

# Amer Funds CapWrldGI A

**Ticker** CWGIX **Load** 5.75% **NAV** \$40.38 **Yield** 1.9% **Total Assets** \$67,012 mil **Mstar Category** World Stock

## Governance and Management

**Stewardship Grade:** B

### Portfolio Manager(s)

Like other American Funds, this offering uses a multimanager approach. Each manager--or counselor, as they are called here--runs his or her portion of assets independently. The newest manager on the team joined Capital Research in 1990. The managers also help run other American Funds offerings. As with all American Funds offerings, a portion of this fund's assets are managed by Capital Research & Management's analyst staff.

### Strategy

This fund's managers are focused on yield. They buy a lot of blue-chip stocks with healthy dividends and hold them for the long term. They usually try to pick up stocks on the cheap, so the portfolio's price multiples are below the group norm. The managers use cash to moderate volatility, typically keeping the fund's stake in the double digits. The fund usually has a stake in emerging-markets companies and will sometimes hold preferred stock and convertibles debt.

### Performance 04-30-06

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2002	5.43	-5.78	-15.18	10.21	-7.15
2003	-5.77	18.20	8.38	15.21	39.07
2004	4.09	-0.70	2.10	13.16	19.42
2005	0.08	0.54	8.96	4.64	14.72
2006	6.10	—	—	—	—

Trailing	Total Return%	+/- MSCI EAFE	+/- MSCI World	%Rank Cat	Growth of \$10,000
3 Mo	5.90	-2.09	0.76	36	10,590
6 Mo	18.95	-3.94	2.94	34	11,895
1 Yr	29.71	-3.78	5.39	39	12,971
3 Yr Avg	27.54	-1.56	6.42	26	20,746
5 Yr Avg	13.08	3.89	7.56	7	18,490
10 Yr Avg	14.15	7.47	6.78	3	37,563
15 Yr Avg	—	—	—	—	—

Tax Analysis	Tax-Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	23.55	39	1.20	81
5 Yr (estimated)	10.58	16	1.05	89
10 Yr (estimated)	11.46	9	1.78	83

Potential Capital Gain Exposure: 25% of assets

### Morningstar's Take by Kai Wiecking 03-30-06

Shareholders here have gotten a lot of bang for their buck, but should not be surprised if this fund cools off going forward.

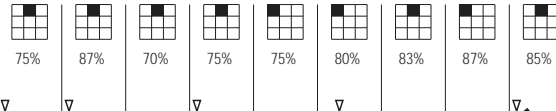
American Funds Capital World Growth & Income was always cheap, but its expense ratio has dropped further in recent years as assets have grown. And at 0.73%, the fund's expense ratio is now the third lowest in the front-load world-stock subgroup, giving the fund a huge advantage over its typical rival, which charges 1.50%.

Over the past ten years, astute stock-picking by the fund's growing number of managers has added value well above and beyond that cost edge. The fund's trailing average 10-year return of 13.7% through February 28, 2006 is not just a nice big number, it's also better than that of all but one of its competitors in the group.

But both existing and prospective investors should manage their expectations. A repeat of those impressive figures is highly unlikely, both on a relative basis and even more so in absolute terms.

### Historical Profile

Return	High	75%
Risk	Below Avg	87%
Rating	★★★★★ Highest	70%



Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	04-06
Investment Values of Fund	20.26	22.97	24.51	25.42	29.83	26.47	24.50	22.25	29.88	33.89	36.57	40.38
Investment Values of MSCI EAFE	21.39	21.54	17.99	16.20	27.30	1.38	-4.96	-7.15	39.07	19.42	14.72	10.85

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	04-06
NAV	20.26	22.97	24.51	25.42	29.83	26.47	24.50	22.25	29.88	33.89	36.57	40.38
Total Return %	21.39	21.54	17.99	16.20	27.30	1.38	-4.96	-7.15	39.07	19.42	14.72	10.85
+/-MSCI EAFE	10.18	15.49	16.21	-3.73	0.27	15.57	16.46	8.79	0.48	-0.83	1.18	-3.77
+/-MSCI World	0.67	8.06	2.23	-8.12	2.35	14.57	11.84	12.74	5.96	4.70	5.23	1.01
Income Return %	3.59	3.50	2.83	2.31	2.00	1.78	1.91	2.14	2.86	2.91	2.38	0.41
Capital Return %	17.80	18.04	15.16	13.89	25.30	-0.40	-6.87	-9.29	36.21	16.51	12.34	10.44
Total Rtn % Rank Cat	30	15	33	50	60	17	11	6	24	13	28	44
Income \$	0.62	0.70	0.64	0.56	0.51	0.52	0.50	0.52	0.63	0.86	0.80	0.15
Capital Gains \$	0.27	0.85	1.87	2.37	1.81	3.20	0.16	0.00	0.29	0.80	1.44	0.00
Expense Ratio %	0.88	0.85	0.82	0.78	0.79	0.79	0.78	0.82	0.81	0.77	0.73	—
Income Ratio %	3.24	3.28	2.53	2.25	1.93	2.08	2.05	2.22	2.70	2.28	2.41	—
Turnover Rate %	26	30	32	39	34	41	45	32	27	21	26	—
Net Assets \$mil	3,723	5,213	7,359	8,697	10,964	11,122	10,480	9,419	16,216	26,906	42,102	51,413

### Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	22.25			
3 Yr	25.05	+ Avg	Avg	★★★★
5 Yr	11.75	+ Avg	-Avg	★★★★
10 Yr	13.48	High	-Avg	★★★★★
Incept	14.17			

Other Measures	Standard Index MSCI EAFE	Best Fit Index MSCI World
Alpha	2.4	6.6
Beta	0.84	0.96
R-Squared	91	93
Standard Deviation	8.74	
Mean	27.54	
Sharpe Ratio	2.58	

### Portfolio Analysis 03-31-06

Share change since 12-05	Total Stocks:370	Sector	Country	% Assets
Altria Group, Inc.	Commo	Goods	United States	1.36
Diageo	Commo	Goods	U.K.	1.22
Royal Dutch Shell	Commo	Energy	U.K.	1.14
Roche Holding	Commo	Health	Switzerland	1.14
Koninklijke KPN	Commo	Telecom	Netherlands	1.04
Fortis	Commo	Financial	Netherlands	1.00
Veolia Environnement	Commo	Business	France	0.98
AT&T, Inc. Common Stock	Commo	Telecom	United States	0.95
E.ON	Commo	Utilities	Germany	0.94
Lloyds TSB Grp	Commo	Financial	U.K.	0.90
EDF	Commo	Utilities	France	0.90
TOTAL	Commo	Energy	France	0.88
HSBC Hldgs	Commo	Financial	Hong Kong	0.85
UniCredito Italiano Grp	Commo	Financial	Italy	0.82
Banco Santander Central	Commo	Financial	Spain	0.80
Kookmin Bank	Commo	Financial	Korea	0.80
Nestle	Commo	Goods	Switzerland	0.78
Societe Generale Grp	Commo	Financial	France	0.78
Bco Itau Hldg F	Commo	Financial	Brazil	0.78
Telekom Austria	Commo	Telecom	Austria	0.75

### Current Investment Style

Value	Blnd Growth	Market Cap %	Sector Weightings	% of Rel MSCI Stocks	3 Year EAFE High Low
Large	Large	57.3	Info	18.07	1.50
Mid	Mid	35.6	Software	0.68	1.01 1 0
Small	Small	6.9	Hardware	5.27	1.29 5 3
Micro	Micro	0.2	Media	2.90	1.46 3 1
		0.1	Telecom	9.22	1.74 12 9
			Service	41.97	0.90
			Health	7.48	1.01 9 6
			Consumer	6.27	1.39 7 6
			Business	3.60	0.72 4 2
			Financial	24.62	0.83 25 21
			Mfg	39.95	0.97
			Goods	12.85	0.97 18 13
			Ind Mtrls	13.86	0.90 16 14
			Energy	8.92	1.13 10 6
			Utilities	4.32	0.92 6 3

Value Measures	Rel Category	Value Measures	Rel Category
Price/Earnings	14.52	0.89	
Price/Book	2.11	0.87	
Price/Sales	1.16	0.87	
Price/Cash Flow	5.30	0.65	
Dividend Yield %	3.47	1.78	
Long-Term Erngs	10.83	0.87	
Book Value	8.66	1.04	
Sales	5.76	0.72	
Cash Flow	7.53	0.71	
Historical Erngs	19.43	1.01	

Regional Exposure	% Stock
UK/W. Europe	42
N. America	24
Japan	8
Latin America	3
Asia X Japan	20
Other	3

Composition	% Stock
Cash	10.9
Bonds	0.5
Stocks	85.4
Other	3.2
Foreign (% of Stock)	77.9

Address:	333 S Hope St - 55th FL Los Angeles CA 90071 800-421-0180	Minimum Purchase:	\$250	Add: \$50	IRA: \$250
Web Address:	www.americanfunds.com	Min Auto Inv Plan:	\$50	Add: \$50	
Inception:	03-26-93	Sales Fees:	5.75%L, 0.23%S		
Advisor:	Capital Research and Management Company	Management Fee:	0.60% mx./0.36% mn.		
Subadvisor:	None	Actual Fees:	Mgt:0.39% Dist:0.23%		
NTF Plans:	Federated Tr NTF	Expense Projections:	3Yr:\$804 5Yr:\$973 10Yr:\$1463		
		Income Distrib:			

