

Amer Funds New World A

Analyst Pick

Ticker NEWFX

Load 5.75%

NAV \$45.41

Yield 1.6%

Total Assets \$9,094 mil

Mstar Category Diversified Emerging Mkts

Governance and Management

Stewardship Grade: B

Portfolio Manager(s)

The fund's managers, all of whom have been on the fund since its 1999 inception, have long tenures at Capital Research & Management, the fund's parent, and several comanage other foreign offerings at the firm. In general, American Funds boasts an impressive lineup of international managers and research analysts. As with every American Fund, each manager here oversees his or her portion of assets independently.

Strategy

This fund splits its equity portfolio between emerging-markets stocks and developed-market names. However, stocks that come from developed economies must conduct business in emerging markets. Typically, the fund's developed-market stake has hovered between one fourth and one third of assets. The portfolio holds a slug of multinationals, such as Samsung and Coca-Cola, and lacks many of the smaller-cap, speculative picks that are typical of emerging-markets funds. The fund can also put up to 25% of its assets in bonds.

Performance 04-30-06

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2002	10.54	-6.86	-12.98	6.45	-4.62
2003	-3.66	17.30	9.68	15.67	43.36
2004	6.37	-5.02	6.48	12.28	20.79
2005	1.05	3.47	12.27	4.10	22.20
2006	11.71	—	—	—	—

Trailing	Total Return%	+/- MSCI EAFE	+/- MSCI EmrMkt	%Rank Cat	Growth of \$10,000
3 Mo	8.07	0.08	0.69	40	10,807
6 Mo	27.39	4.50	-8.92	89	12,739
1 Yr	43.78	10.29	-14.42	92	14,378
3 Yr Avg	33.73	4.63	-8.07	89	23,916
5 Yr Avg	17.84	8.65	-2.97	89	22,723
10 Yr Avg	—	—	—	—	—
15 Yr Avg	—	—	—	—	—

Tax Analysis	Tax-Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	30.24	99	0.67	49
5 Yr (estimated)	15.63	96	0.70	60
10 Yr (estimated)	—	—	—	—

Potential Capital Gain Exposure: 29% of assets

Morningstar's Take by Kai Wiecking 05-22-06

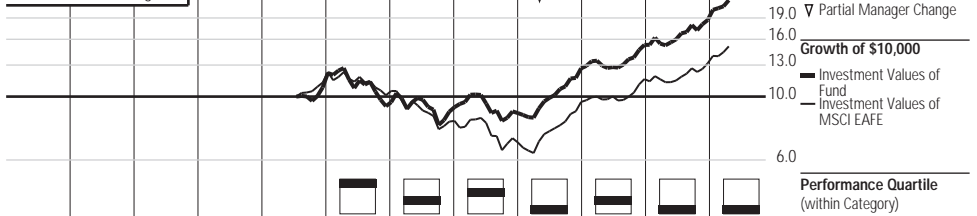
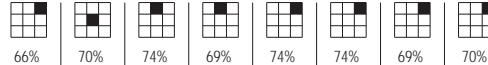
American Funds New World offers investors a prudent, sensible way to gain exposure to emerging markets.

Funds in the diversified emerging-markets category have been on a tear for well over three years now. And this fund's trailing average three-year return of 31.4% through May 17, 2006, is certainly nothing to be sneezed at. Amazingly, though, that's still less than what 88% of its rivals in the group have achieved.

But this shortfall is not primarily the result of bad stock-picking, or sector or country bets that backfired. Rather, it's reflective of the more cautious and often indirect approach to participating in the rapid growth of emerging markets used by this offering's managers. For example, significant portions of the portfolio are always invested in stocks domiciled in established economies, including the U.S., whose earnings are in part derived from the developing world. Emerging-markets bonds and cash are also integral

Historical Profile

Return Low
Risk Low
Rating ★★ Below Avg



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	04-06	History
NAV	—	—	—	—	28.29	22.01	20.58	19.38	27.18	32.27	38.70	45.41	NAV
Total Return %	—	—	—	—	20.97*	-20.90	-3.96	-4.62	43.36	20.79	22.20	17.34	Total Return %
+/-MSCI EAFE	—	—	—	—	—	-6.71	17.46	11.32	4.77	0.54	8.66	2.72	+/-MSCI EAFE
+/-MSCI EmrMkt	—	—	—	—	—	11.00	0.72	3.35	-8.23	-1.66	-8.11	-1.78	+/-MSCI EmrMkt
Income Return %	—	—	—	—	—	0.00	1.31	1.22	3.02	2.01	2.26	0.00	Income Return %
Capital Return %	—	—	—	—	—	-22.21	-6.44	-5.84	40.34	18.78	19.94	17.34	Capital Return %
Total Rtn % Rank Cat	—	—	—	—	—	6	58	39	89	67	89	82	Total Rtn % Rank Cat
Income \$	—	—	—	—	0.20	0.37	0.55	0.25	0.59	0.55	0.73	0.00	Income \$
Capital Gains \$	—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Capital Gains \$
Expense Ratio %	—	—	—	—	1.44	1.35	1.29	1.34	1.31	1.22	1.12	—	Expense Ratio %
Income Ratio %	—	—	—	—	1.83	1.61	2.15	1.65	1.86	1.68	2.00	—	Income Ratio %
Turnover Rate %	—	—	—	—	—	30	40	32	30	20	26	—	Turnover Rate %
Net Assets \$mil	—	—	—	—	1,050	1,222	1,137	1,114	1,728	2,606	4,919	7,042	Net Assets \$mil

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	35.52	—	—	—
3 Yr	31.12	Low	Low	★
5 Yr	16.45	Low	Low	★★
10 Yr	—	—	—	—
Incept	11.03	—	—	—

Other Measures

	Standard Index MSCI EAFE	Best Fit Index MSCI EmrMkt
Alpha	4.0	5.2
Beta	0.99	0.66
R-Squared	77	93
Standard Deviation	11.22	—
Mean	33.73	—
Sharpe Ratio	2.47	—

Portfolio Analysis 03-31-06

Share change since 12-05	Total Stocks:175	Sector	Country	% Assets
+		Fomento Economico Mexica	Goods Mexico	1.81
+		Telekomunikasi Indonesia	Telecom Indonesia	1.71
+		Rao Ues Of Russia	Utilities Russia	1.61
+		America Movil SA ADR	Telecom Mexico	1.40
+		Grupo Financiero Banorte	Financial Mexico	1.26
+		Nestle	Goods Switzerland	1.25
+		Bank Rakyat Indonesia (P	Financial Indonesia	1.24
+		Mol Magyar Olaj- Es Gazl	Energy Hungary	1.20
+		Philippine Long Distance	Telecom Philippines	1.18
-		Itausa - Investimentos I	— Brazil	1.13
+		Daelim Industrial	Business Korea	1.09
+		Samsung Electronics	Goods Korea	1.09
+		Tesco	Consumer U.K.	1.08
-		CPFL Energia SA ADR	Utilities Brazil	1.03
+		Thai Airways Intl	Business Thailand	1.00
+		NHN	Business Korea	0.98
+		Wienerberger	Business Austria	0.89
+		Argentina(Rep Of) FRN	— Argentina	0.88
+		Perusahaan Gas Negara (P	Utilities Indonesia	0.88
+		Kingboard Chemical Hldgs	Ind Mtrls Hong Kong	0.88

Current Investment Style

Value	Blnd	Growth	Market Cap	%	Sector Weightings	% of Rel MSCI Stocks	3 Year High Low
Large	—	—	Giant	29.9	Info	16.24	1.35
Mid	—	—	Large	46.9	Software	0.00	0.00
Small	—	—	Mid	20.2	Hardware	1.93	0.47
Micro	—	—	Small	1.7	Media	1.30	0.66
			Micro	1.3	Telecom	13.01	2.45
			Avg \$mil:	9,692	Service	33.36	0.71
					Health	2.93	0.39
					Consumer	5.25	1.16
					Business	9.43	1.88
					Financial	15.75	0.53
					Mfg	50.40	1.22
					Goods	17.88	1.35
					Ind Mtrls	14.65	0.95
					Energy	10.19	1.29
					Utilities	7.68	1.64

Value Measures	Rel Category	%	Rel Category	%
Price/Earnings	13.93	1.15	Business	9.43
Price/Book	2.35	1.09	Financial	15.75
Price/Sales	1.25	1.21	Mfg	50.40
Price/Cash Flow	8.10	1.38	Goods	17.88
Dividend Yield %	2.45	0.81	Ind Mtrls	14.65
Growth Measures	%	Rel Category	%	Rel Category
Long-Term Erngs	15.23	0.99	Energy	10.19
Book Value	12.13	1.57	Utilities	7.68
Sales	13.50	0.85		
Cash Flow	5.71	0.42		
Historical Erngs	26.36	1.36		

Regional Exposure	% Stock
UK/W. Europe	18
N. America	7
Japan	4
Latin America	19
Asia X Japan	42
Other	10

Country Exposure	% Stock
Brazil	10
South Korea	8
India	8
Thailand	7
Mexico	8

Address: 333 S Hope St - 55th FL
Los Angeles CA 90071
800-421-0180
www.americanfunds.com
Inception: 06-17-99*
Advisor: Capital Research and Management Company
Subadvisor: None
NTF Plans: Federated Tr NTF

Minimum Purchase: \$250 Add: \$50 IRA: \$250
Min Auto Inv Plan: \$50 Add: \$50
Sales Fees: 5.75%L, 0.26%S
Management Fee: 0.85% mx./0.54% mn.
Actual Fees: Mgt:0.69% Dist:0.26%
Expense Projections: 3Yr:\$928 5Yr:\$1187 10Yr:\$1924
Income Distrib: