

# Getting ahead through peaks and valleys

Even when markets experience ups and downs, you can make progress toward your goals. Our global research and commitment to long-term investing can help you through challenging environments.

On June 30, Standard & Poor's 500 Composite Index and the MSCI World Index, both broad measures of equity markets, were trading at levels that were only marginally higher than they were 12 years earlier on June 30, 1997 (see Chart 1). But the path of this very challenging market was neither straight nor narrow.

Over the course of a dozen years, markets experienced sharp rallies and steep declines, including the technology-focused bull market of the late 1990s and subsequent bursting of the tech bubble, as well as the real estate boom that preceded the recent global credit crisis and market turmoil.

With markets seemingly retracing their steps over the period, it's not surprising that many investors may have grown weary of the volatility.

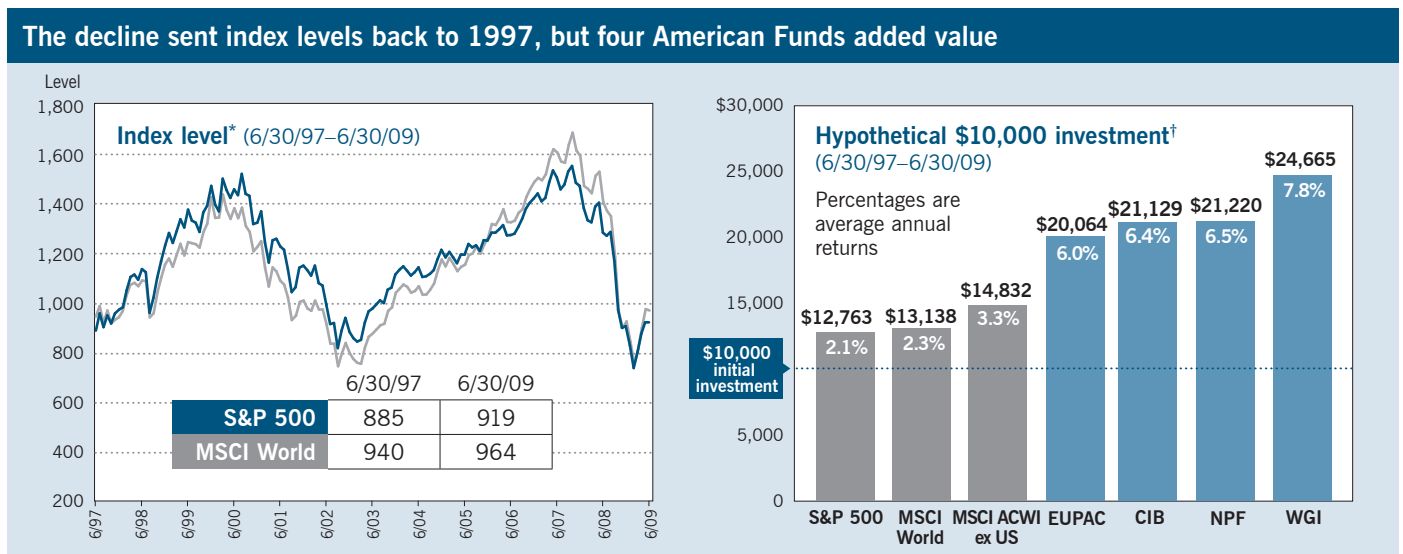
But an active approach to global investing could have helped investors during this turbulent period. A look at the four largest American Funds that can invest substantially outside the

U.S. shows that a hypothetical investment in any of the four over the period with all distributions reinvested would have doubled. Although past results are not predictive, the funds also significantly outpaced their primary benchmark indexes.

Capital World Growth and Income Fund<sup>SM</sup> seeks long-term growth and current income by investing primarily in the stocks of blue chip companies around the world. Capital Income Builder<sup>®</sup> looks to provide a growing income stream by investing in a broad range of income-producing securities. Dividend yields over the 12-year period were often higher outside the U.S., which helped these two funds. New Perspective Fund<sup>®</sup> seeks long-term growth by investing primarily in common stocks of companies located around the world to take advantage of investment opportunities generated by changes in international trade patterns and economic and political relationships. EuroPacific Growth Fund<sup>®</sup> seeks long-term growth by investing primarily in the stocks of strong, growing companies based primarily in Europe and the Pacific Basin.

**Figures shown are past results for Class A shares and are not predictive of results in future periods. Current and future results may be lower or higher than those shown. Share prices and returns will vary, so investors may lose money. Investing for short periods makes losses more likely. Results shown are at net asset value with all distributions reinvested. If the maximum 5.75% Class A sales charge had been deducted, results would have been lower. For current information and month-end results, visit [americanfunds.com](http://americanfunds.com).**

**Chart 1**



\*The indexes are unmanaged and reflect the price level, which does not include dividends and capital gains.

†All fund results include reinvested distributions. All index results assume reinvested distributions but do not reflect sales charges, commissions or expenses.

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

## American Funds global research

These results in Chart 1 show that an approach based on investing in select companies — rather than investing broadly in indexes — can pay off. That’s because even when markets are declining, there are companies that can thrive in the evolving global economy. And even in countries or regions that are in recession or experiencing slow growth, there can be solid investment opportunities. Bear in mind that investments outside the United States involve additional risks, such as currency fluctuations, political instability, differing securities regulations and periods of illiquidity. American Funds has

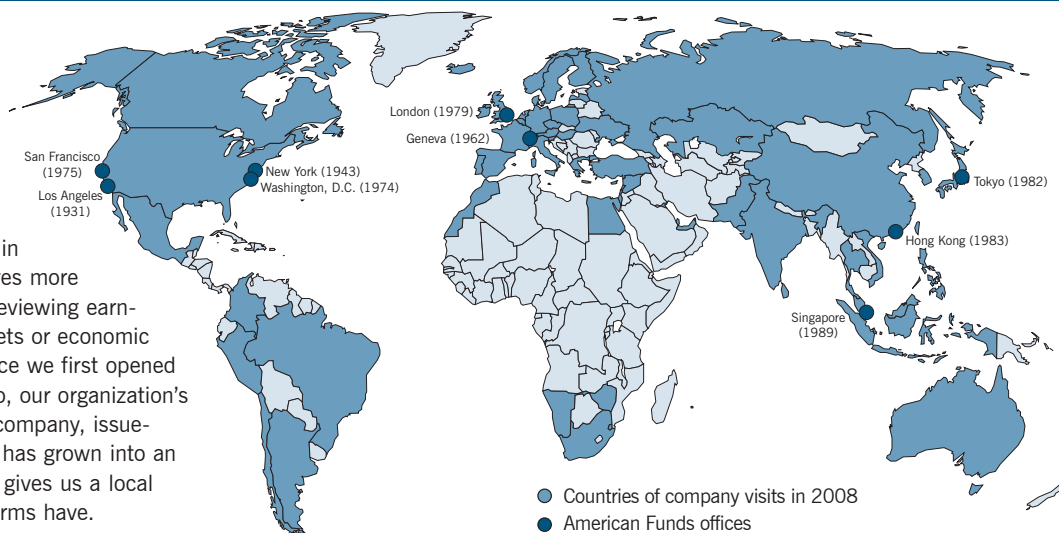
taken a global approach to investing for many decades. We seek to identify companies with the potential to benefit from globalization, changing trade patterns and evolving economies under any market conditions. Our research network includes more than 200 investment professionals who speak more than two dozen languages and have visited thousands of companies in more than 60 countries.

Rather than investing in markets or sectors, we invest in companies after carefully scrutinizing their business plans, managements and balance sheets as well as the competitive landscape of their industry. This approach has helped us deliver consistent results over meaningful periods of time.

### Chart 2

#### American Funds global research network: Offering a front-row view of the world’s markets

More than three-quarters of the listed companies, over 57% of the stock market capitalization and greater than half the outstanding debt securities are located outside U.S. borders. Finding good long-term opportunities in this global marketplace requires more than sitting on the sidelines reviewing earnings statements, balance sheets or economic and broad market trends. Since we first opened our doors nearly 80 years ago, our organization’s commitment to company-by-company, issue-by-issue investment research has grown into an extensive global network that gives us a local perspective and access few firms have.



Below are the funds’ average annual total returns for Class A shares with all distributions reinvested for periods ended June 30, 2009, assuming payment of the **5.75%** maximum sales charge at the beginning of the stated periods:

	1 year	5 years	10 years	Expense ratio
<b>Capital Income Builder</b>	-25.99%	2.06%	4.54%	0.64%
<b>Capital World Growth and Income Fund</b>	-30.93	3.45	5.83	0.80
<b>EuroPacific Growth Fund</b>	-29.81	4.81	4.14	0.86
<b>New Perspective Fund</b>	-29.16	2.05	3.24	0.82
<b>MSCI All Country World ex USA Index</b>	-30.54	4.95	2.94	—
<b>MSCI World Index</b>	-29.01	0.57	-0.37	—
<b>S&amp;P 500 Index</b>	-26.20	-2.24	-2.22	—

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Expense ratios are for the 12 months ended June 30, 2009. From September 1, 2004, to December 31, 2008, the investment adviser to the American Funds waived a portion of its management fees. Investment results reflect the waivers, without which the results would have been lower. Please see each fund’s most recent shareholder report or prospectus for details.

**Investors should carefully consider the investment objectives, risks, charges and expenses of the American Funds. This and other important information is contained in each fund’s summary prospectus and/or prospectus, which can be obtained from a financial professional and should be read carefully before investing.**

Equity investments are subject to market fluctuations. If used after September 30, 2009, this sheet must be accompanied by a current American Funds quarterly statistical update.

#### The Capital Group Companies

American Funds    Capital Research and Management    Capital International    Capital Guardian    Capital Bank and Trust