime Learning Credits. Depending on your income level, you may be able to claim a HOPE Scholarship or Lifetime Learning Credit for qualified tuition and related expenses. The same expenses cannot be used as support for a Qualified Withdrawal from an Account and as the basis for either of these two credits.

Exclusion of Interest on Qualified U.S. Savings Bonds. Depending on your income level, redemption proceeds from Qualified U.S. Savings Bonds that are either used for qualified tuition and related expenses or contributed to an Account may be excluded from income. The amount of expenses that may be used to calculate the exclusion must be reduced by the Qualified Higher Education Expenses paid with a Qualified Withdrawal from an Account.

Glossary of terms

Account means a CollegeAmerica Account opened by an Account Owner on behalf of a Beneficiary.

Account Owner is any individual who establishes and controls a CollegeAmerica Account. The Account Owner must be a U.S. citizen or legal U.S. resident but need not be a resident of Virginia.

American Funds Distributors (AFD) is the distributor of CollegeAmerica and is responsible for marketing and distributing CollegeAmerica exclusively through financial advisers.

American Funds Service Company (AFS) is responsible for the recordkeeping and administration of CollegeAmerica.

Beneficiary is the person on whose behalf the Account is opened and who is entitled to receive its benefits. This person can be the Account Owner or the Account Owner's relative or friend. The Beneficiary must be a U.S. citizen or legal U.S. resident.

Board means the Board of Directors of VCSP.

Capital Research and Management Company (CRMC) serves as the investment adviser to CollegeAmerica, as well as the investment adviser to the American Funds family of mutual funds.

CollegeAmerica means the 529 college savings plan established and maintained by VCSP and distributed by American Funds Distributors through financial advisers.

CollegeWealth is a 529 college savings plan created by VCSP available at participating banks.

Contributor means any person or entity that makes a contribution to a CollegeAmerica Account. The Contributor need not be the Account Owner.

Cost of Attendance at a particular Eligible Educational Institution can generally be located at www.nces.ed.gov/ipeds/cool/. You may need to contact the Beneficiary's educational institution for the most current Cost of Attendance.

Coverdell Education Savings Accounts, formerly known as Education IRAs, permit tax-free saving for higher education expenses and, through 2010, for primary and secondary education expenses.

Disabled means that the Beneficiary is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, which can be expected to result in death or to be of long-continued and indefinite duration. The Beneficiary will not be considered to be disabled unless a medical professional certifies the disability in writing.

Eligible Educational Institution includes most community colleges, public and private four-year colleges, universities and vocational schools in any state. Some foreign institutions are eligible. Generally, you can determine if a school is an Eligible Educational Institution by searching for its Federal School Code (identification number for schools eligible for Title IV financial aid programs) at www.fafsa.ed.gov/FOTWWebApp/FSLookupServlet.

Member of the family means the Beneficiary's immediate family, including: (1) a son or daughter or a descendant of either; (2) a stepson or stepdaughter; (3) a brother, sister, stepbrother or stepsister; (4) a father or mother or an ancestor of either; (5) a stepfather or stepmother; (6) a brother or sister of the father or mother; (7) a son or daughter of a brother or sister; (8) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; (9) the spouse of the Beneficiary or the spouse of any individuals described above; or (10) a first cousin of the Beneficiary. All legally adopted children are treated as children of the adoptive parent as if by blood, and the terms "brother" and "sister" include half brothers and half sisters.

Non-Profit Organization means any entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, as amended.

Non-Qualified Withdrawal means a withdrawal from a CollegeAmerica Account made for any reason other than: (1) Qualified Higher Education Expenses of the Beneficiary; (2) a withdrawal due to the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award); or (3) a rollover to another Qualified Tuition Program. Non-Qualified Withdrawals are subject to federal income tax and a 10% federal tax penalty on earnings. The Account Owner or the Beneficiary is responsible for determining whether the withdrawal is Non-Qualified, making the applicable IRS filings and paying any applicable taxes and penalties on the earnings.

Program Administrator of CollegeAmerica is Virginia College Savings Plan.

Program Description means the CollegeAmerica Program Description.

Program Manager means Capital Research and Management Company, American Funds Service Company and American Funds Distributors.

Qualified Higher Education Expenses means the expenses allowed under Section 529, including: (1) tuition, all mandatory fees and the costs of textbooks, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution; and (2) the costs of room and board of a Beneficiary during any academic period during which the Beneficiary is enrolled at least half-time in a degree, certificate or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution. To be considered Qualified Higher Education Expenses, room and board costs may not exceed the following amounts: (1) for students living on campus, Account withdrawals may be used to pay up to the actual invoice amount for room and board at the institution; (2) for students who live with a parent or guardian, Account withdrawals may be used to pay up to the amount determined by the Eligible Educational Institution for the room and board allowance for students who live with a parent or guardian in its Cost of Attendance for that academic term; and (3) for all other students living off campus, Account withdrawals may be used to pay up to the amount determined by the Eligible Educational Institution for the room and board allowance for students who live off campus in its Cost of Attendance for that academic term.

Qualified Tuition Programs/529 Plans/529 College Savings Plans are education savings plans and prepaid tuition plans that are eligible for tax-favored status under Section 529.

Qualified U.S. Savings Bond is any Series EE Bond issued after 1989 and all Series I Bonds owned by an individual who is at least 24 years old before the bond's issue date.

Qualified Withdrawal means a withdrawal made for: (1) Qualified Higher Education Expenses of the Beneficiary or (2) a withdrawal due to the Beneficiary's death, disability or receipt of a scholarship (to the extent of the scholarship award).

Section 529 refers to Section 529 of the Internal Revenue Code of 1986, as amended.

Virginia College Savings Plan (VCSP) is an independent agency of the Commonwealth of Virginia that was created by the state legislature in 1994. VCSP is the Program Administrator for CollegeAmerica.

Virginia Education Savings Trust (VEST) is a 529 college savings plan created by VCSP in 1999.

Virginia Prepaid Education Program (VPEP) is a prepaid college tuition plan offered to residents of the Commonwealth of Virginia by VCSP.

Appendix A: Summary of fees and expenses

For the fiscal year of the fund ending on or before December 31, 2007

Fee structure 529-A							
	Annual asset-based fees					Additional investor expenses	
Investment options	Management fees[1]	Other expenses	Fee to Virginia College Savings Plan	Annual distribution and/or service (12b-1) fee[2]	Total annual asset-based fees[1]	Maximum initial sales charge	Annual Account maintenance fee[6]
AMCAP	0.32%	0.13%	0.10%	0.19%	0.74%	5.75%[3]	$10
AMBAL	0.24	0.12	0.10	0.22	0.68	5.75[3]	10
AHIT	0.32	0.13	0.10	0.21	0.76	3.75[4]	10
AMF	0.26	0.11	0.10	0.21	0.68	5.75[3]	10
BFA	0.25	0.13	0.10	0.21	0.69	3.75[4]	10
CIB	0.25	0.10	0.10	0.20	0.65	5.75[3]	10
CMTA	0.28	0.17	0.10	0.10	0.65	none	10
EUPAC	0.43	0.12	0.10	0.18	0.83	5.75[3]	10
FI	0.25	0.12	0.10	0.19	0.66	5.75[3]	10
GFA	0.27	0.13	0.10	0.19	0.69	5.75[3]	10
GVT	0.32	0.20	0.10	0.22	0.84	3.75[4]	10
IFA	0.24	0.09	0.10	0.22	0.65	5.75[3]	10
IBFA	0.29	0.15	0.10	0.22	0.76	2.50[5]	10
ICA	0.24	0.10	0.10	0.21	0.65	5.75[3]	10
NEF	0.40	0.17	0.10	0.19	0.86	5.75[3]	10
NPF	0.38	0.14	0.10	0.20	0.82	5.75[3]	10
NWF	0.59	0.20	0.10	0.18	1.07	5.75[3]	10
SCWF	0.63	0.18	0.10	0.19	1.10	5.75[3]	10
STBF[7]	0.36	0.19[1]	0.10	0.25	0.90	2.50[5]	10
WBF	0.50	0.20	0.10	0.20	1.00	3.75[4]	10
WGI	0.37	0.14	0.10	0.19	0.80	5.75[3]	10
WMIF	0.26	0.11	0.10	0.20	0.67	5.75[3]	10

[1] Management fees, other expenses and total annual asset-based fees do not reflect any waiver/reimbursement. The fund's investment adviser is currently waiving 10% of its management fee for all funds. The business manager of Washington Mutual Investors Fund is also waiving 10% of its management fee. The waivers may be discontinued at any time, but they are expected to continue at the current level until further review, which will be conducted with the funds' boards as circumstances warrant. For Short-Term Bond Fund of America, the fund's investment adviser also reimbursed other fees and expenses. Information regarding the effect of any waiver/reimbursement on total annual fund operating expenses can be found in the Financial Highlights table of the fund's prospectus and the audited financial statements in the fund's annual report.

[2] Class 529-A 12b-1 fees may not exceed 0.50% of the class's average net assets annually.

[3] The initial sales charge is reduced for purchases of $25,000 or more and eliminated for purchases of $1 million or more. See Appendix C.

[4] The initial sales charge is reduced for purchases of $100,000 or more and eliminated for purchases of $1 million or more. See Appendix C.

[5] The initial sales charge is reduced for purchases of $500,000 or more and eliminated for purchases of $1 million or more. See Appendix C.

[6] In addition to the annual Account maintenance fee, Accounts incur an initial setup fee of $10.

[7] These expenses have been annualized based on actual expenses for the period from the first date of sale for each share class through August 31, 2007.

Fee Structure 529-B

	Annual asset-based fees					Additional investors expenses	
Investment options	Management fees[1]	Other expenses	Fee to Virginia College Savings Plan	Annual distribution and/or service (12b-1) fee[2]	Total annual asset-based fees[1]	Maximum contingent deferred sales charge[3]	Annual Account maintenance fee[4]
AMCAP	0.32%	0.15%	0.10%	1.00%	1.57%	5.00%	$10
AMBAL	0.24	0.13	0.10	1.00	1.47	5.00	10
AHIT	0.32	0.14	0.10	1.00	1.56	5.00	10
AMF	0.26	0.12	0.10	1.00	1.48	5.00	10
BFA	0.25	0.15	0.10	1.00	1.50	5.00	10
CIB	0.25	0.11	0.10	1.00	1.46	5.00	10
CMTA	0.28	0.18	0.10	0.90	1.46	5.00	10
EUPAC	0.43	0.14	0.10	1.00	1.67	5.00	10
FI	0.25	0.13	0.10	1.00	1.48	5.00	10
GFA	0.27	0.14	0.10	1.00	1.51	5.00	10
GVT	0.32	0.22	0.10	1.00	1.64	5.00	10
IFA	0.24	0.11	0.10	1.00	1.45	5.00	10
IBFA	0.29	0.17	0.10	1.00	1.56	5.00	10
ICA	0.24	0.12	0.10	1.00	1.46	5.00	10
NEF	0.40	0.19	0.10	1.00	1.69	5.00	10
NPF	0.38	0.15	0.10	1.00	1.63	5.00	10
NWF	0.59	0.21	0.10	1.00	1.90	5.00	10
SCWF	0.63	0.19	0.10	1.00	1.92	5.00	10
STBF[5]	0.36	0.20[1]	0.10	1.00	1.66	5.00	10
WBF	0.50	0.22	0.10	1.00	1.82	5.00	10
WGI	0.37	0.14	0.10	1.00	1.61	5.00	10
WMIF	0.26	0.12	0.10	1.00	1.48	5.00	10

[1] Management fees, other expenses and total annual asset-based fees do not reflect any waiver/reimbursement. The fund's investment adviser is currently waiving 10% of its management fee for all funds. The business manager of Washington Mutual Investors Fund is also waiving 10% of its management fee. The waivers may be discontinued at any time, but they are expected to continue at the current level until further review, which will be conducted with the funds' boards as circumstances warrant. For Short-Term Bond Fund of America, the fund's investment adviser also reimbursed other fees and expenses. Information regarding the effect of any waiver/reimbursement on total annual fund operating expenses can be found in the Financial Highlights table of the fund's prospectus and the audited financial statements in the fund's annual report.

[2] Class 529-B 12b-1 fees for all funds other than CMTA are up to 1% of the class's average net assets annually. For CMTA, Class 529-B 12b-1 fees are up to 0.90% of the class's average net assets annually.

[3] The contingent deferred sales charge is reduced one year after purchase and eliminated six years after purchase. See Appendix C.

[4] In addition to the annual Account maintenance fee, Accounts incur an initial setup fee of $10.

[5] These expenses have been annualized based on actual expenses for the period from the first date of sale for each share class through August 31, 2007.

Fee structure 529-C							
	Annual asset-based fees					Additional investor expenses	
Investment options	Management fees[1]	Other expenses	Fee to Virginia College Savings Plan	Annual distribution and/or service (12b-1) fee[2]	Total annual asset-based fees[1]	Maximum contingent deferred sales charge[3]	Annual Account maintenance fee[4]
AMCAP	0.32%	0.14%	0.10%	1.00%	1.56%	1.00%	$10
AMBAL	0.24	0.13	0.10	1.00	1.47	1.00	10
AHIT	0.32	0.13	0.10	1.00	1.55	1.00	10
AMF	0.26	0.12	0.10	1.00	1.48	1.00	10
BFA	0.25	0.14	0.10	1.00	1.49	1.00	10
CIB	0.25	0.11	0.10	1.00	1.46	1.00	10
CMTA	0.28	0.18	0.10	1.00	1.56	1.00	10
EUPAC	0.43	0.14	0.10	1.00	1.67	1.00	10
FI	0.25	0.13	0.10	1.00	1.48	1.00	10
GFA	0.27	0.13	0.10	1.00	1.50	1.00	10
GVT	0.32	0.21	0.10	1.00	1.63	1.00	10
IFA	0.24	0.11	0.10	1.00	1.45	1.00	10
IBFA	0.29	0.17	0.10	1.00	1.56	1.00	10
ICA	0.24	0.11	0.10	1.00	1.45	1.00	10
NEF	0.40	0.18	0.10	1.00	1.68	1.00	10
NPF	0.38	0.14	0.10	1.00	1.62	1.00	10
NWF	0.59	0.21	0.10	1.00	1.90	1.00	10
SCWF	0.63	0.19	0.10	1.00	1.92	1.00	10
STBF[5]	0.36	0.18[1]	0.10	1.00	1.64	1.00	10
WBF	0.50	0.21	0.10	1.00	1.81	1.00	10
WGI	0.37	0.14	0.10	1.00	1.61	1.00	10
WMIF	0.26	0.12	0.10	1.00	1.48	1.00	10

[1] Management fees, other expenses and total annual asset-based fees do not reflect any waiver/reimbursement. The fund's investment adviser is currently waiving 10% of its management fee for all funds. The business manager of Washington Mutual Investors Fund is also waiving 10% of its management fee. The waivers may be discontinued at any time, but they are expected to continue at the current level until further review, which will be conducted with the funds' boards as circumstances warrant. For Short-Term Bond Fund of America, the fund's investment adviser also reimbursed other fees and expenses. Information regarding the effect of any waiver/reimbursement on total annual fund operating expenses can be found in the Financial Highlights table of the fund's prospectus and the audited financial statements in the fund's annual report.

[2] Class 529-C 12b-1 fees are up to 1% of the class's average net assets annually.

[3] The contingent deferred sales charge is eliminated one year after purchase.

[4] In addition to the annual Account maintenance fee, Accounts incur an initial setup fee of $10.

[5] These expenses have been annualized based on actual expenses for the period from the first date of sale for each share class through August 31, 2007.

Fee Structure 529-E						
	Annual asset-based fees					Additional investor expenses
Investment options	Management fees[1]	Other expenses	Fee to Virginia College Savings Plan	Annual distribution and/or service (12b-1) fee[2]	Total annual asset-based fees[1]	Annual Account maintenance fee[3]
AMCAP	0.32%	0.13%	0.10%	0.50%	1.05%	$10
AMBAL	0.24	0.12	0.10	0.50	0.96	10
AHIT	0.32	0.12	0.10	0.50	1.04	10
AMF	0.26	0.11	0.10	0.50	0.97	10
BFA	0.25	0.13	0.10	0.50	0.98	10
CIB	0.25	0.10	0.10	0.50	0.95	10
CMTA	0.28	0.18	0.10	0.50	1.06	10
EUPAC	0.43	0.12	0.10	0.50	1.15	10
FI	0.25	0.12	0.10	0.50	0.97	10
GFA	0.27	0.12	0.10	0.50	0.99	10
GVT	0.32	0.20	0.10	0.50	1.12	10
IFA	0.24	0.10	0.10	0.50	0.94	10
IBFA	0.29	0.16	0.10	0.50	1.05	10
ICA	0.24	0.11	0.10	0.50	0.95	10
NEF	0.40	0.17	0.10	0.50	1.17	10
NPF	0.38	0.13	0.10	0.50	1.11	10
NWF	0.59	0.20	0.10	0.50	1.39	10
SCWF	0.63	0.18	0.10	0.50	1.41	10
STBF[4]	0.36	0.18[1]	0.10	0.50	1.14	10
WBF	0.50	0.20	0.10	0.50	1.30	10
WGI	0.37	0.13	0.10	0.50	1.10	10
WMIF	0.26	0.11	0.10	0.50	0.97	10

[1] Management fees, other expenses and total annual asset-based fees do not reflect any waiver/reimbursement. The fund's investment adviser is currently waiving 10% of its management fee for all funds. The business manager of Washington Mutual Investors Fund is also waiving 10% of its management fee. The waivers may be discontinued at any time, but they are expected to continue at the current level until further review, which will be conducted with the funds' boards as circumstances warrant. For Short-Term Bond Fund of America, the fund's investment adviser also reimbursed other fees and expenses. Information regarding the effect of any waiver/reimbursement on total annual fund operating expenses can be found in the Financial Highlights table of the fund's prospectus and the audited financial statements in the fund's annual report.

[2] Class 529-E 12b-1 fees may not exceed 0.75% of the class's average net assets annually.

[3] In addition to the annual Account maintenance fee, Accounts incur an initial setup fee of $10.

[4] These expenses have been annualized based on actual expenses for the period from the first date of sale for each share class through August 31, 2007.

Fee structure 529-F						
	Annual asset-based fees					Additional investor expenses
Investment options	Management fees[1]	Other expenses	Fee to Virginia College Savings Plan	Annual distribution and/or service (12b-1) fee[2]	Total annual asset-based fees[1]	Annual Account maintenance fee[3]
AMCAP	0.32%	0.13%	0.10%	—	0.55%	$10
AMBAL	0.24	0.12	0.10	—	0.46	10
AHIT	0.32	0.12	0.10	—	0.54	10
AMF	0.26	0.11	0.10	—	0.47	10
BFA	0.25	0.13	0.10	—	0.48	10
CIB	0.25	0.11	0.10	—	0.46	10
CMTA	0.28	0.17	0.10	—	0.55	10
EUPAC	0.43	0.12	0.10	—	0.65	10
FI	0.25	0.12	0.10	—	0.47	10
GFA	0.27	0.12	0.10	—	0.49	10
GVT	0.32	0.20	0.10	—	0.62	10
IFA	0.24	0.10	0.10	—	0.44	10
IBFA	0.29	0.16	0.10	—	0.55	10
ICA	0.24	0.11	0.10	—	0.45	10
NEF	0.40	0.17	0.10	—	0.67	10
NPF	0.38	0.13	0.10	—	0.61	10
NWF	0.59	0.20	0.10	—	0.89	10
SCWF	0.63	0.18	0.10	—	0.91	10
STBF[4]	0.36	0.13[1]	0.10	—	0.59	10
WBF	0.50	0.20	0.10	—	0.80	10
WGI	0.37	0.13	0.10	—	0.60	10
WMIF	0.26	0.11	0.10	—	0.47	10

[1] Management fees, other expenses and total annual asset-based fees do not reflect any waiver/reimbursement. The fund's investment adviser is currently waiving 10% of its management fee for all funds. The business manager of Washington Mutual Investors Fund is also waiving 10% of its management fee. The waivers may be discontinued at any time, but they are expected to continue at the current level until further review, which will be conducted with the funds' boards as circumstances warrant. For Short-Term Bond Fund of America, the fund's investment adviser also reimbursed other fees and expenses. Information regarding the effect of any waiver/reimbursement on total annual fund operating expenses can be found in the Financial Highlights table of the fund's prospectus and the audited financial statements in the fund's annual report.

[2] Class 529-F 12b-1 fees may not exceed 0.50% of the class's average net assets annually.

[3] In addition to the annual Account maintenance fee, Accounts incur an initial setup fee of $10.

[4] These expenses have been annualized based on actual expenses for the period from the first date of sale for each share class through August 31, 2007.

Appendix B: Approximate cost of a $10,000 investment

The following table compares the approximate cost of investing in CollegeAmerica over different periods of time. Your actual cost may be higher or lower. The table is based on the following assumptions:

- A $10,000 investment invested for the time periods shown.
- A 5% annually compounded rate of return on the amount invested throughout the period.
- All shares are redeemed at the end of the period shown for qualified higher education expenses. (The table does not consider the impact of any potential state or federal taxes on the redemption.)
- Total annual asset-based fees remain the same as those shown in Appendix A. Therefore, the examples do not reflect the impact of any fee waivers or expense reimbursements.
- Reflects applicable initial sales charge or contingent deferred sales charge for Class 529-A, 529-B, and 529-C shares.
- Expenses for each investment option include the annual Account maintenance fee of $10 and the initial setup fee of $10.

	One year							Three years						
	529-A	529-B[1]	529-B[2]	529-C[1]	529-C[2]	529-E	529-F[3]	529-A	529-B[1]	529-B[2]	529-C[1]	529-C[2]	529-E	529-F[3]
AMCAP	$666	$679	$179	$278	$178	$127	$ 76	$837	$ 934	$534	$531	$531	$373	$216
AMBAL	660	669	169	269	169	118	67	819	904	504	504	504	345	187
AHIT	470	678	178	277	177	126	75	648	931	531	528	528	370	213
AMF	660	670	170	270	170	119	68	819	907	507	507	507	348	190
BFA	463	672	172	271	171	120	69	627	913	513	510	510	351	194
CIB	657	668	168	268	168	117	67	811	901	501	501	501	342	187
CMTA	86	668	168	278	178	128	76	248	901	501	531	531	376	216
EUPAC	675	690	190	290	190	137	86	864	965	565	565	565	404	248
FI	658	670	170	270	170	119	68	814	907	507	507	507	348	190
GFA	661	673	173	272	172	121	70	822	916	516	513	513	354	197
GVT	477	687	187	285	185	134	83	672	956	556	553	553	395	238
IFA	657	667	167	267	167	116	65	811	897	497	497	497	339	181
IBFA	346	678	178	278	178	127	76	526	931	531	531	531	373	216
ICA	657	668	168	267	167	117	66	811	901	501	497	497	342	184
NEF	678	692	192	291	191	139	88	873	971	571	568	568	411	254
NPF	674	685	185	284	184	133	82	861	953	553	550	550	392	235
NWF	698	713	213	313	213	161	111	935	1,035	635	635	635	479	323
SCWF	701	715	215	315	215	163	113	944	1,042	642	642	642	485	329
STBF	359	689	189	287	187	136	80	569	962	562	556	556	401	229
WBF	493	705	205	304	204	152	102	721	1,011	611	608	608	451	295
WGI	672	683	183	283	183	132	81	855	947	547	547	547	389	232
WMIF	659	670	170	270	170	119	68	817	907	507	507	507	348	190

[1] Assuming redemption
[2] Assuming no redemption
[3] Does not include fees charged by financial intermediaries, which are independent of fund expenses and will increase the overall cost of your investment. Intermediary fees typically range from 0.75% to 1.50% of assets annually depending on the services offered.

	Five years							10 years						
	529-A	529-B[1]	529-B[2]	529-C[1]	529-C[2]	529-E	529-F[3]	529-A	529-B[1,4]	529-B[2,4]	529-C[1]	529-C[2]	529-E	529-F[3]
AMCAP	$1,021	$1,112	$ 912	$ 907	$ 907	$637	$366	$1,545	$1,745	$1,745	$1,956	$1,956	$1,385	$ 795
AMBAL	991	1,060	860	860	860	589	317	1,478	1,645	1,645	1,857	1,857	1,281	686
AHIT	840	1,107	907	902	902	632	361	1,387	1,742	1,742	1,945	1,945	1,374	783
AMF	991	1,065	865	865	865	594	322	1,478	1,653	1,653	1,868	1,868	1,293	698
BFA	803	1,076	876	870	870	600	328	1,307	1,673	1,673	1,879	1,879	1,305	710
CIB	975	1,055	855	855	855	584	317	1,444	1,628	1,628	1,846	1,846	1,270	686
CMTA	421	1,055	855	907	907	643	366	916	1,628	1,628	1,956	1,956	1,397	795
EUPAC	1,067	1,164	964	964	964	691	421	1,646	1,853	1,853	2,075	2,075	1,500	916
FI	980	1,065	865	865	865	594	322	1,456	1,648	1,648	1,868	1,868	1,293	698
GFA	996	1,081	881	876	876	605	333	1,489	1,681	1,681	1,890	1,890	1,316	723
GVT	882	1,149	949	943	943	675	405	1,477	1,831	1,831	2,032	2,032	1,466	880
IFA	975	1,049	849	849	849	578	306	1,444	1,620	1,620	1,835	1,835	1,258	661
IBFA	720	1,107	907	907	907	637	366	1,273	1,742	1,742	1,956	1,956	1,385	795
ICA	975	1,055	855	849	849	584	311	1,444	1,628	1,628	1,835	1,835	1,270	674
NEF	1,083	1,175	975	969	969	701	432	1,679	1,878	1,878	2,086	2,086	1,522	940
NPF	1,062	1,143	943	938	938	669	399	1,635	1,817	1,817	2,021	2,021	1,454	868
NWF	1,189	1,283	1,083	1,083	1,083	818	551	1,908	2,105	2,105	2,319	2,319	1,769	1,200
SCWF	1,204	1,293	1,093	1,093	1,093	828	562	1,941	2,129	2,129	2,340	2,340	1,791	1,223
STBF	794	1,159	959	949	949	685	388	1,434	1,863	1,863	2,043	2,043	1,488	844
WBF	965	1,242	1,042	1,037	1,037	770	503	1,657	2,022	2,022	2,225	2,225	1,669	1,094
WGI	1,052	1,133	933	933	933	664	394	1,612	1,795	1,795	2,010	2,010	1,443	856
WMIF	985	1,065	865	865	865	594	322	1,467	1,651	1,651	1,868	1,868	1,293	698

[1] Assuming redemption
[2] Assuming no redemption
[3] Does not include fees charged by financial intermediaries, which are independent of fund expenses and will increase the overall cost of your investment. Intermediary fees typically range from 0.75% to 1.50% of assets annually depending on the services offered.
[4] Reflects Class 529-A expenses for years nine and 10 because Class 529-B shares automatically convert to Class 529-A shares, after eight years.

Appendix C: Sales charges

Class 529-A shares

The initial sales charge you pay when you buy Class 529-A shares differs depending upon the amount you invest and may be reduced or eliminated for larger purchases as indicated below. The "offering price," the price you pay to buy shares, includes any applicable sales charge, which will be deducted directly from your investment. Shares acquired through reinvestment of dividends or capital gain distributions are not subject to an initial sales charge. Class 529-A shares of The Cash Management Trust (CMTA) are sold without an initial sales charge. However, if shares of CMTA are exchanged for shares of other American Funds, the sales charge applicable to the other funds may apply.

Sales charge Schedule A
(applies to growth, growth-and-income, equity-income and balanced funds)

	Sales charge as a percentage of:		
Investment	Offering price	Net amount invested	Dealer commission as a percentage of offering price
Less than $25,000	5.75%	6.10%	5.00%
$25,000 but less than $50,000	5.00	5.26	4.25
$50,000 but less than $100,000	4.50	4.71	3.75
$100,000 but less than $250,000	3.50	3.63	2.75
$250,000 but less than $500,000	2.50	2.56	2.00
$500,000 but less than $750,000	2.00	2.04	1.60
$750,000 but less than $1 million	1.50	1.52	1.20
$1 million or more and certain other investments described below	none	none	see below

Sales charge Schedule B
(applies to American High-Income Trust, The Bond Fund of America, Capital World Bond Fund and U.S. Government Securities Fund)

	Sales charge as a percentage of:		
Investment	Offering price	Net amount invested	Dealer commission as a percentage of offering price
Less than $100,000	3.75%	3.90%	3.00%
$100,000 but less than $250,000	3.50	3.63	2.75
$250,000 but less than $500,000	2.50	2.56	2.00
$500,000 but less than $750,000	2.00	2.04	1.60
$750,000 but less than $1 million	1.50	1.52	1.20
$1 million or more and certain other investments described below	none	none	see below

Sales charge Schedule C
(applies to Intermediate Bond Fund of America and Short-Term Bond Fund of America)

	Sales charge as a percentage of:		
Investment	Offering price	Net amount invested	Dealer commission as a percentage of offering price
Less than $500,000	2.50%	2.56%	2.00%
$500,000 but less than $750,000	2.00	2.04	1.60
$750,000 but less than $1 million	1.50	1.52	1.20
$1 million or more and certain other investments described below	none	none	see below

The sales charge, expressed as a percentage of the offering price or the net amount invested, may be higher or lower than the percentages described in the tables above due to rounding. This is because the dollar amount of the sales charge is determined by subtracting the net asset value of the shares purchased from the offering price, which is calculated to two decimal places using standard rounding criteria. The impact of rounding will vary with the size of the investment and the net asset value of the shares. Similarly, any contingent deferred sales charge paid by you on investments in Class A shares may be higher or lower than the 1% charge described on the next page due to rounding.

Except as provided below, investments in Class 529-A shares of $1 million or more may be subject to a 1% contingent deferred sales charge if the shares are sold within one year of purchase.

Class 529-A purchases not subject to sales charges.

Investments in Class 529-A shares made by endowments or foundations with $50 million or more in assets are not subject to any initial or contingent deferred sales charge if American Funds Service Company is properly notified of the investment.

The distributor may pay dealers up to 1% on investments made in Class 529-A shares with no initial sales charge. The fund(s) may reimburse the distributor for these payments through its plans of distribution.

A transfer from the Virginia Prepaid Education Program or the Virginia Education Savings Trust to a CollegeAmerica Account will be made with no sales charge. No commission will be paid to the dealer on such a transfer.

Certain other investors may qualify to purchase shares without a sales charge, such as employees of investment dealers and registered investment advisers authorized to sell American Funds and employees of The Capital Group Companies.

Class 529-B and 529-C shares

If you have significant American Funds holdings, you may not be eligible to invest in Class 529-B or 529-C shares. Specifically, you may not purchase Class 529-B shares if you are eligible to purchase Class A or 529-A shares at the $100,000 or higher sales charge discount rate, and you may not purchase Class 529-C shares if you are eligible to purchase Class A or 529-A shares at the $1 million sales charge discount rate (i.e., at net asset value). See "Sales charge reductions and waivers" on the next page and the statement of additional information for the applicable prospectus for more information regarding sales charge discounts.

Class 529-B or 529-C shares of The Cash Management Trust of America, Intermediate Bond Fund of America and Short-Term Bond Fund of America may be acquired only by exchanging from Class 529-B or 529-C shares of other American Funds.

Class 529-B shares have a purchase maximum per transaction of $50,000.

Class 529-B and 529-C shares are sold without any initial sales charge. American Funds Distributors pays 4% of the amount invested to dealers who sell Class 529-B shares and 1% to dealers who sell Class 529-C shares.

For Class 529-B shares, a contingent deferred sales charge may be applied to shares you sell within six years of purchase, as shown in the table below.

Contingent deferred sales charge on Class 529-B shares

Year of redemption	1	2	3	4	5	6	7+
Contingent deferred sales charge	5%	4%	4%	3%	2%	1%	0%

For Class 529-C shares, a contingent deferred sales charge of 1% applies if shares are sold within one year of purchase.

Shares acquired through reinvestment of dividends or capital gain distributions are not subject to a contingent deferred sales charge. In addition, the contingent deferred sales charge may be waived in certain circumstances. See "Contingent deferred sales charge waivers" on page 45. The contingent deferred sales charge is based on the original purchase cost or the current market value of the shares being sold, whichever is less. For purposes of determining the contingent deferred sales charge, if you sell only some of your shares, shares that are not subject to any contingent deferred sales charge will be sold first, followed by shares that you have owned the longest.

Conversion of Class 529-B shares

Class 529-B shares automatically convert to Class 529-A shares in the month of the eight-year anniversary of the purchase date.

Class 529-E and 529-F shares

Class 529-E and 529-F shares are sold without any initial or contingent deferred sales charge.

Sales charge reductions and waivers

To receive a reduction in your Class 529-A initial sales charge, you must let your financial adviser or American Funds Service Company know at the time you purchase shares that you qualify for such a reduction. If you do not let your adviser or American Funds Service Company know that you are eligible for a reduction, you may not receive a sales charge discount to which you are otherwise entitled. In order to determine your eligibility to receive a sales charge discount, it may be necessary for you to provide your adviser or American Funds Service Company with information and records (including account statements) of all relevant accounts invested in the American Funds. To have your Class 529-A, 529-B or 529-C contingent deferred sales charge waived, you must let your adviser or American Funds Service Company know at the time you redeem shares that you qualify for such a waiver.

Reducing your Class 529-A initial sales charge

Consistent with the policies described in this Program Description, you and your "immediate family" (your spouse — or equivalent if recognized under local law — and your children under the age of 21) may combine all of your American Funds investments to reduce your Class 529-A sales charge. Certain investments in the American Funds Target Date Retirement Series may also be combined for these purposes. Please see the American Funds Target Date Retirement Series prospectus for further information. However, for this purpose, investments representing direct purchases of American Funds money market funds are excluded.

Aggregating accounts

To receive a reduced Class 529-A sales charge, investments made by you and your immediate family (see above) may be aggregated if made for your own account(s) and/or certain other accounts, such as:

- trust accounts established by the above individuals (please see the statement of additional information for the applicable prospectus for details regarding aggregation of trust accounts where the person(s) who established the trust is (are) deceased);
- solely controlled business accounts; and
- single-participant retirement plans.

Concurrent purchases

You may combine simultaneous purchases (including, upon your request, purchases for gifts) of any class of shares of two or more American Funds to qualify for a reduced Class 529-A sales charge. Purchases of American Funds money market funds may not be combined to reduce your Class 529-A sales charge.

Rights of accumulation

You may take into account your accumulated holdings in all share classes of the American Funds (excluding direct purchases of American Funds money market funds) to determine the initial sales charge you pay on each purchase of Class 529-A shares. Subject to your investment dealer's capabilities, your accumulated holdings will be calculated as the higher of (a) the current value of your existing holdings or (b) the amount you invested (excluding capital appreciation) less any withdrawals. Please see the statement of additional information for the applicable prospectus for details. You should retain any records necessary to substantiate the historical amounts you have invested. If you make a gift of shares, upon your request, you may purchase the shares at the sales charge discount allowed under rights of accumulation of all of your American Funds accounts.

Statement of intention

You may reduce your Class 529-A sales charge by establishing a statement of intention. A statement of intention allows you to combine all purchases of all share classes of American Funds (excluding American Funds money market funds) you intend to make over a 13-month period to determine the applicable sales charge; however, purchases made under a right of reinvestment, appreciation of your holdings, and reinvested dividends and capital gains do not count as purchases made during the statement period. The market value of your existing holdings eligible to be aggregated as of the day immediately before the start of the statement period may be credited toward satisfying the statement. A portion of your account may be held in escrow to cover additional Class 529-A sales charges that may be due if your total purchases over the statement period do not qualify you for the applicable sales charge reduction.

Contingent deferred sales charge waivers

The contingent deferred sales charge on Class 529-A, 529-B and 529-C shares may be waived in the following cases:

- permitted exchanges of shares, except if shares acquired by exchange are then redeemed within the period during which a contingent deferred sales charge would apply to the initial shares purchased;
- redemptions due to death or post-purchase disability of the Account Owner (this generally excludes accounts registered in the names of trusts and other entities);
- redemptions due to a Beneficiary's death, post-purchase disability or receipt of a scholarship (to the extent of the scholarship award); and
- redemptions due to the complete termination of a trust upon the death of the trustor/grantor or beneficiary, but only if such termination is specifically provided for in the trust document.

You may obtain more information about sales charge reductions and waivers from our website at americanfunds.com, American Funds prospectuses and statements of additional information or your financial professional.

Appendix D: Investment results

Past results are not predictive of results in future periods. Current and future results may be lower or higher than those shown. For current information and month-end results, visit americanfunds.com.

Investment results (with maximum applicable sales charges) — Average annual total returns[1]

	Class 529-A			Class 529-B			Class 529-C		
Investment options	One year	Five years	Lifetime	One year	Five years	Lifetime	One year	Five years	Lifetime
AMCAP	1.21%	10.81%	6.09%	1.53%	10.92%	6.44%	5.57%	11.18%	6.58%
AMBAL	0.35	9.11	6.53	0.64	9.19	6.58	4.70	9.49	6.97
AHIT	–2.33	9.88	8.15	–4.05	9.49	8.05	–0.28	9.78	7.95
AMF	–2.70	10.06	6.69	–2.45	10.14	6.72	1.43	10.42	6.68
BFA	–0.57	4.95	5.12	–2.42	4.51	4.77	1.52	4.86	4.96
CIB	4.23	13.68	11.74	4.71	13.83	11.72	8.71	14.08	11.94
CMTA	4.66	2.57	2.35	–1.16	1.50	1.54	2.73	1.82	1.61
EUPAC	12.05	21.31	15.58	12.90	21.50	16.06	16.93	21.70	15.76
FI	6.97	16.39	10.65	7.57	16.56	11.06	11.58	16.78	10.84
GFA	4.49	14.49	8.43	5.01	14.64	8.48	9.02	14.88	8.60
GVT	2.61	2.54	3.44	0.77	2.12	3.08	4.78	2.48	3.24
IFA	–2.28	11.38	8.81	–1.88	11.50	9.06	1.92	11.77	9.18
IBFA[2]	2.37	2.49	3.11	–0.87	1.82	2.59	3.14	2.18	2.74
ICA	–0.25	11.29	7.06	0.07	11.40	7.10	4.01	11.68	7.53
NEF	4.95	16.05	9.03	5.44	16.18	9.50	9.40	16.39	9.86
NPF	9.25	17.84	12.18	10.05	18.02	12.25	14.02	18.24	12.37
NWF	25.16	28.69	22.37	26.68	28.93	22.55	30.71	29.09	22.67
SCWF	10.31	22.85	15.27	11.11	23.06	15.21	15.11	23.25	15.31
STBF	2.20	—	2.46	–0.96	—	0.32	3.04	—	3.94
WBF	4.45	7.62	9.35	2.66	7.21	9.09	6.65	7.52	9.21
WGI	10.71	20.80	16.11	11.47	21.01	16.55	15.49	21.21	16.63
WMIF	–2.08	10.54	6.30	–1.74	10.65	6.66	2.10	10.92	6.47

[1] Average annual total returns for the period ending December 31, 2007. Investment results do not reflect the $10 initial Account setup fee and an annual $10 Account maintenance fee. Fund results reflect any fee waivers and/or reimbursements in effect during the periods presented. All fund results reflect the reinvestment of dividends and capital gain distributions.

[2] The maximum sales charge for Class 529-A shares of the fund was reduced to 2.50% from 3.75%, effective November 1, 2006.

Investment results — Average annual total returns[1]						
	Class 529-E			Class 529-F		
Investment options	One year	Five years	Lifetime	One year	Five years	Lifetime
AMCAP	7.11%	11.76%	6.17%	7.61%	12.18%	11.85%
AMBAL	6.18	10.03	6.81	6.71	10.46	10.35
AHIT	1.17	10.35	8.19	1.68	10.77	11.68
AMF	2.91	11.00	6.24	3.44	11.42	11.03
BFA	3.02	5.40	5.53	3.53	5.79	6.44
CIB	10.26	14.66	12.26	10.81	15.09	14.53
CMTA	4.25	2.17	1.95	4.77	2.52	2.43
EUPAC	18.53	22.34	15.51	19.11	22.80	21.95
FI	13.14	17.38	10.46	13.69	17.83	18.06
GFA	10.56	15.48	8.97	11.10	15.91	15.09
GVT	6.31	3.01	3.98	6.84	3.39	3.50
IFA	3.34	12.33	9.54	3.90	12.76	12.66
IBFA	4.66	2.70	3.46	5.18	3.09	3.16
ICA	5.52	12.25	7.44	6.05	12.69	11.92
NEF	10.98	17.01	8.71	11.54	17.46	18.83
NPF	15.58	18.85	12.64	16.20	19.31	18.86
NWF	32.37	29.77	22.25	33.04	30.26	28.64
SCWF	16.71	23.89	14.88	17.28	24.38	22.36
STBF	4.56	—	4.22	5.11	—	5.04
WBF	8.20	8.07	9.56	8.72	8.48	9.61
WGI	17.08	21.84	16.40	17.67	22.32	21.70
WMIF	3.57	11.49	6.49	4.08	11.90	11.07

[1] Average annual total returns for the period ending December 31, 2007. Investment results do not reflect the $10 initial Account setup fee and an annual $10 Account maintenance fee. Fund results reflect any fee waivers and/or reimbursements in effect during the periods presented. All fund results reflect the reinvestment of dividends and capital gain distributions.

Notes

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For marketing information (8 a.m.–8 p.m. Eastern time)	American Funds Distributors 800/421-9900, ext. 529
For 24-hour services	American FundsLine® (automated fund services and information) 800/325-3590 americanfunds.com

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