

SECURITIES AND EXCHANGE COMMISSION

FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: **2002-05-14**  
SEC Accession No. **0000071516-02-000002**

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FILER

**NEW PERSPECTIVE FUND INC**

CIK:**71516** | IRS No.: **952817150** | State of Incorporation:**MD** | Fiscal Year End: **0930**  
Type: **485BPOS** | Act: **33** | File No.: **002-47749** | Film No.: **02646732**

Business Address  
333 S HOPE ST - 52ND FLOOR  
LOS ANGELES CA 90071  
2134869200

**NEW PERSPECTIVE FUND INC**

CIK:**71516** | IRS No.: **952817150** | State of Incorporation:**MD** | Fiscal Year End: **0930**  
Type: **485BPOS** | Act: **40** | File No.: **811-02333** | Film No.: **02646733**

Business Address  
333 S HOPE ST - 52ND FLOOR  
LOS ANGELES CA 90071  
2134869200

SEC. File Nos. 2-47749  
811-2333

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-1A  
Registration Statement  
Under  
the Securities Act of 1933  
Post-Effective Amendment No. 56  
and  
Registration Statement  
Under  
The Investment Company Act of 1940  
Amendment No. 39

NEW PERSPECTIVE FUND, INC.  
(Exact Name of Registrant as specified in charter)  
333 South Hope Street  
Los Angeles, California 90071  
(Address of principal executive offices)

Registrant's telephone number, including area code:  
(213) 486-9200

Vincent P. Corti  
Capital Research and Management Company  
333 South Hope Street  
Los Angeles, California 90071  
(name and address of agent for service)

Copies to:  
MICHAEL J. FAIRCLOUGH, ESQ.  
O'Melveny & Myers LLP  
400 South Hope Street  
Los Angeles, California 90071  
(Counsel for the Registrant)

Approximate date of proposed public offering:  
It is proposed that this filing become effective on May 15, 2002, pursuant to  
paragraph (b) of rule 485.

[logo - American Funds (sm)]

The right choice for the long term/SM/

New Perspective Fund/(R)/

Retirement Plan Prospectus

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THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED OF THESE SECURITIES. FURTHER, IT HAS NOT DETERMINED THAT THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PROSPECTUS

May 15, 2002

#### Risk/Return Summary

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 investments may fluctuate in response to events specifically involving the companies in which the fund invests, as well as economic, political or social events in the U.S. or abroad. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global political, social or economic instability, securities issued by entities based outside the U.S. may be affected to a greater extent.

Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

YOU MAY LOSE MONEY BY INVESTING IN THE FUND. THE LIKELIHOOD OF LOSS IS GREATER IF YOU INVEST FOR A SHORTER PERIOD OF TIME.

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New Perspective Fund / Prospectus

#### HISTORICAL INVESTMENT RESULTS

The following information provides some indication of the risks of investing in the fund by showing changes in the fund's investment results from year to year and by showing how the fund's average annual total returns for various periods compare with those of a broad measure of market performance. Past results are not an indication of future results.

#### CALENDAR YEAR TOTAL RETURNS FOR CLASS A SHARES

(Results do not include a sales charge; if one were included, results would be lower.)

[bar chart]  
1992 3.98%  
1993 26.98  
1994 2.97  
1995 20.43  
1996 17.28  
1997 14.98  
1998 28.53  
1999 40.07  
2000 -7.24  
2001 -8.30  
[end chart]

Highest/lowest quarterly results during this time period were:

<TABLE>  
 <CAPTION>  
 <S> <C> <C>  
 HIGHEST 22.17% (quarter ended December 31, 1999)  
 LOWEST -14.99% (quarter ended September 30, 2001)  
 </TABLE>

The year-to-date result was 2.12% for the three months ended March 31, 2002.

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Unlike the bar chart on the previous page, the Investment Results Table below reflects, as required by Securities and Exchange Commission rules, the fund's investment results with the maximum initial sales charge imposed. Class A share results reflect the maximum initial sales charge of 5.75%. Sales charges are reduced for purchases of \$25,000 or more. Results would be higher if calculated without a sales charge. All fund results reflect the reinvestment of dividend and capital gain distributions.

Since the fund's Class R shares were first available on May 15, 2002, comparable results for these classes are not available for the 2001 calendar year.

<TABLE>  
 <CAPTION>  
 INVESTMENT RESULTS TABLE (WITH MAXIMUM SALES CHARGES IMPOSED)  
 AVERAGE ANNUAL TOTAL RETURNS FOR PERIODS ENDED DECEMBER 31, 2001:  
 ONE YEAR FIVE YEARS TEN YEARS LIFETIME/1/  
 -----  
 <S> <C> <C> <C> <C>  
 CLASS A - BEGAN 3/13/73 -13.58% 10.66% 12.28% 14.02%  
 MSCI World Index/2/ -16.52% 5.74% 8.52% 10.59%  
 MSCI USA Index/3/ -12.03% 10.54% 13.05% 11.89%  
 </TABLE>

- 1 Lifetime results are as of the date Class A shares first became available.
- 2 The Morgan Stanley Capital International World Index measures 23 major stock markets throughout the world, including the U.S. This index is unmanaged and does not reflect sales charges, commissions, expenses or taxes.
- 3 The Morgan Stanley Capital International USA Index measures the U.S. portion of the world market. This index is unmanaged and does not reflect sales charges, commissions, expenses or taxes.

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Fees and Expenses of the Fund

<TABLE>  
 <CAPTION>  
 SHAREHOLDER FEES TABLE (PAID DIRECTLY FROM YOUR INVESTMENT)  
 CLASS A ALL R SHARE  
 CLASS A CLASSES  
 <S> <C> <C>  
 Maximum sales charge imposed on purchases  
 (as a percentage of offering price) 5.75 %/1/ none  
 Maximum sales charge imposed on reinvested dividends none none  
 Maximum deferred sales charge none/2/ none  
 Redemption or exchange fees none none  
 </TABLE>

- 1 Sales charges are reduced or eliminated for purchases of \$25,000 or more.
- 2 A contingent deferred sales charge of 1% applies on certain redemptions made within 12 months following purchases of \$1 million or more made without a sales charge.

<TABLE>  
 <CAPTION>

ANNUAL FUND OPERATING EXPENSES TABLE (DEDUCTED FROM FUND ASSETS)						
	CLASS A	R-1/1/	R-2/1/	R-3/1/	R-4/1/	R-5/1/
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Management Fees	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Distribution and/or Service (12b-1) Fees/2/	0.24%	1.00%	0.75%	0.50%	0.25%	none
Other Expenses	0.14%	0.23%	0.43%	0.29%	0.21%	0.16%
Total Annual Fund Operating Expenses	0.78%	1.63%	1.58%	1.19%	0.86%	0.56%

1 Based on estimated amounts for the current fiscal year.  
 2 Class A, R-2, R-3 and R-4 12b-1 fees may not exceed 0.25%, 1.00%, 0.75%, and 0.50%, respectively, of the class' average net assets annually. Class R-1 fees will always be 1.00% of the class' average net assets annually.

EXAMPLE

The examples below are intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the fund for the time periods indicated, that your investment has a 5% return each year, that all dividend and capital gain distributions are reinvested, and that the fund's operating expenses remain the same as shown above. Although your actual costs may be higher or lower, based on these assumptions, your cumulative estimated expenses would be:

<TABLE> <CAPTION>				
<S>	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
	<C>	<C>	<C>	<C>
Class A/1/	\$650	\$810	\$983	\$1,486
R-1	\$166	\$514	\$887	\$1,933
R-2	\$161	\$499	\$860	\$1,878
R-3	\$121	\$378	\$654	\$1,443
R-4	\$ 88	\$274	\$477	\$1,061
R-5	\$ 57	\$179	\$313	\$ 701

1 Reflects the maximum initial sales charge in the first year.

Investment Objectives, Strategies and Risks

The fund's primary investment objective is to provide you with long-term growth of capital. Future income is a secondary objective. The fund invests primarily in common stocks, including growth-oriented stocks, on a global basis to take advantage of investment opportunities generated by changes in international trade patterns and economic and political relationships.

The prices of securities held by the fund may decline in response to certain events, including: those directly involving the companies whose securities are owned in the fund; conditions affecting the general economy; overall market changes; global political, social or economic instability; and currency and interest rate fluctuations. The growth-oriented, equity-type securities generally purchased by the fund may involve large price swings and potential for loss. Investments in securities issued by entities based outside the U.S. may be subject to the risks described above to a greater extent and may also be affected by differing securities regulations, higher transaction costs, and administrative difficulties such as delays in clearing and settling portfolio transactions.

The fund may also hold cash or money market instruments. The size of the fund's cash position will vary and will depend on various factors, including market conditions and purchases and redemptions of fund shares. A larger cash position could detract from the achievement of the fund's objectives in a period of rising market prices; conversely, it would reduce the fund's magnitude of loss in the event of a general market downturn and provide liquidity to make additional investments or to meet redemptions.

The fund relies on the professional judgment of its investment adviser, Capital Research and Management Company, to make decisions about the fund's portfolio investments. The basic investment philosophy of the investment adviser is to seek reasonably priced securities that represent above average long-term growth opportunities. This is accomplished not only through fundamental analysis, but also by meeting with company executives and employees, suppliers, customers and competitors in order to gain in-depth knowledge of a company's true value.

Securities may be sold when the investment adviser believes they no longer represent good long-term value.

<TABLE>

<CAPTION>

INVESTMENT RESULTS TABLE (WITHOUT SALES CHARGES IMPOSED)

AVERAGE ANNUAL TOTAL RETURNS FOR PERIODS ENDED DECEMBER 31, 2001:

	ONE YEAR	FIVE YEARS	TEN YEARS	LIFETIME/1/
<S>	<C>	<C>	<C>	<C>
CLASS A - BEGAN 3/13/73	-8.30%	11.98%	12.95%	14.26%
MSCI World Index/2/	-16.52%	5.74%	8.52%	10.59%
MSCI USA Index/3/	-12.03%	10.54%	13.05%	11.89%

</TABLE>

1 Lifetime results are as of the date Class A shares first became available.

2 The Morgan Stanley Capital International World Index measures 23 major stock markets throughout the world, including the U.S. This index is unmanaged and does not reflect sales charges, commissions, expenses or taxes.

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HOLDINGS BY INDUSTRY AS OF SEPTEMBER 30, 2001

[pie chart]

Pharmaceuticals 11.83%  
 Media 5.85  
 Oil & Gas 5.68  
 Banks 5.29  
 Metals & Mining 4.57  
 Other Industries 56.23  
 Bonds & Notes 0.33  
 Cash & Equivalents 10.22  
 [end chart]

<TABLE>

<CAPTION>

PERCENT INVESTED BY COUNTRY	PERCENT OF NET ASSETS	TEN LARGEST EQUITY HOLDINGS	PERCENT OF NET ASSETS
<S>	<C>	<C>	<C>
Asia/Pacific Rim	12.2%	AstraZeneca	3.44%
Japan	7.7	Philip Morris	3.00
Australia	1.8	Pfizer	2.41
Taiwan	1.4	Viacom	1.44
South Korea	1.3	American International Group	1.44
Europe	26.7%	ING Groep	1.43
United Kingdom	7.8	AT&T	1.33
Netherlands	4.4	Nestle	1.30
France	3.2	Shionogi	1.24
Germany	2.3	AOL Time Warner	1.24
Switzerland	2.0		
Finland	1.7		
Ireland	1.5		
Italy	1.4		
Sweden	1.1		
Norway	.7		
Denmark	.5		
Russia	.1		

The Americas	50.3%
United States	43.1
Canada	5.2
Mexico	1.0
Brazil	1.0
Other	0.6%
Cash & Cash Equivalents	10.2%

</TABLE>

Because the fund is actively managed, its holdings will change over time.

For updated information on the fund's portfolio holdings, please visit us at [www.americanfunds.com](http://www.americanfunds.com).

Management and Organization

INVESTMENT ADVISER

Capital Research and Management Company, an experienced investment management organization founded in 1931, serves as investment adviser to the fund and other funds, including those in The American Funds Group. Capital Research and Management Company, a wholly owned subsidiary of The Capital Group Companies, Inc., is headquartered at 333 South Hope Street, Los Angeles, CA 90071. Capital Research and Management Company manages the investment portfolio and business affairs of the fund. The total management fee paid by the fund, as a percentage of average net assets, for the previous fiscal year appears earlier in the Annual Fund Operating Expenses Table.

MULTIPLE PORTFOLIO COUNSELOR SYSTEM

Capital Research and Management Company uses a system of multiple portfolio counselors in managing mutual fund assets. Under this approach, the portfolio of a fund is divided into segments managed by individual counselors. Counselors decide how their respective segments will be invested, within the limits provided by a fund's objective(s) and policies and by Capital Research and Management Company's investment committee. In addition, Capital Research and Management Company's research professionals may make investment decisions with respect to a portion of a fund's portfolio. The primary individual portfolio counselors for New Perspective Fund are:

<TABLE>

<CAPTION>

PORTFOLIO COUNSELOR/ FUND TITLE (IF APPLICABLE)	PORTFOLIO COUNSELOR EXPERIENCE IN THIS FUND	PRIMARY TITLE WITH INVESTMENT ADVISER (OR AFFILIATE) AND INVESTMENT EXPERIENCE
<S> GREGG E. IRELAND Executive Vice President and Director	<C> 9 years (plus 7 years prior experience as a research professional for the fund)	<C> Senior Vice President, Capital Research and Management Company  Investment professional for 29 years, all with Capital Research and Management Company or affiliate
ROBERT W. LOVELACE Senior Vice President	1 year (plus 14 years prior experience as a research professional for the fund)	Senior Vice President, Capital Research and Management Company  Investment professional for 17 years, all with Capital Research and Management Company or affiliate
TIMOTHY P. DUNN Vice President	5 years	Vice President, Capital Research and Management Company  Investment professional for 16 years in total; 11 years with Capital Research and Management Company or affiliate

MARK E. DENNING	9 years (plus 4 years prior experience as a research professional for the fund)	Director, Capital Research and Management Company  Investment professional for 20 years, all with Capital Research and Management Company or affiliate
CARL M. KAWAJA	3 years (plus 6 years prior experience as a research professional for the fund)	Senior Vice President and Director, Capital Research Company  Investment professional for 14 years in total;11 years with Capital Research and Management Company or affiliate
DONALD D. O'NEAL	2 years	Senior Vice President, Capital Research and Management Company  Investment professional for 16 years, all with Capital Research and Management Company or affiliate
DINA N. PERRY	9 years	Senior Vice President, Capital Research and Management Company  Investment professional for 24 years in total;10 years with Capital Research and Management Company or affiliate

</TABLE>

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Purchase, Exchange and Sale of Shares

#### PURCHASES AND EXCHANGES

Class A shares are generally not available for retirement plans using the PlanPremier or Recordkeeper Direct recordkeeping programs.

Class R shares generally are available only to 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans, defined benefit plans, and non-qualified deferred compensation plans. Class R shares also are generally available only to retirement plans where plan level or omnibus accounts are held on the books of the fund. In addition, Class R-5 shares generally are available only to retirement plans with \$1 million or more in plan assets. Class R shares are not available to retail non-retirement accounts, traditional and Roth IRAs, Coverdell Education Savings Accounts, SEPs, SAR-SEPs, SIMPLE IRAs, individual 403(b) plans, and CollegeAmerica accounts.

Eligible retirement plans generally may open an account and purchase Class A or R shares by contacting any investment dealer (who may impose transaction charges in addition to those described in this prospectus) authorized to sell the fund's shares. Some or all R share classes may not be available through certain investment dealers. Additional shares may be purchased through a plan's administrator or recordkeeper.

Shares of the fund offered through this prospectus generally may be exchanged into shares of the same class of other funds in The American Funds Group. Exchanges of Class A shares from money market funds purchased without a sales charge generally will be subject to the appropriate sales charge.

THE FUND AND AMERICAN FUNDS DISTRIBUTORS, THE FUND'S DISTRIBUTOR, RESERVE THE RIGHT TO REJECT ANY PURCHASE ORDER FOR ANY REASON. THE FUND IS NOT DESIGNED TO SERVE AS A VEHICLE FOR FREQUENT TRADING IN RESPONSE TO SHORT-TERM STOCK MARKET FLUCTUATIONS. ACCORDINGLY, PURCHASES THAT ARE PART OF EXCHANGE ACTIVITY THAT THE FUND OR AMERICAN FUNDS DISTRIBUTORS HAVE DETERMINED COULD INVOLVE ACTUAL OR POTENTIAL HARM TO THE FUND MAY BE REJECTED.

SALES



Please contact your plan administrator or recordkeeper.

VALUING SHARES

The fund's net asset value is the value of a single share. The fund calculates its net asset value, each day the New York Stock Exchange is open, as of approximately 4:00 p.m. New York time, the normal close of regular trading. Assets are valued primarily on the basis of market quotations. However, the fund has adopted procedures for making "fair value" determinations if market quotations are not readily available.

Your shares will be purchased at the net asset value (plus any applicable sales charge in the case of Class A shares), or sold at the net asset value next determined after American Funds Service Company receives and accepts your request.

New Perspective Fund / Prospectus

Sales Charges

CLASS A SHARES

The initial sales charge you pay when you buy Class A shares differs depending upon the amount you invest and may be reduced or eliminated for larger purchases as indicated below. Any applicable sales charge will be paid directly from your investment and, as a result, will reduce the amount of your investment.

<TABLE>  
<CAPTION>

INVESTMENT	SALES CHARGE AS A PERCENTAGE OF		
	OFFERING PRICE	NET AMOUNT INVESTED	DEALER COMMISSION AS % OF OFFERING PRICE
<S> Less than \$25,000	<C> 5.75%	<C> 6.10%	<C> 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	none

</TABLE>

CLASS A PURCHASES NOT SUBJECT TO SALES CHARGE

Employer-sponsored defined contribution-type plans, including certain 403(b) plans, investing \$1 million or more or with 100 or more eligible employees, and Individual Retirement Account rollovers involving retirement plan assets invested in the American Funds, may invest with no sales charge and are not subject to a contingent deferred sales charge. Also exempt are investments made through accounts that purchased fund shares before March 15, 2001 and are part of certain qualified fee-based programs. The distributor may pay dealers up to 1% on investments made in Class A shares with no initial sales charge. The fund may reimburse the distributor for these payments through its Plans of Distribution (see below).

CLASS R SHARES

Class R shares are sold with no initial or deferred sales charges. The distributor will pay dealers annually, asset-based compensation of 1.00% for sales of Class R-1 shares, 0.75% for Class R-2 shares, 0.50% for Class R-3 shares, and 0.25% for Class R-4 shares. No dealer compensation is paid on sales of Class R-5 shares. The fund may reimburse the distributor for these payments through its Plans of Distribution (see below).

#### Sales Charge Reductions

Class A sales charges may be reduced in the following ways:

##### CONCURRENT PURCHASES

Simultaneous purchases of any class of shares of two or more American Funds may be combined to qualify for a reduced Class A sales charge. Direct purchases of money market funds are excluded.

##### RIGHTS OF ACCUMULATION

The current value (or if greater, the amount invested less any withdrawals) of existing holdings in any class of shares of the American Funds may be taken into account to determine Class A sales charges. Direct purchases of money market funds are excluded.

##### STATEMENT OF INTENTION

Class A sales charges may be reduced by establishing a Statement of Intention. A Statement of Intention allows all non-money market fund purchases of all share classes intended to be made over a 13-month period to be combined in order to determine the applicable sales charge. At the request of a plan, purchases made during the previous 90 days may be included; however, capital appreciation and reinvested dividends and capital gains do not apply toward these combined purchases. A portion of the account may be held in escrow to cover additional Class A sales charges which may be due if total investments over the 13-month period do not qualify for the applicable sales charge reduction.

#### Individual Retirement Account (IRA) Rollovers

Assets from a retirement plan may be invested in Class A, B, C or F shares of the American Funds through an IRA rollover plan. All such rollover investments will be subject to the terms and conditions for Class A, B, C and F shares contained in the fund's current prospectus and statement of additional information.

An IRA rollover involving retirement plan assets that offered an investment option managed by any affiliate of The Capital Group Companies, Inc., including any of the American Funds, may be invested in:

- . Class A shares at net asset value;
- . Class A shares subject to the applicable initial sales charge;
- . Class B shares;
- . Class C shares; or
- . Class F shares

Retirement plan assets invested in Class A shares with a sales charge, or B, C or F shares are subject to the terms and conditions contained in the fund's current prospectus and statement of additional information. Advisers will be compensated according to the policies associated with each share class as described in the fund's current prospectus and statement of additional information.

Retirement plan assets invested in Class A shares at net asset value will not be subject to a contingent deferred sales charge and will immediately begin to accrue service fees. Dealer commissions on such assets will be paid only on rollovers of \$1 million or more.

#### Plans of Distribution

The fund has Plans of Distribution or "12b-1 Plans" under which it may finance activities primarily intended to sell shares, provided the categories of expenses are approved in advance by the fund's board of directors. The plans provide for annual expenses of up to 0.25% for Class A shares, 1.00% for Class R-1 shares, and up to 1.00%, 0.75% and 0.50% for Class R-2, R-3 and R-4 shares, respectively. For all share classes, up to 0.25% of these expenses may be used to pay service fees to qualified dealers for providing certain shareholder services. The remaining expense for each share class may be used for

distribution expenses.

The 12b-1 fees paid by the fund, as a percentage of average net assets, for the previous fiscal year are indicated earlier in the Annual Fund Operating Expenses Table. Since these fees are paid out of the fund's assets or income on an ongoing basis, over time they will increase the cost and reduce the return of an investment.

#### OTHER COMPENSATION TO DEALERS

American Funds Distributors may pay, or sponsor informational meetings for, dealers as described in the statement of additional information.

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#### Distributions and Taxes

##### DIVIDENDS AND DISTRIBUTIONS

The fund intends to distribute dividends to you, usually in December. Capital gains, if any, are usually distributed in December. When a dividend or capital gain is distributed, the net asset value per share is reduced by the amount of the payment.

All dividend and capital gain distributions paid to retirement plan shareholders will automatically be reinvested.

##### TAXES ON DISTRIBUTIONS

Dividends and capital gains distributed by the fund to retirement plan accounts currently are not taxable.

##### TAXES ON TRANSACTIONS

Distributions taken from a retirement plan account generally are taxable as ordinary income.

Please see your tax adviser for further information.

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New Perspective Fund / Prospectus

#### Financial Highlights

The financial highlights table is intended to help you understand the fund's results for the past five years and is currently only shown for Class A shares.

A similar table will be shown for the R share classes beginning with the fund's 2002 fiscal year end. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the fund (assuming reinvestment of all dividends and distributions). This information has been audited by PricewaterhouseCoopers LLP, whose report, along with the fund's financial statements, is included in the statement of additional information, which is available upon request.

<TABLE>  
<CAPTION>

	CLASS A				
	YEAR ENDED SEPTEMBER 30				
	2001	2000	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF YEAR	\$ 28.66	\$ 26.25	\$ 20.50	\$ 21.86	\$ 17.77
-----					
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income	.34/1/	.30/1/	.26	.27	.29
Net (losses) gains on securities (both realized and unrealized)	(5.86 )/1/	4.56/1/	7.26	(.11)	4.81
-----					
Total from investment	(5.52 )	4.86	7.52	.16	5.10

operations

LESS DISTRIBUTIONS:					
Dividends (from net investment income)	(.30 )	(.11 )	(.20)	(.31)	(.33)
Distributions (from capital gains)	(3.10 )	(2.34 )	(1.57)	(1.21)	(.68)
Total distributions	(3.40 )	(2.45 )	(1.77)	(1.52)	(1.01)
NET ASSET VALUE, END OF YEAR	\$ 19.74	\$ 28.66	\$ 26.25	\$ 20.50	\$ 21.86
TOTAL RETURN/2/	(21.47 )%	18.93 %	38.43%	1.23%	29.97%

RATIOS/SUPPLEMENTAL DATA:

Net assets, end of year (in millions)	\$25,094	\$33,412	\$25,752	\$17,707	\$16,956
Ratio of expenses to average net assets	.78 %	.79 %	.77%	.77%	.79%
Ratio of net income to average net assets	1.40 %	1.00 %	1.06%	1.27%	1.56%
Portfolio turnover rate	32 %	34 %	29%	30%	26%

- 1 Based on average shares outstanding.  
2 Total returns exclude all sales charges, including contingent deferred sales charges.

[LOGO - New Perspective Fund]

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New Perspective Fund / Prospectus

[logo - American Funds (sm)]

The right choice for the long term/SM/

<TABLE>  
<CAPTION>  
<S> <C> <C>  
FOR SHAREHOLDER SERVICES American Funds Service Company  
800/421-0180  
FOR RETIREMENT PLAN SERVICES Call your employer or plan administrator  
FOR DEALER SERVICES American Funds Distributors  
800/421-9900  
FOR 24 HOUR INFORMATION American FundsLine(R)  
800/325-3590  
www.americanfunds.com  
Telephone conversations may be recorded or monitored for verification, recordkeeping and quality assurance purposes.

</TABLE>

MULTIPLE TRANSLATIONS This prospectus may be translated into other languages. If there is any inconsistency or ambiguity as to the meaning of any word or phrase in a translation, the English text will prevail.

ANNUAL/SEMI-ANNUAL REPORTS TO SHAREHOLDERS The shareholder reports contain additional information about the fund including financial statements, investment results, portfolio holdings, a statement from portfolio management discussing market conditions and the fund's investment strategies, and the independent accountants' report (in the annual report).

STATEMENT OF ADDITIONAL INFORMATION (SAI) AND CODES OF ETHICS The Retirement Plan SAI contains more detailed information on all aspects of the fund, including the fund's financial statements, and is incorporated by reference into this prospectus. The Codes of Ethics describe the personal investing policies adopted by the fund and the fund's investment adviser and its affiliated companies.

The Codes of Ethics and current SAI have been filed with the Securities and

Exchange Commission ("SEC"). These and other related materials about the fund are available for review or to be copied at the SEC's Public Reference Room in Washington, D.C. (202/942-8090) or on the EDGAR database on the SEC's Internet Web site at <http://www.sec.gov>, or, after payment of a duplicating fee, via e-mail request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

HOUSEHOLD MAILINGS Each year you are automatically sent an updated prospectus, annual and semi-annual report for the fund. You may also occasionally receive proxy statements for the fund. In order to reduce the volume of mail you receive, when possible, only one copy of these documents will be sent to shareholders that are part of the same family and share the same residential address.

If you would like to receive individual copies of these documents, or a free copy of the Retirement Plan SAI or Codes of Ethics, please call American Funds Service Company at 800/421-0180 or write to the Secretary of the fund at 333 South Hope Street, Los Angeles, California 90071.

[LOGO - recycled bug]

<TABLE>  
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Printed on recycled paper Investment Company File No. 811-2333  
RPNPF-010-0502/RRD

-----  
THE CAPITAL GROUP COMPANIES  
American Funds Capital Research and Management Capital  
International Capital Guardian Capital Bank and Trust  
</TABLE>

THE FUND PROVIDES SPANISH TRANSLATION IN CONNECTION WITH THE PUBLIC OFFERING AND SALE OF ITS SHARES. THE FOLLOWING IS A FAIR AND ACCURATE ENGLISH TRANSLATION OF A SPANISH LANGUAGE PROSPECTUS FOR THE FUND.

/s/ VINCENT P. CORTI  
VINCENT P. CORTI  
SECRETARY

[logo - American Funds (sm)]

The right choice for the long term/SM/

New Perspective Fund/(R)/

Retirement Plan Prospectus

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1 Risk/Return Summary  
4 Fees and Expenses of the Fund  
5 Investment Objectives, Strategies and Risks  
7 Management and Organization  
9 Purchase, Exchange and Sale of Shares  
10 Sales Charges

11	Sales Charge Reductions
12	Individual Retirement Account (IRA) Rollovers
12	Plans of Distribution
13	Distributions and Taxes
14	Financial Highlights

</TABLE>

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED OF THESE SECURITIES. FURTHER, IT HAS NOT DETERMINED THAT THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PROSPECTUS

May 15, 2002

#### Risk/Return Summary

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 investments may fluctuate in response to events specifically involving the companies in which the fund invests, as well as economic, political or social events in the U.S. or abroad. Although all securities in the fund's portfolio may be adversely affected by currency fluctuations or global political, social or economic instability, securities issued by entities based outside the U.S. may be affected to a greater extent.

Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

YOU MAY LOSE MONEY BY INVESTING IN THE FUND. THE LIKELIHOOD OF LOSS IS GREATER IF YOU INVEST FOR A SHORTER PERIOD OF TIME.

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New Perspective Fund / Prospectus

#### HISTORICAL INVESTMENT RESULTS

The following information provides some indication of the risks of investing in the fund by showing changes in the fund's investment results from year to year and by showing how the fund's average annual total returns for various periods compare with those of a broad measure of market performance. Past results are not an indication of future results.

#### CALENDAR YEAR TOTAL RETURNS FOR CLASS A SHARES

(Results do not include a sales charge;  
if one were included, results would be lower.)

[bar chart]  
1992 3.98%  
1993 26.98  
1994 2.97  
1995 20.43  
1996 17.28  
1997 14.98  
1998 28.53  
1999 40.07  
2000 -7.24

Highest/lowest quarterly results during this time period were:

<TABLE>	<C>	<C>
<CAPTION>		
<S>		
HIGHEST	22.17%	(quarter ended December 31, 1999)
LOWEST	-14.99%	(quarter ended September 30, 2001)
</TABLE>		

The year-to-date result was 2.12% for the three months ended March 31, 2002.

New Perspective Fund / Prospectus

Unlike the bar chart on the previous page, the Investment Results Table below reflects, as required by Securities and Exchange Commission rules, the fund's investment results with the maximum initial sales charge imposed. Class A share results reflect the maximum initial sales charge of 5.75%. Sales charges are reduced for purchases of \$25,000 or more. Results would be higher if calculated without a sales charge. All fund results reflect the reinvestment of dividend and capital gain distributions.

Since the fund's Class R shares were first available on May 15, 2002, comparable results for these classes are not available for the 2001 calendar year.

<TABLE>	<CAPTION>				
	INVESTMENT RESULTS TABLE (WITH MAXIMUM SALES CHARGES IMPOSED)				
	AVERAGE ANNUAL TOTAL RETURNS FOR PERIODS ENDED DECEMBER 31, 2001:				
	ONE YEAR	FIVE YEARS	TEN YEARS	LIFETIME/1/	
<S>	<C>	<C>	<C>	<C>	
CLASS A - BEGAN 3/13/73	-13.58%	10.66%	12.28%	14.02%	
MSCI World Index/2/	-16.52%	5.74%	8.52%	10.59%	
MSCI USA Index/3/	-12.03%	10.54%	13.05%	11.89%	
</TABLE>					

- 1 Lifetime results are as of the date Class A shares first became available.
- 2 The Morgan Stanley Capital International World Index measures 23 major stock markets throughout the world, including the U.S. This index is unmanaged and does not reflect sales charges, commissions, expenses or taxes.
- 3 The Morgan Stanley Capital International USA Index measures the U.S. portion of the world market. This index is unmanaged and does not reflect sales charges, commissions, expenses or taxes.

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Fees and Expenses of the Fund

<TABLE>	<CAPTION>		
	SHAREHOLDER FEES TABLE (PAID DIRECTLY FROM YOUR INVESTMENT)		
	CLASS A	ALL R SHARE CLASSES	
<S>	<C>	<C>	
Maximum sales charge imposed on purchases (as a percentage of offering price)	5.75 %/1/	none	
Maximum sales charge imposed on reinvested dividends	none	none	
Maximum deferred sales charge	none/2/	none	
Redemption or exchange fees	none	none	
</TABLE>			

- 1 Sales charges are reduced or eliminated for purchases of \$25,000 or more.
- 2 A contingent deferred sales charge of 1% applies on certain redemptions made within 12 months following purchases of \$1 million or more made without a sales

charge.

<TABLE>  
<CAPTION>  
ANNUAL FUND OPERATING EXPENSES TABLE (DEDUCTED FROM FUND ASSETS)

<S>	CLASS A	R-1/1/	R-2/1/	R-3/1/	R-4/1/	R-5/1/
<C>	<C>	<C>	<C>	<C>	<C>	<C>
Management Fees	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Distribution and/or Service (12b-1) Fees/2/	0.24%	1.00%	0.75%	0.50%	0.25%	none
Other Expenses	0.14%	0.23%	0.43%	0.29%	0.21%	0.16%
Total Annual Fund Operating Expenses	0.78%	1.63%	1.58%	1.19%	0.86%	0.56%

</TABLE>

1 Based on estimated amounts for the current fiscal year.

2 Class A, R-2, R-3 and R-4 12b-1 fees may not exceed 0.25%, 1.00%, 0.75%, and 0.50%, respectively, of the class' average net assets annually. Class R-1 fees will always be 1.00% of the class' average net assets annually.

#### EXAMPLE

The examples below are intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the fund for the time periods indicated, that your investment has a 5% return each year, that all dividend and capital gain distributions are reinvested, and that the fund's operating expenses remain the same as shown above. Although your actual costs may be higher or lower, based on these assumptions, your cumulative estimated expenses would be:

<TABLE>  
<CAPTION>

<S>	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
<C>	<C>	<C>	<C>	<C>
Class A/1/	\$650	\$810	\$983	\$1,486
R-1	\$166	\$514	\$887	\$1,933
R-2	\$161	\$499	\$860	\$1,878
R-3	\$121	\$378	\$654	\$1,443
R-4	\$ 88	\$274	\$477	\$1,061
R-5	\$ 57	\$179	\$313	\$ 701

</TABLE>

1 Reflects the maximum initial sales charge in the first year.

#### Investment Objectives, Strategies and Risks

The fund's primary investment objective is to provide you with long-term growth of capital. Future income is a secondary objective. The fund invests primarily in common stocks, including growth-oriented stocks, on a global basis to take advantage of investment opportunities generated by changes in international trade patterns and economic and political relationships.

The prices of securities held by the fund may decline in response to certain events, including: those directly involving the companies whose securities are owned in the fund; conditions affecting the general economy; overall market changes; global political, social or economic instability; and currency and interest rate fluctuations. The growth-oriented, equity-type securities generally purchased by the fund may involve large price swings and potential for loss. Investments in securities issued by entities based outside the U.S. may be subject to the risks described above to a greater extent and may also be affected by differing securities regulations, higher transaction costs, and administrative difficulties such as delays in clearing and settling portfolio transactions.

The fund may also hold cash or money market instruments. The size of the fund's cash position will vary and will depend on various factors, including market conditions and purchases and redemptions of fund shares. A larger cash position could detract from the achievement of the fund's objectives in a period of rising market prices; conversely, it would reduce the fund's magnitude of loss in the event of a general market downturn and provide liquidity to make additional investments or to meet redemptions.

The fund relies on the professional judgment of its investment adviser, Capital Research and Management Company, to make decisions about the fund's portfolio



investments. The basic investment philosophy of the investment adviser is to seek reasonably priced securities that represent above average long-term growth opportunities. This is accomplished not only through fundamental analysis, but also by meeting with company executives and employees, suppliers, customers and competitors in order to gain in-depth knowledge of a company's true value. Securities may be sold when the investment adviser believes they no longer represent good long-term value.

<TABLE>

<CAPTION>

INVESTMENT RESULTS TABLE (WITHOUT SALES CHARGES IMPOSED)  
AVERAGE ANNUAL TOTAL RETURNS FOR PERIODS ENDED DECEMBER 31, 2001:

	ONE YEAR	FIVE YEARS	TEN YEARS	LIFETIME/1/
<S>	<C>	<C>	<C>	<C>
CLASS A - BEGAN 3/13/73	-8.30%	11.98%	12.95%	14.26%
MSCI World Index/2/	-16.52%	5.74%	8.52%	10.59%
MSCI USA Index/3/	-12.03%	10.54%	13.05%	11.89%

</TABLE>

- 1 Lifetime results are as of the date Class A shares first became available.
- 2 The Morgan Stanley Capital International World Index measures 23 major stock markets throughout the world, including the U.S. This index is unmanaged and does not reflect sales charges, commissions, expenses or taxes.
- 3 The Morgan Stanley Capital International USA Index measures the U.S. portion of the world market. This index is unmanaged and does not reflect sales charges, commissions, expenses or taxes.

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HOLDINGS BY INDUSTRY AS OF SEPTEMBER 30, 2001

[pie chart]

Pharmaceuticals 11.83%  
Media 5.85  
Oil & Gas 5.68  
Banks 5.29  
Metals & Mining 4.57  
Other Industries 56.23  
Bonds & Notes 0.33  
Cash & Equivalents 10.22  
[end chart]

<TABLE>

<CAPTION>

PERCENT INVESTED BY COUNTRY	PERCENT OF NET ASSETS	TEN LARGEST EQUITY HOLDINGS	PERCENT OF NET ASSETS
<S>	<C>	<C>	<C>
Asia/Pacific Rim	12.2%	AstraZeneca	3.44%
Japan	7.7	Philip Morris	3.00
Australia	1.8	Pfizer	2.41
Taiwan	1.4	Viacom	1.44
South Korea	1.3	American International Group	1.44
Europe	26.7%	ING Groep	1.43
United Kingdom	7.8	AT&T	1.33
Netherlands	4.4	Nestle	1.30
France	3.2	Shionogi	1.24
Germany	2.3	AOL Time Warner	1.24
Switzerland	2.0		
Finland	1.7		
Ireland	1.5		
Italy	1.4		
Sweden	1.1		

Norway	.7
Denmark	.5
Russia	.1
The Americas	50.3%
United States	43.1
Canada	5.2
Mexico	1.0
Brazil	1.0
Other	0.6%
Cash & Cash Equivalents	10.2%

</TABLE>

Because the fund is actively managed, its holdings will change over time.

For updated information on the fund's portfolio holdings, please visit us at [www.americanfunds.com](http://www.americanfunds.com).

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Management and Organization

INVESTMENT ADVISER

Capital Research and Management Company, an experienced investment management organization founded in 1931, serves as investment adviser to the fund and other funds, including those in The American Funds Group. Capital Research and Management Company, a wholly owned subsidiary of The Capital Group Companies, Inc., is headquartered at 333 South Hope Street, Los Angeles, CA 90071. Capital Research and Management Company manages the investment portfolio and business affairs of the fund. The total management fee paid by the fund, as a percentage of average net assets, for the previous fiscal year appears earlier in the Annual Fund Operating Expenses Table.

MULTIPLE PORTFOLIO COUNSELOR SYSTEM

Capital Research and Management Company uses a system of multiple portfolio counselors in managing mutual fund assets. Under this approach, the portfolio of a fund is divided into segments managed by individual counselors. Counselors decide how their respective segments will be invested, within the limits provided by a fund's objective(s) and policies and by Capital Research and Management Company's investment committee. In addition, Capital Research and Management Company's research professionals may make investment decisions with respect to a portion of a fund's portfolio. The primary individual portfolio counselors for New Perspective Fund are:

<TABLE>

<CAPTION>

PORTFOLIO COUNSELOR/ FUND TITLE (IF APPLICABLE)	PORTFOLIO COUNSELOR EXPERIENCE IN THIS FUND	PRIMARY TITLE WITH INVESTMENT ADVISER (OR AFFILIATE) AND INVESTMENT EXPERIENCE
---	---	--

<S>

<C>

<C>

GREGG E. IRELAND  
Executive Vice President  
and Director

9 years  
(plus 7 years prior  
experience as a research  
professional for the fund)

Senior Vice President, Capital Research and Management Company  
  
Investment professional for 29 years, all with Capital Research and Management Company or affiliate

ROBERT W. LOVELACE  
Senior Vice President

1 year  
(plus 14 years prior  
experience as a research  
professional for the fund)

Senior Vice President, Capital Research and Management Company  
  
Investment professional for 17 years, all with Capital Research and Management Company or affiliate

TIMOTHY P. DUNN  
Vice President

5 years

Vice President, Capital Research and Management Company

		Investment professional for 16 years in total;11 years with Capital Research and Management Company or affiliate
MARK E. DENNING	9 years (plus 4 years prior experience as a research professional for the fund)	Director, Capital Research and Management Company  Investment professional for 20 years, all with Capital Research and Management Company or affiliate
CARL M. KAWAJA	3 years (plus 6 years prior experience as a research professional for the fund)	Senior Vice President and Director, Capital Research Company  Investment professional for 14 years in total;11 years with Capital Research and Management Company or affiliate
DONALD D. O'NEAL	2 years	Senior Vice President, Capital Research and Management Company  Investment professional for 16 years, all with Capital Research and Management Company or affiliate
DINA N. PERRY	9 years	Senior Vice President, Capital Research and Management Company  Investment professional for 24 years in total;10 years with Capital Research and Management Company or affiliate

</TABLE>

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Purchase, Exchange and Sale of Shares

#### PURCHASES AND EXCHANGES

Class A shares are generally not available for retirement plans using the PlanPremier or Recordkeeper Direct recordkeeping programs.

Class R shares generally are available only to 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans, defined benefit plans, and non-qualified deferred compensation plans. Class R shares also are generally available only to retirement plans where plan level or omnibus accounts are held on the books of the fund. In addition, Class R-5 shares generally are available only to retirement plans with \$1 million or more in plan assets. Class R shares are not available to retail non-retirement accounts, traditional and Roth IRAs, Coverdell Education Savings Accounts, SEPs, SAR-SEPs, SIMPLE IRAs, individual 403(b) plans, and CollegeAmerica accounts.

Eligible retirement plans generally may open an account and purchase Class A or R shares by contacting any investment dealer (who may impose transaction charges in addition to those described in this prospectus) authorized to sell the fund's shares. Some or all R share classes may not be available through certain investment dealers. Additional shares may be purchased through a plan's administrator or recordkeeper.

Shares of the fund offered through this prospectus generally may be exchanged into shares of the same class of other funds in The American Funds Group. Exchanges of Class A shares from money market funds purchased without a sales charge generally will be subject to the appropriate sales charge.

THE FUND AND AMERICAN FUNDS DISTRIBUTORS, THE FUND'S DISTRIBUTOR, RESERVE THE RIGHT TO REJECT ANY PURCHASE ORDER FOR ANY REASON. THE FUND IS NOT DESIGNED TO SERVE AS A VEHICLE FOR FREQUENT TRADING IN RESPONSE TO SHORT-TERM STOCK MARKET FLUCTUATIONS. ACCORDINGLY, PURCHASES THAT ARE PART OF EXCHANGE ACTIVITY THAT THE

FUND OR AMERICAN FUNDS DISTRIBUTORS HAVE DETERMINED COULD INVOLVE ACTUAL OR POTENTIAL HARM TO THE FUND MAY BE REJECTED.

SALES

Please contact your plan administrator or recordkeeper.

VALUING SHARES

The fund's net asset value is the value of a single share. The fund calculates its net asset value, each day the New York Stock Exchange is open, as of approximately 4:00 p.m. New York time, the normal close of regular trading. Assets are valued primarily on the basis of market quotations. However, the fund has adopted procedures for making "fair value" determinations if market quotations are not readily available.

Your shares will be purchased at the net asset value (plus any applicable sales charge in the case of Class A shares), or sold at the net asset value next determined after American Funds Service Company receives and accepts your request.

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Sales Charges

CLASS A SHARES

The initial sales charge you pay when you buy Class A shares differs depending upon the amount you invest and may be reduced or eliminated for larger purchases as indicated below. Any applicable sales charge will be paid directly from your investment and, as a result, will reduce the amount of your investment.

<TABLE>

<CAPTION>

SALES CHARGE AS A PERCENTAGE OF

INVESTMENT	OFFERING PRICE	NET AMOUNT INVESTED	DEALER COMMISSION AS % OF OFFERING PRICE
<S>	<C>	<C>	<C>
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	none

</TABLE>

CLASS A PURCHASES NOT SUBJECT TO SALES CHARGE

Employer-sponsored defined contribution-type plans, including certain 403(b) plans, investing \$1 million or more or with 100 or more eligible employees, and Individual Retirement Account rollovers involving retirement plan assets invested in the American Funds, may invest with no sales charge and are not subject to a contingent deferred sales charge. Also exempt are investments made through accounts that purchased fund shares before March 15, 2001 and are part of certain qualified fee-based programs. The distributor may pay dealers up to 1% on investments made in Class A shares with no initial sales charge. The fund may reimburse the distributor for these payments through its Plans of Distribution (see below).

CLASS R SHARES

Class R shares are sold with no initial or deferred sales charges. The

distributor will pay dealers annually, asset-based compensation of 1.00% for sales of Class R-1 shares, 0.75% for Class R-2 shares, 0.50% for Class R-3 shares, and 0.25% for Class R-4 shares. No dealer compensation is paid on sales of Class R-5 shares. The fund may reimburse the distributor for these payments through its Plans of Distribution (see below).

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Sales Charge Reductions

Class A sales charges may be reduced in the following ways:

CONCURRENT PURCHASES

Simultaneous purchases of any class of shares of two or more American Funds may be combined to qualify for a reduced Class A sales charge. Direct purchases of money market funds are excluded.

RIGHTS OF ACCUMULATION

The current value (or if greater, the amount invested less any withdrawals) of existing holdings in any class of shares of the American Funds may be taken into account to determine Class A sales charges. Direct purchases of money market funds are excluded.

STATEMENT OF INTENTION

Class A sales charges may be reduced by establishing a Statement of Intention. A Statement of Intention allows all non-money market fund purchases of all share classes intended to be made over a 13-month period to be combined in order to determine the applicable sales charge. At the request of a plan, purchases made during the previous 90 days may be included; however, capital appreciation and reinvested dividends and capital gains do not apply toward these combined purchases. A portion of the account may be held in escrow to cover additional Class A sales charges which may be due if total investments over the 13-month period do not qualify for the applicable sales charge reduction.

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Individual Retirement Account (IRA) Rollovers

Assets from a retirement plan may be invested in Class A, B, C or F shares of the American Funds through an IRA rollover plan. All such rollover investments will be subject to the terms and conditions for Class A, B, C and F shares contained in the fund's current prospectus and statement of additional information.

An IRA rollover involving retirement plan assets that offered an investment option managed by any affiliate of The Capital Group Companies, Inc., including any of the American Funds, may be invested in:

- . Class A shares at net asset value;
- . Class A shares subject to the applicable initial sales charge;
- . Class B shares;
- . Class C shares; or
- . Class F shares

Retirement plan assets invested in Class A shares with a sales charge, or B, C or F shares are subject to the terms and conditions contained in the fund's current prospectus and statement of additional information. Advisers will be compensated according to the policies associated with each share class as described in the fund's current prospectus and statement of additional information.

Retirement plan assets invested in Class A shares at net asset value will not be subject to a contingent deferred sales charge and will immediately begin to accrue service fees. Dealer commissions on such assets will be paid only on rollovers of \$1 million or more.

Plans of Distribution

The fund has Plans of Distribution or "12b-1 Plans" under which it may finance activities primarily intended to sell shares, provided the categories of expenses are approved in advance by the fund's board of directors. The plans

provide for annual expenses of up to 0.25% for Class A shares, 1.00% for Class R-1 shares, and up to 1.00%, 0.75% and 0.50% for Class R-2, R-3 and R-4 shares, respectively. For all share classes, up to 0.25% of these expenses may be used to pay service fees to qualified dealers for providing certain shareholder services. The remaining expense for each share class may be used for distribution expenses.

The 12b-1 fees paid by the fund, as a percentage of average net assets, for the previous fiscal year are indicated earlier in the Annual Fund Operating Expenses Table. Since these fees are paid out of the fund's assets or income on an ongoing basis, over time they will increase the cost and reduce the return of an investment.

OTHER COMPENSATION TO DEALERS

American Funds Distributors may pay, or sponsor informational meetings for, dealers as described in the statement of additional information.

Distributions and Taxes

DIVIDENDS AND DISTRIBUTIONS

The fund intends to distribute dividends to you, usually in December. Capital gains, if any, are usually distributed in December. When a dividend or capital gain is distributed, the net asset value per share is reduced by the amount of the payment.

All dividend and capital gain distributions paid to retirement plan shareholders will automatically be reinvested.

TAXES ON DISTRIBUTIONS

Dividends and capital gains distributed by the fund to retirement plan accounts currently are not taxable.

TAXES ON TRANSACTIONS

Distributions taken from a retirement plan account generally are taxable as ordinary income.

Please see your tax adviser for further information.

Financial Highlights

The financial highlights table is intended to help you understand the fund's results for the past five years and is currently only shown for Class A shares.

A similar table will be shown for the R share classes beginning with the fund's 2002 fiscal year end. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the fund (assuming reinvestment of all dividends and distributions). This information has been audited by PricewaterhouseCoopers LLP, whose report, along with the fund's financial statements, is included in the statement of additional information, which is available upon request.

<TABLE>  
<CAPTION>

	CLASS A				
	2001	2000	1999	1998	1997
NET ASSET VALUE, BEGINNING OF YEAR	\$ 28.66	\$ 26.25	\$ 20.50	\$ 21.86	\$ 17.77
-----					
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income	.34/1/	.30/1/	.26	.27	.29
Net (losses) gains on					

securities (both realized and unrealized)	(5.86 )/1/	4.56/1/	7.26	(.11)	4.81
Total from investment operations	(5.52 )	4.86	7.52	.16	5.10
LESS DISTRIBUTIONS:					
Dividends (from net investment income)	(.30 )	(.11 )	(.20)	(.31)	(.33)
Distributions (from capital gains)	(3.10 )	(2.34 )	(1.57)	(1.21)	(.68)
Total distributions	(3.40 )	(2.45 )	(1.77)	(1.52)	(1.01)
NET ASSET VALUE, END OF YEAR	\$ 19.74	\$ 28.66	\$ 26.25	\$ 20.50	\$ 21.86
TOTAL RETURN/2/	(21.47 )%	18.93 %	38.43%	1.23%	29.97%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of year (in millions)	\$25,094	\$33,412	\$25,752	\$17,707	\$16,956
Ratio of expenses to average net assets	.78 %	.79 %	.77%	.77%	.79%
Ratio of net income to average net assets	1.40 %	1.00 %	1.06%	1.27%	1.56%
Portfolio turnover rate	32 %	34 %	29%	30%	26%

1 Based on average shares outstanding.

2 Total returns exclude all sales charges, including contingent deferred sales charges.

[LOGO - New Perspective Fund]

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[logo - American Funds (sm)]

The right choice for the long term/SM/

<TABLE>  
<CAPTION>  
<S>      <C>                      <C>  
FOR SHAREHOLDER SERVICES      American Funds Service Company  
800/421-0180  
FOR RETIREMENT PLAN SERVICES      Call your employer or plan administrator  
FOR DEALER SERVICES      American Funds Distributors  
800/421-9900  
American FundsLine (R)  
FOR 24 -HOUR INFORMATION      800/325-3590  
American FundsLine OnLine (R)  
www.americanfunds.com  
Telephone conversations may be recorded or monitored for verification, recordkeeping and quality assurance purposes.

</TABLE>

MULTIPLE TRANSLATIONS This prospectus may be translated into other languages. If there is any inconsistency or ambiguity as to the meaning of any word or phrase in a translation, the English text will prevail.

ANNUAL/SEMI-ANNUAL REPORTS TO SHAREHOLDERS The shareholder reports contain additional information about the fund including financial statements, investment results, portfolio holdings, a statement from portfolio management discussing market conditions and the fund's investment strategies, and the independent accountants' report (in the annual report).

STATEMENT OF ADDITIONAL INFORMATION (SAI) AND CODES OF ETHICS The Retirement Plan SAI contains more detailed information on all aspects of the fund, including the fund's financial statements, and is incorporated by reference into

this prospectus. The Codes of Ethics describe the personal investing policies adopted by the fund and the fund's investment adviser and its affiliated companies.

The Codes of Ethics and current SAI have been filed with the Securities and Exchange Commission ("SEC"). These and other related materials about the fund are available for review or to be copied at the SEC's Public Reference Room in Washington, D.C. (202/942-8090) or on the EDGAR database on the SEC's Internet Web site at <http://www.sec.gov>, or, after payment of a duplicating fee, via e-mail request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

HOUSEHOLD MAILINGS Each year you are automatically sent an updated prospectus, annual and semi-annual report for the fund. You may also occasionally receive proxy statements for the fund. In order to reduce the volume of mail you receive, when possible, only one copy of these documents will be sent to shareholders that are part of the same family and share the same residential address.

If you would like to receive individual copies of these documents, or a free copy of the Retirement Plan SAI or Codes of Ethics, please call American Funds Service Company at 800/421-0180 or write to the Secretary of the fund at 333 South Hope Street, Los Angeles, California 90071.

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Printed on recycled paper Investment Company File No. 811-2333  
RPNPF-010-0502/RRD

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THE CAPITAL GROUP COMPANIES  
American Funds Capital Research and Management Capital  
International Capital Guardian Capital Bank and Trust  
</TABLE>

NEW PERSPECTIVE FUND, INC.

Part B  
Retirement Plan  
Statement of Additional Information

May 15, 2002

This document is not a prospectus but should be read in conjunction with the current Retirement Plan Prospectus of New Perspective Fund (the "fund" or "NPF") dated May 15, 2002. The prospectus may be obtained from your investment dealer or financial planner or by writing to the fund at the following address:

New Perspective Fund, Inc.  
Attention: Secretary  
333 South Hope Street  
Los Angeles, California 90071  
(213) 486-9200

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CERTAIN INVESTMENT LIMITATIONS AND GUIDELINES

The following limitations and guidelines are considered at the time of purchase, under normal circumstances, and are based on a percentage of the fund's net assets unless otherwise noted. This summary is not intended to reflect all of the fund's investment limitations.

- .. The fund invests primarily in common stocks.
- .. The fund may invest up to 10% of its assets in straight debt securities rated Baa and BBB or below by Moody Investors Service, Inc. (Moody's) or Standard & Poor's Corporation (S&P) or unrated but determined to be of equivalent quality.
- .. The fund may invest up to 5% of its assets in straight debt securities rated Ba and BB or below by Moody's or S&P or unrated but determined to be of equivalent quality.

The fund may experience difficulty liquidating certain portfolio securities during significant market declines or periods of heavy redemptions.

DESCRIPTION OF CERTAIN SECURITIES AND INVESTMENT TECHNIQUES

The descriptions below are intended to supplement the material in the prospectus under "Investment Objectives, Strategies and Risks."

**EQUITY SECURITIES** - Equity securities represent an ownership position in a company. These securities may include common stocks and securities with equity conversion or purchase rights. The prices of equity securities fluctuate based on changes in the financial condition of their issuers and on market and economic conditions.

**DEBT SECURITIES** - Bonds and other debt securities are used by issuers to borrow money. Issuers pay investors interest and generally must repay the amount borrowed at maturity. Some debt securities, such as zero coupon bonds, do not pay current interest, but are purchased at a discount from their face values. The prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, their prices decline when interest rates rise and increase when interest rates fall.

Lower rated bonds, rated Ba or below by Moody's and BB or below by S&P or unrated but considered to be of equivalent quality, are described by the rating agencies as speculative and involve greater risk of default or price changes due to changes in the issuer's creditworthiness than higher rated bonds, or they may already be in default. The market prices of these securities may fluctuate more than higher quality securities and may decline significantly in periods of general economic difficulty. It may be more difficult to dispose of, or to determine the value of, lower rated bonds.

Certain risk factors relating to lower rated bonds are discussed below:

**SENSITIVITY TO INTEREST RATE AND ECONOMIC CHANGES** - Lower rated bonds, like other bonds, may be sensitive to adverse economic changes and political and corporate developments and may be sensitive to interest rate changes. During an economic downturn or substantial period of rising interest rates, highly leveraged issuers may experience increased financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet projected business goals, and to obtain addi-

tional financing. In addition, periods of economic uncertainty and changes can be expected to result in increased volatility of market prices and yields of lower rated bonds.

**PAYMENT EXPECTATIONS** - Lower rated bonds, like other bonds, may contain redemption or call provisions. If an issuer exercises these provisions in a declining interest rate market, the fund would have to replace the security with a lower yielding security, resulting in a decreased return to investors. If the issuer of a bond defaults on its obligations to pay interest or principal or enters into bankruptcy proceedings, the fund may incur losses or expenses in seeking recovery of amounts owed to it.

**LIQUIDITY AND VALUATION** - There may be little trading in the secondary market for particular bonds, which may affect adversely the fund's ability to value accurately or dispose of such bonds. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and liquidity of lower rated bonds.

The Investment Adviser attempts to reduce the risks described above through diversification of the portfolio and by credit analysis of each issuer, as well as by monitoring broad economic trends and corporate and legislative developments, but there can be no assurance that it will be successful in doing so.

**SECURITIES WITH EQUITY AND DEBT CHARACTERISTICS** - The fund may invest in securities that have a combination of equity and debt characteristics. These securities may at times behave more like equity than debt and vice versa. Some types of convertible bonds or preferred stock automatically convert into common stock. The prices and yields of non-convertible preferred stock generally move with changes in interest rates and the issuer's credit quality, similar to the factors affecting debt securities.

Convertible bonds, convertible preferred stock, and other securities may sometimes be converted into common stock or other securities at a stated conversion ratio. These securities, prior to conversion, pay a fixed rate of interest or a dividend. Because convertible securities have both debt and equity characteristics, their value varies in response to many factors, including the value of the underlying equity, general market and economic conditions, and convertible market valuations, as well as changes in interest rates, credit spreads, and the credit quality of the issuer.

**INVESTING IN VARIOUS COUNTRIES** - Investing outside the U.S. involves special risks, caused by, among other things: currency controls and fluctuating currency values; different accounting, auditing, and financial reporting regulations and practices in some countries; changing local and regional economic, political, and social conditions; expropriation or confiscatory taxation; greater market volatility; differing securities market structures; and various administrative difficulties such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. However, in the opinion of Capital Research and Management Company, investing outside the U.S. also can reduce certain portfolio risks due to greater diversification opportunities.

The risks described above are potentially heightened in connection with investments in developing countries. Although there is no universally accepted definition, a developing country is generally considered to be a country which is in the initial stages of its industrialization cycle with a low per capita gross national product. For example, political and/or economic structures in these countries may be in their infancy and developing rapidly. Historically, the markets of

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developing countries have been more volatile than the markets of developed countries. The fund may invest in securities of issuers in developing countries only to a limited extent.

Additional costs could be incurred in connection with the fund's investment activities outside the U.S. Brokerage commissions may be higher outside the U.S., and the fund will bear certain expenses in connection with its currency transactions. Furthermore, increased custodian costs may be associated with the maintenance of assets in certain jurisdictions.

**CURRENCY TRANSACTIONS** - The fund can purchase and sell currencies to facilitate

securities transactions and enter into forward currency contracts to protect against changes in currency exchange rates. A forward currency contract is an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. Forward currency contracts entered into by the fund will involve the purchase or sale of one currency against the U.S. dollar. While entering into forward currency transactions could minimize the risk of loss due to a decline in the value of the hedged currency, it could also limit any potential gain which might result from an increase in the value of the currency. The fund will not generally attempt to protect against all potential changes in exchange rates. The fund will segregate liquid assets which will be marked to market daily to meet its forward contract commitments to the extent required by the Securities and Exchange Commission.

Certain provisions of the Internal Revenue Code may affect the extent to which the fund may enter into forward contracts. Such transactions may also affect the character and timing of income, gain or loss recognized by the fund for U.S. federal income tax purposes.

**FORWARD COMMITMENTS** - The fund may enter into commitments to purchase or sell securities at a future date. When the fund agrees to purchase such securities, it assumes the risk of any decline in value of the security beginning on the date of the agreement. When the fund agrees to sell such securities, it does not participate in further gains or losses with respect to the securities beginning on the date of the agreement. If the other party to such a transaction fails to deliver or pay for the securities, the fund could miss a favorable price or yield opportunity, or could experience a loss.

The fund will not use these transactions for the purpose of leveraging and will segregate liquid assets which will be marked to market daily in an amount sufficient to meet its payment obligations in these transactions. Although these transactions will not be entered into for leveraging purposes, to the extent the fund's aggregate commitments under these transactions exceed its segregated assets, the fund temporarily could be in a leveraged position (because it may have an amount greater than its net assets subject to market risk). Should market values of the fund's portfolio securities decline while the fund is in a leveraged position, greater depreciation of its net assets would likely occur than were it not in such a position. The fund will not borrow money to settle these transactions and, therefore, will liquidate other portfolio securities in advance of settlement if necessary to generate additional cash to meet its obligations thereunder.

The fund may also enter into reverse repurchase agreements and "roll" transactions. A reverse repurchase agreement is the sale of a security by a fund and its agreement to repurchase the security at a specified time and price. A "roll" transaction is the sale of mortgage-backed or other securities together with a commitment to purchase similar, but not identical securities at a later date. The fund assumes the rights and risks of ownership, including the risk of price and yield

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fluctuations as of the time of the agreement. The fund intends to treat "roll" transactions as two separate transactions: one involving the purchase of a security and a separate transaction involving the sale of a security. Since the fund does not intend to enter into "roll" transactions for financing purposes, it may treat these transactions as not falling within the definition of "borrowing" in Section 2(a)(23) of the Investment Company Act of 1940. The fund will segregate liquid assets which will be marked to market daily in an amount sufficient to meet its payment obligations under "roll" transactions and reverse repurchase agreements with broker-dealers (no collateral is required for reverse repurchase agreements with banks).

**CASH AND CASH EQUIVALENTS** - These securities include: (i) commercial paper (e.g., short-term notes up to 9 months in maturity issued by corporations, governmental bodies or bank/ corporation sponsored conduits (asset-backed commercial paper)), (ii) commercial bank obligations (e.g., certificates of deposit, bankers' acceptances (time drafts on a commercial bank where the bank accepts an irrevocable obligation to pay at maturity)), (iii) savings association and savings bank obligations (e.g., bank notes and certificates of deposit issued by savings banks or savings associations), (iv) securities of the U.S. government, its agencies or instrumentalities that mature, or may be redeemed, in one year or less, and (v) corporate bonds and notes that mature, or that may be redeemed, in one year or less.

RESTRICTED SECURITIES AND LIQUIDITY - The fund may purchase securities subject to restrictions on resale. Securities not actively traded will be considered illiquid unless they have been specifically determined to be liquid under procedures adopted by the fund's board of directors, taking into account factors such as the frequency and volume of trading, the commitment of dealers to make markets and the availability of qualified investors, all of which can change from time to time. The fund may incur certain additional costs in disposing of illiquid securities.

#### FUNDAMENTAL POLICIES AND INVESTMENT RESTRICTIONS

FUNDAMENTAL POLICIES - The fund has adopted the following fundamental policies and investment restrictions which may not be changed without approval by holders of a majority of its outstanding shares. Such majority is defined in the Investment Company Act of 1940 ("1940 Act") as the vote of the lesser of (i) 67% or more of the outstanding voting securities present at a meeting, if the holders of more than 50% of the outstanding voting securities are present in person or by proxy, or (ii) more than 50% of the outstanding voting securities. All percentage limitations are considered at the time securities are purchased and are based on the fund's net assets unless otherwise indicated. None of the following investment restrictions involving a maximum percentage of assets will be considered violated unless the excess occurs immediately after, and is caused by, an acquisition by the fund.

The fund will not:

1. Invest in securities of another issuer (other than the U.S. government or its agencies or instrumentalities), if immediately after and as a result of such investment more than 5% of the value of the total assets of the fund would be invested in the securities of such other issuer, or more than 10% of the outstanding voting securities of such issuer would be owned by the fund;
2. Invest in companies for the purpose of exercising control or management;
3. Invest more than 25% of the value of its total assets in the securities of companies primarily engaged in any one industry;

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4. Buy or sell real estate in the ordinary course of its business; however, the fund may invest in securities secured by real estate or interests therein or issued by companies, including real estate investment trusts, which invest in real estate or interests therein;
5. Buy or sell commodities or commodity contracts in the ordinary course of its business; provided, however, that this restriction shall not prohibit the fund from purchasing, selling or holding foreign currencies or entering into forward foreign currency contracts;
6. Engage in the business of underwriting of securities of other issuers, except to the extent that the disposal of an investment position may technically constitute the fund an underwriter as that term is defined under the Securities Act of 1933;
7. Lend any of its assets; provided, however, that investment in government obligations, short-term commercial paper, certificates of deposit and banker's acceptances and publicly traded bonds, debentures, or other debt securities shall not be deemed to be the making of a loan;
8. Sell securities short, except to the extent that the fund contemporaneously owns or has the right to acquire at no additional cost securities identical to those sold short;
9. Purchase securities on margin;
10. Borrow amounts in excess of 5% of the value of its total assets; in any event, the fund may borrow only as a temporary measure for extraordinary or emergency purposes and not for investment in securities; nor
11. Mortgage, pledge or hypothecate its assets to any extent.

For purposes of Investment Restriction #3, the fund will not invest 25% or more of the value of its total assets in the securities of companies primarily engaged in any one industry.

For purposes of Investment Restriction #8, although the fund may sell securities short, to the extent that the fund contemporaneously owns or has the right to acquire at no additional cost securities identical to those sold short, the fund does not anticipate doing so during the next twelve months.

NON-FUNDAMENTAL POLICIES - The following non-fundamental policies may be changed without shareholder approval:

1. Purchase or retain the securities of any issuer, if those individual officers and directors of the fund, its investment adviser or principal underwriter, each owning beneficially more than 1/2 of 1% of the securities of such issuer, together own more than 5% of the securities of such issuer;
2. Invest more than 5% of the value of its total assets in securities of companies having, together with their predecessors, a record of less than three years of continuous operation;
3. Invest in puts, calls, straddles or spreads, or combinations thereof; or
4. Purchase partnership interests in oil, gas, or mineral exploration, drilling or mining ventures.

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5. Invest in securities of other investment companies, except as permitted by the Investment Company Act of 1940, as amended. The fund may invest in securities of other investment companies if deemed advisable by its officers in connection with the administration of a deferred compensation plan adopted by Directors pursuant to an exemptive order granted by the Securities and Exchange Commission.
6. Invest knowingly more than 10% of its net assets in illiquid securities.

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MANAGEMENT OF THE FUND

BOARD OF DIRECTORS AND OFFICERS

<TABLE>

<CAPTION>

NAME AND AGE	POSITION WITH THE FUND	YEAR FIRST ELECTED A DIRECTOR OF THE FUND/1/	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF BOARDS WITHIN THE FUND COMPLEX/2/ ON WHICH DIRECTOR SERVES	OTHER DIRECTORSHIPS/3/ HELD BY DIRECTOR
<S>	<C>	<C>	<C>	<C>	<C>
"NON-INTERESTED" DIRECTORS					
Elisabeth Allison Age: 55	Director	1991	Administrative Director, ANZI, Ltd. (financial publishing and consulting); Publishing Consultant, Harvard Medical School; former Senior Vice President, Planning and Development, McGraw Hill, Inc.	3	None
Vanessa C.L. Chang Age: 49	Director	2000	Chief Executive Officer, ResolveItNow.com (insurance related internet company); former Senior Vice President, Secured Capital Corporation; former Partner, KPMG Peat Marwick LLP	1	None
Robert A. Fox Age: 65	Director	1979	Managing General Partner, Fox Investments LP; Professor and Executive in Residence, University of California, Davis; former President and Chief Executive Officer, Foster Farms	7	Crompton Corporation
Alan Greenway Age: 74	Director	1973	President, Greenway Associates, Inc. (management consulting services)	3	None
Jae H. Hyun Age: 53	Director	2002	Chairman, Tong Yang Group	1 /	Southeast Asia Cement Holding, Inc.; Tong Yang Cement Corp.; Tong Yang

Koichi Itoh Age: 61	Director	1994	Managing Director, Itoh Associates, Ltd.; former President, Autosplice KK; former President and Chief Executive Officer, IMPAC (management consulting services); former Managing Partner, VENCA Management (venture capital)		None
William H. Kling Age: 60	Director	1987	President, Minnesota Public Radio; President, Greenspring Co.; President, American Public Media Group	6	Irwin Financial Corporation; St. Paul Companies
John G. McDonald Age: 64	Director	1978	The IBJ Professor of Finance, Graduate School of Business, Stanford University	8 /	Plum Creek Timber Co.; Scholastic Corporation; iStar Financial, Inc.; Varian, Inc.; Capstone Turbine Corp.
William I. Miller/4/ Age: 46	Director	1992	Chairman of the Board, Irwin Financial Corporation	3	Cummins Engine Company, Inc.; Tennant Company
Kirk P. Pendleton Age: 62	Director	1996	Chairman/Chief Executive Officer, Cairwood, Inc. (venture capital investment)	6	York Group, Inc.
Rozanne L. Ridgway Age: 66	Director	2000	Chair, Baltic American Enterprises Fund; former Co Chair, Atlantic Council of the United States	1	Boeing; Emerson Electric; Sara Lee Corporation; 3M Corporation

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<TABLE> <CAPTION>						
NAME AND AGE	POSITION WITH THE FUND	YEAR FIRST ELECTED A DIRECTOR AND/OR OFFICER OF THE FUND/1/	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS AND POSITIONS HELD WITH AFFILIATED ENTITIES OR THE PRINCIPAL UNDERWRITER OF THE FUND		NUMBER OF BOARDS WITHIN THE FUND COMPLEX/2/ ON WHICH DIRECTOR OR OFFICER SERVES	OTHER DIRECTORSHIPS/3/ HELD BY DIRECTOR OR OFFICER
			<C>	<C>		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
"INTERESTED" DIRECTORS/5,6/						
Gina H. Despres Age: 60	President and Director	1991	Senior Vice President, Capital Research and Management Company; Vice President, Capital Strategy Research, Inc.*		4	None
Paul G. Haaga, Jr. Age: 53	Director	2000	Executive Vice President and Director, Capital Research and Management Company; Director, American Funds Distributors, Inc.*; Director, The Capital Group Companies, Inc.*		16	None
Gregg E. Ireland Age: 52	Director and Executive Vice President	1991	Senior Vice President, Capital Research and Management Company		1	None

Jon B. Lovelace/7/ Age: 75	Vice Chairman of the Board	1973	Chairman Emeritus, Capital Research and Management Company	3	None
Walter P. Stern Age: 73	Chairman of the Board	1973	Vice Chairman, Capital Group International, Inc.*; Chairman, Capital International, Inc.*	1	Temple-Inland Inc.

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<TABLE>  
<CAPTION>

NAME AND AGE	POSITION WITH THE FUND	YEAR FIRST ELECTED AN OFFICER OF THE FUND/1/	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS AND POSITIONS HELD WITH AFFILIATED ENTITIES OR THE PRINCIPAL UNDERWRITER OF THE FUND
<S> OTHER OFFICERS/6/	<C>	<C>	<C>
Darcy B. Kopcho Age: 48	Senior Vice President	1996	Director, Capital Research and Management Company; Executive Vice President and Research Director, Capital Research Company*; Director, Capital International, Inc.*
Thierry Vandeventer Age: 66	Senior Vice President	1976	Director, Capital Research and Management Company
Robert W. Lovelace/7/ Age: 39	Senior Vice President	2001	President and Director, Capital Research Company*; Director, American Funds Distributors, Inc.*
Cathy M. Ward Age: 55	Senior Vice President	1991	Senior Vice President and Director, Capital Research and Management Company; Director, American Funds Service Company*; Secretary and Director, Capital Group Research, Inc.*; Director, The Capital Group Companies, Inc.*
Timothy P. Dunn Age: 40	Vice President	2000	Vice President, Capital Research and Management Company
Jonathan O. Knowles Age: 41	Vice President	1998	Executive Vice President and Director, Capital Research Company*
Vincent P. Corti Age: 45	Secretary	1984	Vice President - Fund Business Management Group, Capital Research and Management Company
R. Marcia Gould Age: 47	Treasurer	1993	Vice President - Fund Business Management Group, Capital Research and Management Company
Dayna G. Yamabe Age: 35	Assistant Treasurer	1998	Vice President - Fund Business Management Group, Capital Research and Management Company

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- \* Company affiliated with Capital Research and Management Company.
- 1 Directors and officers of the fund serve until their resignation, removal or retirement.
- 2 Capital Research and Management Company manages the American Funds consisting of 29 funds. Capital Research and Management Company also manages American Funds Insurance Series and Anchor Pathway Fund, which serve as the underlying investment vehicles for certain variable insurance contracts, and Endowments, whose shareholders are limited to certain non-profit organizations.
- 3 This includes all directorships (other than those in the American Funds Group) that are held by each director as a director of a public company or a registered investment company.
- 4 May be deemed an "interested person" of the fund due to membership on the

- board of directors of the parent company of a registered broker-dealer.
- 5 "Interested persons" within the meaning of the 1940 Act on the basis of their affiliation with the fund's Investment Adviser, Capital Research and Management Company, or its affiliated entities (including the fund's principal underwriter).
- 6 All of the officers listed are officers and/or directors/trustees of one or more of the other funds for which Capital Research and Management Company serves as Investment Adviser.
- 7 Robert W. Lovelace is the son of Jon B. Lovelace.

THE ADDRESS FOR ALL DIRECTORS AND OFFICERS OF THE FUND IS 333 SOUTH HOPE STREET - 55TH FLOOR, LOS ANGELES, CALIFORNIA 90071, ATTENTION: FUND SECRETARY.

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FUND SHARES OWNED BY DIRECTORS AS OF DECEMBER 31, 2001

<TABLE>  
<CAPTION>

NAME	DOLLAR RANGE/1/ OF FUND SHARES OWNED	AGGREGATE DOLLAR RANGE/1/ OF SHARES OWNED IN ALL FUNDS IN THE AMERICAN FUNDS FAMILY OVERSEEN BY DIRECTOR
<S>		
"NON-INTERESTED" DIRECTORS		
Elisabeth Allison	Over \$100,000	Over \$100,000
Vanessa C.L. Chang	Over \$100,000	Over \$100,000
Robert A. Fox	Over \$100,000	Over \$100,000
Alan Greenway	\$50,001 - \$100,000	\$50,001 - \$100,000
Joe H. Hyun	Over \$100,000	Over \$100,000
Koichi Itoh	Over \$100,000	Over \$100,000
William H. Kling	Over \$100,000	Over \$100,000
John G. McDonald	Over \$100,000	Over \$100,000
William I. Miller/2/	Over \$100,000	Over \$100,000
Kirk P. Pendleton	\$10,001 - \$50,000	Over \$100,000
Rozanne L. Ridgway	\$10,001 - \$50,000	\$10,001 - \$50,000
"INTERESTED" DIRECTORS/3/		
Gina H. Despres	Over \$100,000	Over \$100,000
Paul G. Haaga, Jr.	Over \$100,000	Over \$100,000
Gregg E. Ireland	Over \$100,000	Over \$100,000
Jon B. Lovelace	Over \$100,000	Over \$100,000
Walter P. Stern	Over \$100,000	Over \$100,000
</TABLE>		

- 1 Ownership disclosure is made using the following ranges: None; \$1 - \$10,000; \$10,001 - \$50,000; \$50,001 - \$100,000 and Over \$100,000. The amounts listed for "interested" directors include shares owned through The Capital Group Companies, Inc. retirement plan and 401(k) plan.
- 2 May be deemed an "interested person" of the fund due to membership on the board of directors of the parent company of a registered broker-dealer.
- 3 "Interested persons" within the meaning of the 1940 Act on the basis of their affiliation with the fund's Investment Adviser, Capital Research and Management Company, or its affiliated entities (including the fund's principal underwriter).

DIRECTOR COMPENSATION PAID DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

No compensation is paid by the fund to any officer or Director who is a



director, officer or employee of the Investment Adviser or its affiliates. The fund pays annual fees of \$21,000 to Directors who are not affiliated with the Investment Adviser, plus \$1,000 for each Board of Directors meeting attended (\$2,500 for each meeting attended in conjunction with meetings of the Advisory Board), and \$500 for each meeting attended as a member of a committee of the Board of Directors.

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No pension or retirement benefits are accrued as part of fund expenses. The Directors may elect on a voluntary basis, to defer all or a portion of their fees through a deferred compensation plan in effect for the fund. The Investment Adviser also reimburses certain expenses of the Directors who are not affiliated with the Investment Adviser.

<TABLE>  
<CAPTION>

NAME	AGGREGATE COMPENSATION (INCLUDING VOLUNTARILY DEFERRED COMPENSATION/1/) FROM THE FUND	TOTAL COMPENSATION (INCLUDING VOLUNTARILY DEFERRED COMPENSATION/1/) FROM ALL FUNDS MANAGED BY CAPITAL RESEARCH AND MANAGEMENT COMPANY OR ITS AFFILIATES/2/
<S>	<C>	<C>
Elisabeth Allison	\$ 27,500	\$ 66,500
Vanessa C.L. Chang	\$ 27,500	\$ 27,500
Robert A. Fox	\$ 25,500/3/	\$ 150,000/3/
Alan Greenway	\$ 29,000	\$ 78,833
Jae H. Hyun	\$ 10,000	\$ 10,000
Koichi Itoh	\$ 28,500/3/	\$ 67,500/3/
William H. Kling	\$ 27,000/3/	\$ 111,000/3/
John G. McDonald	\$ 27,000/3/	\$ 252,000/3/
William I. Miller	\$ 24,000/3/	\$ 58,000/3/
Kirk P. Pendleton	\$ 29,000/3/	\$ 134,500/3/
Rozanne L. Ridgway	\$ 26,500/3/	\$ 26,500/3/

</TABLE>

- 1 Amounts may be deferred by eligible Directors under a non-qualified deferred compensation plan adopted by the fund in 1993. Deferred amounts accumulate at an earnings rate determined by the total return of one or more funds in The American Funds Group as designated by the Directors.
- 2 Capital Research and Management Company manages the American Funds consisting of 29 funds. Capital Research and Management Company also manages American Funds Insurance Series and Anchor Pathway Fund, which serve as the underlying investment vehicles for certain variable insurance contracts, and Endowments, whose shareholders are limited to certain non-profit organizations.
- 3 Since the deferred compensation plan's adoption, the total amount of deferred compensation accrued by the fund (plus earnings thereon) through the 2001 fiscal year for participating Directors is as follows: Robert A. Fox (\$320,179), Koichi Itoh (\$129,971), William H. Kling (\$170,930), John G. McDonald (\$205,860), William I. Miller (\$124,040), Kirk P. Pendleton (\$123,057) and Rozanne L. Ridgway (\$28,600). Amounts deferred and accumulated earnings thereon are not funded and are general unsecured liabilities of the fund until paid to the Directors.

As of April 15, 2002, the officers and Directors of the fund and their families, as a group, owned beneficially or of record less than 1% of the outstanding shares of the fund.

FUND ORGANIZATION AND THE BOARD OF DIRECTORS

The fund, an open-end, diversified management investment company, was organized as a Maryland corporation on September 5, 1972.

All fund operations are supervised by the fund's Board of Directors, which meets periodically and performs duties required by applicable state and federal laws. Members of the board who are not employed by Capital Research and Management Company or its affiliates are paid certain fees for services rendered to the fund as described above. They may elect to defer all or a portion of these fees through a deferred compensation plan in effect for the fund.

The fund has several different classes of shares, including Class A, R-1, R-2, R-3, R-4 and R-5 shares. Class R shares are generally only available to employer-sponsored retirement plans. The shares of each class represent an interest in the same investment portfolio. Each class has pro rata rights as to voting, redemption, dividends and liquidation, except that each class bears different distribution expenses and may bear different transfer agent fees and other expenses properly attributable to the particular class as approved by the Board of Directors and set forth in the fund's rule 18f-3 Plan. Each class' shareholders have exclusive voting rights with respect to the respective class' rule 12b-1 Plans adopted in connection with the distribution of shares and on other matters in which the interests of one class are different from interests in another class. Shares of all classes of the fund vote together on matters that affect all classes in substantially the same manner. Each class votes as a class on matters that affect that class alone.

The fund does not hold annual meetings of shareholders. However, significant matters which require shareholder approval, such as certain elections of board members or a change in a fundamental investment policy, will be presented to shareholders at a meeting called for such purpose. Shareholders have one vote per share owned. At the request of the holders of at least 10% of the shares, the fund will hold a meeting at which any member of the board could be removed by a majority vote.

#### COMMITTEES OF THE BOARD OF DIRECTORS

The fund has an Audit Committee comprised of Elisabeth Allison, Vanessa C.L. Chang, Alan Greenway, Koichi Itoh and Kirk P. Pendleton, none of whom is considered an "interested person" of the fund within the meaning of the 1940 Act. The Committee oversees the fund's accounting and financial reporting policies and practices, its internal controls and the internal controls of the fund's principal service providers. The Committee acts as a liaison between the fund's independent accountants and the full Board of Directors. There were four Audit Committee meetings held during the 2001 fiscal year.

The fund has a Contracts Committee comprised of Elisabeth Allison, Vanessa C.L. Chang, Robert A. Fox, Alan Greenway, Jae H. Hyun, Koichi Itoh, William H. Kling, John G. McDonald, Kirk P. Pendleton and Rozanne L. Ridgway, none of whom is considered an "interested person" of the fund within the meaning of the 1940 Act. William I. Miller is also a member of the Committee and may technically be deemed an "interested person" of the fund due to membership on the board of directors of the parent company of a registered broker-dealer. The Committee's function is to request, review and consider the information deemed necessary to evaluate the terms of certain agreements between the fund and its Investment Adviser or the Investment Adviser's affiliates, such as the investment advisory and service agreement, principal underwriting agreement, and plans of distribution under rule 12b-1, that the fund may enter into, renew or continue, and to make its recommendations to the full Board of Directors on these matters. There was one Contracts Committee meeting during the 2001 fiscal year.

The fund has a Nominating Committee comprised of Alan Greenway, Koichi Itoh, William H. Kling, John G. McDonald, Kirk P. Pendleton and Rozanne L. Ridgway, none of whom is

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considered an "interested person" of the fund within the meaning of the 1940 Act. William I. Miller is also a member of the Committee and may technically be deemed an "interested person" of the fund due to membership on the board of directors of the parent company of a registered broker-dealer. The Committee periodically reviews such issues as the Board's composition, responsibilities, committees, compensation and other relevant issues, and recommends any appropriate changes to the full Board of Directors. The Committee also evaluates, selects and nominates candidates for independent directors and Advisory Board members to the full Board of Directors. While the Committee normally is able to identify from its own resources an ample number of qualified candidates, it will consider shareholder suggestions of persons to be considered as nominees to fill future vacancies on the Board. Such suggestions must be

sent in writing to the Nominating Committee of the fund, c/o the fund's Secretary, and must be accompanied by complete biographical and occupational data on the prospective nominee, along with a written consent of the prospective nominee for consideration of his or her name by the Committee. There were two Nominating Committee meetings during the 2001 fiscal year.

ADVISORY BOARD MEMBERS

The Board of Directors has established an Advisory Board whose members are, in the judgment of the Directors, highly knowledgeable about world political and economic matters. In addition to holding meetings with the Board of Directors, members of the Advisory Board, while not participating in specific investment decisions, consult from time to time with the Investment Adviser, primarily with respect to world trade and business conditions. Members of the Advisory Board, however, possess no authority or responsibility with respect to the fund's investments or management. The chart below sets out additional information about the Advisory Board Members.

<TABLE>  
<CAPTION>

NAME AND AGE	YEAR FIRST ELECTED AN ADVISORY BOARD MEMBER OF THE FUND	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF BOARDS WITHIN THE FUND COMPLEX/1/ ON WHICH ADVISORY BOARD MEMBER SERVES	OTHER DIRECTORSHIPS/2/ HELD BY MEMBER
<S> ADVISORY BOARD MEMBERS	<C>	<C>	<C>	<C>
Michael R. Bonsignore Age: 60	2000	Retired Chairman of the Board and Chief Executive Officer, Honeywell Inc.	1	None
David I. Fisher Age: 62	1998	Director, The Capital Group Companies, Inc. (an affiliate of the Investment Adviser)	2	None
Jean Gandois Age: 71	1992	Chairman of the Board, Cockerill Sambre; President, Conseil National du Patronat Francais; former Chairman and Chief Executive Officer, Pechiney	1	None
Claudio X. Gonzalez Laporte Age: 67	1992	Chairman of the Board and Chief Executive Officer, Kimberly Clark de Mexico, SA	2	America Movil, SA; Grupo Carso; Grupo Alfa; Kimberly Clark Corp.; Kellogg Company; General Electric Company; The Home Depot; The Mexico Fund
Baron Gualtherus Kraijenhoff Age: 79	1979	Chairman of the Supervisory Council, AKZO N.V.	1	None
Shijuro Ogata Age: 74	1998	Retired; former Non-executive Director, Fuji Xerox Co. Ltd. and Horiba Ltd.	1	Fuji Xerox Ltd.; Horiba Ltd.
Alessandro Ovi Age: 58	1998	Chief Executive Officer, Tecnitel	3	ST Microelectronics; SEAT (Telecom Italia); Koru & Ferry Europe
Henry B. Schact Age: 67	1999	Chairman, Lucent Technologies Inc.; former Director and Senior Advisor, E.M. Warburg, Pincus & Co., LLC	1	Aluminum Company of America; Cummins Engine Company; Johnson & Johnson Corp.; Knoll, Inc.; The New York Times Company
Orville H. Schell Age: 61	1996	Dean, Graduate School of Journalism, University of California, Berkeley	1	None
Bruce B. Teele Age: 64	1998	Chairman, Australian Foundation Investment Co. Ltd.; former Chairman and Chief Executive Officer, J.B.	1	Australian Media & Communications Investment Ltd.

&lt;/TABLE&gt;

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- 1 Capital Research and Management Company manages the American Funds consisting of 29 funds. Capital Research and Management Company also manages American Funds Insurance Series and Anchor Pathway Fund, which serve as the underlying investment vehicles for certain variable insurance contracts, and Endowments, whose shareholders are limited to certain non-profit organizations.
- 2 This includes all directorships (other than those in the American Funds Group) that are held by each Advisory Board member as a director of a public company or a registered investment company.

THE ADDRESS FOR ALL ADVISORY BOARD MEMBERS OF THE FUND IS 333 SOUTH HOPE STREET - 55TH FLOOR, LOS ANGELES, CALIFORNIA 90071, ATTENTION: FUND SECRETARY.

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ADVISORY BOARD MEMBER COMPENSATION PAID DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

The fund pays fees of \$5,000 per annum to Advisory Board members who are not affiliated with the Investment Adviser, plus \$5,000 for each meeting attended in conjunction with meetings with the Board of Directors.

No pension or retirement benefits are accrued as part of fund expenses. The Advisory Board Members may elect, on a voluntary basis, to defer all or a portion of their fees through a deferred compensation plan in effect for the fund. The fund also reimburses certain expenses of the Advisory Board Members who are not affiliated with the fund.

<TABLE>  
<CAPTION>

NAME	AGGREGATE COMPENSATION (INCLUDING VOLUNTARILY DEFERRED COMPENSATION/1/) FROM THE FUND	TOTAL COMPENSATION (INCLUDING VOLUNTARILY DEFERRED COMPENSATION/1/) FROM ALL FUNDS MANAGED BY CAPITAL RESEARCH AND MANAGEMENT COMPANY OR ITS AFFILIATES/2/
Michael R. Bonsignore	\$10,000/3/	\$10,000/3/
Jean Gandois	\$10,000	\$10,000
Claudio X. Gonzalez Laporte	\$10,000	\$10,000
Baron Gualtherus Kraijenhoff	\$10,000	\$10,000
Shijuro Ogata	\$10,000	\$10,000
Alessandro Ovi	\$10,000	\$15,500
Henry B. Schact	\$10,000	\$10,000
Orville H. Schell	\$10,000	\$10,000
Bruce B. Teele	\$10,000	\$10,000

&lt;/TABLE&gt;

- 1 Amounts may be deferred by eligible Advisory Board members under a non-qualified deferred compensation plan adopted by the fund in 1993. Deferred amounts accumulate at an earnings rate determined by the total return of one or more funds in The American Funds Group as designated by the Advisory Board member.

- 2 Capital Research and Management Company manages the American Funds consisting of 29 funds. Capital Research and Management Company also manages American Funds Insurance Series and Anchor Pathway Fund, which serve as the underlying investment vehicles for certain variable insurance contracts, and Endowments, whose shareholders are limited to certain non-profit organizations.
- 3 Since the deferred compensation plan's adoption, the total amount of deferred compensation accrued by the fund (plus earnings thereon) through the 2001 fiscal year for participating Directors is as follows: Michael R. Bonsignore (\$79,624). Amounts deferred and accumulated earnings thereon are not funded and are general unsecured liabilities of the fund until paid to the Directors.

INVESTMENT ADVISER - The Investment Adviser, Capital Research and Management Company, founded in 1931, maintains research facilities in the U.S. and abroad (Los Angeles, San Francisco, New York, Washington, D.C., London, Geneva, Hong Kong, Singapore and Tokyo) with a staff of professionals, many of whom have significant investment experience. The Investment Adviser is located at 333 South Hope Street, Los Angeles, CA 90071, and at 135 South State College Boulevard, Brea, CA 92821. The Investment Adviser's research professionals travel several million miles a year, making more than 5,000 research visits in more than 50 countries around the world. The Investment Adviser believes that it is able to attract and

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retain quality personnel. The Investment Adviser is a wholly owned subsidiary of The Capital Group Companies, Inc.

The Investment Adviser is responsible for managing more than \$350 billion of stocks, bonds and money market instruments and serves over 11 million shareholder accounts of all types throughout the world. These investors include privately owned businesses and large corporations as well as schools, colleges, foundations and other non-profit and tax-exempt organizations.

INVESTMENT ADVISORY AND SERVICE AGREEMENT - The Investment Advisory and Service Agreement (the "Agreement") between the fund and the Investment Adviser will continue in effect until December 31, 2002, unless sooner terminated, and may be renewed from year to year thereafter, provided that any such renewal has been specifically approved at least annually by (i) the Board of Directors, or by the vote of a majority (as defined in the 1940 Act) of the outstanding voting securities of the fund, and (ii) the vote of a majority of Directors who are not parties to the Agreement or interested persons (as defined in the 1940 Act) of any such party, cast in person at a meeting called for the purpose of voting on such approval. The Agreement provides that the Investment Adviser has no liability to the fund for its acts or omissions in the performance of its obligations to the fund not involving willful misconduct, bad faith, gross negligence or reckless disregard of its obligations under the Agreement. The Agreement also provides that either party has the right to terminate it, without penalty, upon 60 days' written notice to the other party, and that the Agreement automatically terminates in the event of its assignment (as defined in the 1940 Act).

In determining whether to renew the Agreement each year, the Contracts Committee of the Board of Directors evaluates information provided by the Investment Adviser in accordance with Section 15(c) of the 1940 Act, and presents its recommendations to the full Board of Directors. At its most recent meeting, the Committee considered a number of factors in recommending renewal of the existing Agreement, including the quality of services provided to the fund, fees and expenses borne by the fund, and financial results of the Investment Adviser.

Members of the Committee discussed the quality of services provided to the fund and noted that while the fund's absolute results were negative during 2000 and the first nine months of 2001, its results versus its peers were very favorable over those periods as well as for longer periods of time. The Committee also considered the quality and depth of the Investment Adviser's organization in general and of the investment professionals currently providing services to the fund.

The Committee observed that the fund's expenses for the most recent fiscal year and earlier periods compared favorably to its peer group. The Committee also considered steps taken in recent years by the Investment Adviser to help control transfer agent expenses borne by the fund.

Based on their review, the Committee and the Board concluded that the advisory fees and other expenses of the fund are fair, both absolutely and in comparison with those of other funds in the industry, and that shareholders have received

reasonable value in return for paying such fees and expenses.

The Investment Adviser, in addition to providing investment advisory services, furnishes the services and pays the compensation and travel expenses of persons to perform the executive,

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administrative, clerical and bookkeeping functions of the fund, and provides suitable office space, necessary small office equipment and utilities, general purpose accounting forms, supplies, and postage used at the offices of the fund and the travel expenses of directors and members of the Advisory Board incurred in connection with attendance of meetings of those boards. The fund pays all expenses not assumed by the Investment Adviser, including, but not limited to: custodian, stock transfer and dividend disbursing fees and expenses; shareholder recordkeeping and administrative expenses; costs of the designing, printing and mailing of reports, prospectuses, proxy statements, and notices to its shareholders; taxes; expenses of the issuance and redemption of shares of the fund (including stock certificates, registration and qualification fees and expenses); expenses pursuant to the fund's Plans of Distribution (described below); legal and auditing expenses; compensation paid to directors and members of the Advisory Board unaffiliated with the Investment Adviser; association dues; costs of stationery and forms prepared exclusively for the fund; and costs of assembling and storing shareholder account data.

As compensation for its services, the Investment Adviser receives a monthly fee which is accrued daily, calculated at the annual rate of 0.60% on the first \$500 million of the fund's net assets, 0.50% on net assets between \$500 million and \$1 billion, 0.46% on net assets between \$1 billion and \$1.5 billion, 0.43% on net assets between \$1.5 billion and \$2.5 billion, 0.41% on net assets between \$2.5 billion and \$4 billion, 0.40% on net assets between \$4 billion and \$6.5 billion, 0.395% on net assets between \$6.5 billion and \$10.5 billion, 0.39% on net assets between \$10.5 billion and \$17 billion, 0.385% on assets between \$17 billion and \$21 billion, 0.38% on net assets between \$21 billion and \$27 billion, 0.375% on net assets between \$27 billion and \$34 billion, 0.37% on assets between \$34 billion and \$44 billion, and 0.365% on net assets in excess of \$44 billion.

The Investment Adviser has agreed that in the event the Class A expenses of the fund (with the exclusion of interest, taxes, brokerage costs, extraordinary expenses such as litigation and acquisitions or other expenses excludable under applicable state securities laws or regulations) for any fiscal year ending on a date on which the Agreement is in effect, exceed the expense limitations, if any, applicable to the fund pursuant to state securities laws or any regulations thereunder, it will reduce its fee by the extent of such excess and, if required pursuant to any such laws or any regulations thereunder, will reimburse the fund in the amount of such excess. To the extent the fund's management fee must be waived due to Class A share expense ratios exceeding the above limit, management fees will be reduced similarly for all classes of shares of the fund or other Class A fees will be waived in lieu of management fees.

For the fiscal years ended 2001, 2000 and 1999, the Investment Adviser received from the fund advisory fees of \$121,463,000, \$130,767,000 and \$90,549,000, respectively.

ADMINISTRATIVE SERVICES AGREEMENT - The Administrative Services Agreement (the "Administrative Agreement") between the fund and the Investment Adviser relating to the fund's R share classes will continue in effect until December 31, 2002, unless sooner terminated, and may be renewed from year to year thereafter, provided that any such renewal has been specifically approved at least annually by the vote of a majority of Directors who are not parties to the Administrative Agreement or interested persons (as defined in the 1940 Act) of any such party, cast in person at a meeting called for the purpose of voting on such approval. The Administrative Agreement provides that the fund may terminate the agreement at any time by vote of a majority of Directors who are not interested persons of the fund. The Investment Adviser has the right to terminate the Administrative Agreement upon 60 days' written notice to

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the fund. The Administrative Agreement automatically terminates in the event of its assignment (as defined in the 1940 Act).

Under the Administrative Agreement, the Investment Adviser provides certain transfer agent and administrative services for shareholders of the fund's R share classes. The Investment Adviser contracts with third parties, including American Funds Service Company, the fund's Transfer Agent, to provide these services. Services include, but are not limited to, shareholder account maintenance, transaction processing, tax information reporting, and shareholder and fund communications. In addition, the Investment Adviser monitors, coordinates and oversees the activities performed by third parties providing such services.

As compensation for its services, the Investment Adviser receives transfer agent fees for transfer agent services provided to the fund's applicable share classes. Transfer agent fees are paid monthly according to a fee schedule contained in a Shareholder Services Agreement between the fund and American Funds Service Company. The Investment Adviser also receives an administrative services fee for administrative services provided to the fund's applicable share classes. Administrative services fees are paid monthly, accrued daily and calculated at the annual rate of 0.15% of the average daily net assets for each R share class except Class R-5 shares. For Class R-5 shares, the administrative fee is paid monthly, accrued daily and calculated at the annual rate of 0.10% of the average daily net assets of Class R-5 shares.

PRINCIPAL UNDERWRITER AND PLANS OF DISTRIBUTION - American Funds Distributors, Inc. (the "Principal Underwriter") is the principal underwriter of the fund's shares. The Principal Underwriter is located at 333 South Hope Street, Los Angeles, CA 90071; 135 South State College Boulevard, Brea, CA 92821; 3500 Wiseman Boulevard, San Antonio, TX 78251; 8332 Woodfield Crossing Boulevard, Indianapolis, IN 46240; and 5300 Robin Hood Road, Norfolk, VA 23513.

The Principal Underwriter receives revenues from sales of the fund's shares. For Class A shares, the Principal Underwriter receives commission revenue consisting of that portion of the Class A sales charge remaining after the allowances by the Principal Underwriter to investment dealers. For Class R-1, R-2, R-3 and R-4 shares, the fund pays the Principal Underwriter for advancing the immediate service fees paid to qualified dealers and advisers who sell the shares.

Commissions, revenue or service fees retained by the Principal Underwriter after allowances or compensation to dealers were:

<TABLE>  
<CAPTION>

		COMMISSIONS, REVENUE OR FEES RETAINED		ALLOWANCE OR COMPENSATION TO DEALERS
		FISCAL YEAR		
<S>	CLASS A	<C>	<C>	<C>
		2001	\$10,317,000	\$49,485,000
		2000	17,367,000	73,716,000
		1999	14,809,000	84,218,000

</TABLE>

The fund has adopted Plans of Distribution (the "Plans"), pursuant to rule 12b-1 under the 1940 Act. The Principal Underwriter receives amounts payable pursuant to the Plans (see below). As required by rule 12b-1 and the 1940 Act, the Plans (together with the Principal Underwriting Agreement) have been approved by the full Board of Directors and separately by a majority of the directors who are not "interested persons" of the fund and who have no direct or indirect financial interest in the operation of the Plans or the Principal Underwriting Agreement. Potential benefits of the Plans to the fund include: shareholder services; savings to the fund in transfer agency costs; savings to the fund in advisory fees and other expenses; benefits to the investment process from growth or stability of assets; and maintenance of a financially healthy management organization. The selection and nomination of directors who are not "interested persons" of the fund are committed to the discretion of the directors who are not "interested persons" during the existence of the Plans. The Plans may not be amended to increase materially the amount spent for distribution without shareholder approval. Plan expenses are reviewed quarterly and the Plans must be renewed annually by the Board of Directors.

Under the Plans, the fund may annually expend the following amounts to finance any activity primarily intended to result in the sale of fund shares, provided the fund's Board of Directors has approved the category of expenses for which payment is being made: (i) for Class A shares, up to 0.25% of its average daily net assets attributable to Class A shares; (ii) for Class R-1 shares, 1.00% of its average daily net assets attributable to Class R-1 shares; (iii) for Class R-2 shares, up to 1.00% of its average daily net assets attributable to Class R-2 shares; (iv) for Class R-3 shares, up to 0.75% of its average daily net assets attributable to Class R-3 shares; and (v) for Class R-4 shares, up to 0.50% of its average daily net assets attributable to Class R-4 shares. The fund has not adopted a Plan for Class R-5 shares; accordingly, no 12b-1 fees are paid from Class R-5 share assets.

For Class A shares, (i) up to 0.25% is reimbursed to the Principal Underwriter for paying service-related expenses, including service fees paid to qualified dealers, and (ii) up to the amount allowable under the fund's Class A 12b-1 limit is reimbursed to the Principal Underwriter for paying distribution-related expenses, including for Class A shares dealer commissions and wholesaler compensation paid on sales of shares of \$1 million or more purchased without a sales charge (including purchases by employer-sponsored defined contribution-type retirement plans investing \$1 million or more or with 100 or more eligible employees, and retirement plans, endowments and foundations with \$50 million or more in assets) ("no load purchases"). Commissions on no load purchases of Class A shares, in excess of the Class A Plan limitations not reimbursed to the Principal Underwriter during the most recent fiscal quarter are recoverable for five quarters, provided that such commissions do not exceed the annual expense limit. After five quarters these commissions are not recoverable.

For Class R-1 shares (i) 0.25% is paid to the Principal Underwriter for paying service-related expenses, including service fees paid to qualified dealers, and (ii) 0.75% is paid to the Principal Underwriter for distribution-related expenses, including the financing of commissions paid to qualified dealers.

For Class R-2 shares, currently (i) 0.25% is paid to the Principal Underwriter for paying service-related expenses, including service fees paid to qualified dealers, and (ii) 0.50% is paid to the Principal Underwriter for paying distribution-related expenses, including commissions paid to qualified dealers.

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For Class R-3 shares, currently (i) 0.25% is paid to the Principal Underwriter for paying service-related expenses, including service fees paid to qualified dealers, and (ii) 0.25% is paid to the Principal Underwriter for paying distribution-related expenses, including commissions paid to qualified dealers.

For Class R-4 shares, currently 0.25% is paid to the Principal Underwriter for paying service-related expenses, including service fees paid to qualified dealers or advisers.

During the 2001 fiscal year, 12b-1 expenses accrued and paid, and if applicable, unpaid, were:

<TABLE>  
<CAPTION>

	12B-1 EXPENSES		12B-1 LIABILITY	
	ACCRUED		OUTSTANDING	
<S>	<C>		<C>	
CLASS A		\$71,114,000		\$5,716,000

</TABLE>

OTHER COMPENSATION TO DEALERS - The Principal Underwriter, at its expense (from a designated percentage of its income), currently provides additional compensation to dealers. Currently, these payments are limited to the top 100 dealers who have sold shares of the fund or other funds in The American Funds Group. These payments are based principally on a pro rata share of a qualifying dealer's sales. The Principal Underwriter will, on an annual basis, determine the advisability of continuing these payments.

TAXES AND DISTRIBUTIONS



FUND TAXATION - The fund has elected to be treated as a regulated investment company under Subchapter M of the Internal Revenue Code ("Code"). A regulated investment company qualifying under Subchapter M of the Code is required to distribute to its shareholders at least 90% of its investment company taxable income (including the excess of net short-term capital gain over net long-term capital losses) and generally is not subject to federal income tax to the extent that it distributes annually 100% of its investment company taxable income and net realized capital gains in the manner required under the Code. The fund intends to distribute annually all of its investment company taxable income and net realized capital gains and therefore does not expect to pay federal income tax, although in certain circumstances the fund may determine that it is in the interest of shareholders to distribute less than that amount.

To be treated as a regulated investment company under Subchapter M of the Code, the fund must also (a) derive at least 90% of its gross income from dividends, interest, payments with respect to securities loans and gains from the sale or other disposition of securities or foreign currencies, or other income (including, but not limited to, gains from options, futures or forward contracts) derived with respect to the business of investing in such securities or currencies, and (b) diversify its holdings so that, at the end of each fiscal quarter, (i) at least 50% of the market value of the fund's assets is represented by cash, U.S. government securities and securities of other regulated investment companies, and other securities (for purposes of this calculation, generally limited in respect of any one issuer, to an amount not greater than 5% of the market value of the fund's assets and 10% of the outstanding voting securities of such issuer) and (ii) not more than 25% of the value of its assets is invested in the securities of any one issuer (other than U.S. government securities or the securities of other regulated investment companies), or two or more issuers which the fund controls and which are determined to be engaged in the same or similar trades or businesses.

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Under the Code, a nondeductible excise tax of 4% is imposed on the excess of a regulated investment company's "required distribution" for the calendar year ending within the regulated investment company's taxable year over the "distributed amount" for such calendar year. The term "required distribution" means the sum of (i) 98% of ordinary income (generally net investment income) for the calendar year, (ii) 98% of capital gain (both long-term and short-term) for the one-year period ending on October 31 (as though the one-year period ending on October 31 were the regulated investment company's taxable year), and (iii) the sum of any untaxed, undistributed net investment income and net capital gains of the regulated investment company for prior periods. The term "distributed amount" generally means the sum of (i) amounts actually distributed by the fund from its current year's ordinary income and capital gain net income and (ii) any amount on which the fund pays income tax during the periods described above. Although the fund intends to distribute its net investment income and net capital gains so as to avoid excise tax liability, the fund may determine that it is in the interest of shareholders to distribute a lesser amount.

The following information may or may not apply to you depending on whether you hold fund shares in a non-taxable account, such as a qualified retirement plan. Please see your tax adviser for more information.

DIVIDENDS AND CAPITAL GAIN DISTRIBUTIONS - Dividends and capital gain distributions on fund shares will be reinvested in shares of the fund of the same class. Dividends and capital gains distributed by the fund to a retirement plan currently are not taxable.

DIVIDENDS - The fund intends to follow the practice of distributing substantially all of its investment company taxable income, which includes any excess of net realized short-term gains over net realized long-term capital losses. Investment company taxable income generally includes dividends, interest, net short-term capital gains in excess of net long-term capital losses, and certain foreign currency gains, if any, less expenses and certain foreign currency losses.

Under the Code, gains or losses attributable to fluctuations in exchange rates which occur between the time the fund accrues receivables or liabilities denominated in a foreign currency and the time the fund actually collects such receivables, or pays such liabilities, generally are treated as ordinary income or ordinary loss. Similarly, on disposition of debt securities denominated in a foreign currency and on disposition of certain futures contracts, forward contracts and options, gains or losses attributable to fluctuations in the value of foreign currency between the date of acquisition of the security or contract and the date of disposition

are also treated as ordinary gain or loss. These gains or losses, referred to under the Code as "Section 988" gains or losses, may increase or decrease the amount of the fund's investment company taxable income to be distributed to its shareholders as ordinary income.

If the fund invests in stock of certain passive foreign investment companies, the fund may be subject to U.S. federal income taxation on a portion of any "excess distribution" with respect to, or gain from the disposition of, such stock. The tax would be determined by allocating such distribution or gain ratably to each day of the fund's holding period for the stock. The distribution or gain so allocated to any taxable year of the fund, other than the taxable year of the excess distribution or disposition, would be taxed to the fund at the highest ordinary income rate in effect for such year, and the tax would be further increased by an interest charge to reflect the value of the tax deferral deemed to have

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resulted from the ownership of the foreign company's stock. Any amount of distribution or gain allocated to the taxable year of the distribution or disposition would be included in the fund's investment company taxable income and, accordingly, would not be taxable to the fund to the extent distributed by the fund as a dividend to its shareholders.

To avoid such tax and interest, the fund intends to elect to treat these securities as sold on the last day of its fiscal year and recognize any gains for tax purposes at that time. Under this election, deductions for losses are allowable only to the extent of any prior recognized gains, and both gains and losses will be treated as ordinary income or loss. The fund will be required to distribute any resulting income, even though it has not sold the security and received cash to pay such distributions. Upon disposition of these securities, any gain recognized is treated as ordinary income and loss is treated as ordinary loss to the extent of any prior recognized gain.

Dividends from domestic corporations are expected to comprise some portion of the fund's gross income. To the extent that such dividends constitute any of the fund's gross income, a portion of the income distributions of the fund will be eligible for the deduction for dividends received by corporations. Shareholders will be informed of the portion of dividends which so qualify. The dividends-received deduction is reduced to the extent that either the fund shares, or the underlying shares of stock held by the fund, with respect to which dividends are received, are treated as debt-financed under federal income tax law and is eliminated if the shares are deemed to have been held by the shareholder or the fund, as the case may be, for less than 46 days during the 90-day period beginning on the date which is 45 days before the date on which the shares become ex-dividend. Capital gain distributions are not eligible for the dividends-received deduction.

A portion of the difference between the issue price of zero coupon securities and their face value ("original issue discount") is considered to be income to the fund each year, even though the fund will not receive cash interest payments from these securities. This original issue discount (imputed income) will comprise a part of the investment company taxable income of the fund which must be distributed to shareholders in order to maintain the qualification of the fund as a regulated investment company and to avoid federal income taxation at the level of the fund.

In addition, some of the bonds may be purchased by the fund at a discount that exceeds the original issue discount on such bonds, if any. This additional discount represents market discount for federal income tax purposes. The gain realized on the disposition of any bond having a market discount may be treated as taxable ordinary income to the extent it does not exceed the accrued market discount on such bond or a fund may elect to include the market discount in income in tax years to which it is attributable. Generally, accrued market discount may be figured under either the ratable accrual method or constant interest method. If the fund has paid a premium over the face amount of a bond, the fund has the option of either amortizing the premium until bond maturity and reducing the fund's basis in the bond by the amortized amount, or not amortizing and treating the premium as part of the bond's basis. In the case of any debt security having a fixed maturity date of not more than one year from its date of issue, the gain realized on disposition generally will be treated as short-term capital gain. In general, any gain realized on disposition of a security held less than one year is treated as short-term capital gain.

Dividend and interest income received by the fund from sources outside the U.S. may be subject to withholding and other taxes imposed by such foreign jurisdictions. Tax conventions between certain countries and the U.S. may reduce or eliminate these foreign taxes, however. Most foreign countries do not impose taxes on capital gains in respect of investments by foreign investors.

**CAPITAL GAIN DISTRIBUTIONS** - The fund also intends to follow the practice of distributing the entire excess of net realized long-term capital gains over net realized short-term capital losses. Net capital gains for a fiscal year are computed by taking into account any capital loss carry-forward of the fund.

If any net long-term capital gains in excess of net short-term capital losses are retained by the fund for reinvestment, requiring federal income taxes to be paid thereon by the fund, the fund intends to elect to treat such capital gains as having been distributed to shareholders. As a result, each shareholder will report such capital gains as long-term capital gains taxable to individual shareholders at a maximum 20% capital gains rate, will be able to claim a pro rata share of federal income taxes paid by the fund on such gains as a credit against personal federal income tax liability, and will be entitled to increase the adjusted tax basis on fund shares by the difference between a pro rata share of the retained gains and such shareholder's related tax credit.

**SHAREHOLDER TAXATION** - In January of each year, individual shareholders of the fund will receive a statement of the federal income tax status of all distributions. Shareholders of the fund also may be subject to state and local taxes on distributions received from the fund. Distributions of the excess of net long-term capital gains over net short-term capital losses which the fund properly designates as "capital gain dividends" generally will be taxable to individual shareholders at a maximum 20% capital gains rate, regardless of the length of time the shares of the fund have been held by such shareholders. Any loss realized upon the redemption of shares held at the time of redemption for six months or less from the date of their purchase will be treated as a long-term capital loss to the extent of any amounts treated as distributions of long-term capital gain during such six-month period.

Distributions by the fund result in a reduction in the net asset value of the fund's shares. Should a distribution reduce the net asset value below a shareholder's cost basis, such distribution would nevertheless be taxable to the shareholder as ordinary income or capital gain as described above, even though, from an investment standpoint, it may constitute a partial return of investment capital. For this reason, investors should consider the tax implications of buying shares just prior to a distribution. The price of shares purchased at that time includes the amount of the forthcoming distribution. Those purchasing just prior to a distribution will then receive a partial return of investment capital upon the distribution, which will nevertheless be taxable to them.

The fund may make the election permitted under Section 853 of the Code so that shareholders may (subject to limitations) be able to claim a credit or deduction on their federal income tax returns for, and will be required to treat as part of the amounts distributed to them, their pro rata portion of qualified taxes paid by the fund to foreign countries (such taxes relate primarily to investment income). The fund may make an election under Section 853 of the Code, provided that more than 50% of the value of the total assets of the fund at the close of the taxable year consists of securities of foreign corporations. The foreign tax credit available to shareholders is subject to certain limitations imposed by the Code.

Redemptions of shares, including exchanges for shares of another American Fund, may result in federal, state and local tax consequences (gain or loss) to the shareholder. However, conversion from one class to another class in the same fund should not be a taxable event.

If a shareholder exchanges or otherwise disposes of shares of the fund within 90 days of having acquired such shares, and if, as a result of having acquired

those shares, the shareholder subsequently pays a reduced sales charge for shares of the fund, or of a different fund, the sales charge previously incurred in acquiring the fund's shares will not be taken into account (to the extent such previous sales charges do not exceed the reduction in sales charges) for the purposes of determining the amount of gain or loss on the exchange, but will be treated as having been incurred in the acquisition of such other funds. Also, any loss realized on a redemption or exchange of shares of the fund will be disallowed to the extent substantially identical shares are reacquired within the 61-day period beginning 30 days before and ending 30 days after the shares are disposed of.

The fund will be required to report to the IRS all distributions of investment company taxable income and capital gains as well as gross proceeds from the redemption or exchange of fund shares, except in the case of certain exempt shareholders. Under the backup withholding provisions of Section 3406 of the Code, distributions of investment company taxable income and capital gains and proceeds from the redemption or exchange of a regulated investment company may be subject to withholding of federal income tax in the case of non-exempt U.S. shareholders who fail to furnish the investment company with their taxpayer identification numbers and with required certifications regarding their status under the federal income tax law. Withholding may also be required if the fund is notified by the IRS or a broker that the taxpayer identification number furnished by the shareholder is incorrect or that the shareholder has previously failed to report interest or dividend income. If the withholding provisions are applicable, any such distributions and proceeds, whether taken in cash or reinvested in additional shares, will be reduced by the amounts required to be withheld.

The foregoing discussion of U.S. federal income tax law relates solely to the application of that law to U.S. persons, i.e., U.S. citizens and residents and U.S. corporations, partnerships, trusts and estates. Each shareholder who is not a U.S. person should consider the U.S. and foreign tax consequences of ownership of shares of the fund, including the possibility that such a shareholder may be subject to a U.S. withholding tax at a rate of 30% (or a lower rate under an applicable income tax treaty) on dividend income received by the shareholder.

Shareholders should consult their tax advisers about the application of federal, state and local tax law in light of their particular situation.

#### PURCHASE, EXCHANGE AND SALE OF SHARES

**PURCHASES** - Class A shares are generally not available for retirement plans using the PlanPremier or Recordkeeper Direct recordkeeping programs.

Class R shares are generally only available to 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans, defined benefit plans, and non-qualified deferred compensation plans. Class R shares are also generally only available to retirement plans where plan level or omnibus accounts (i.e., no participant accounts) are held on the books of a fund. In addition, Class R-5 shares are generally only available to retirement plans with at least \$1 million or more in plan assets. This minimum does not apply to clients of the

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Personal Investment Management division of Capital Guardian Trust Company. Class R shares are not available to retail non-retirement accounts, traditional and Roth IRAs, Coverdell Education Savings Accounts, SEPs, SAR-SEPs, SIMPLE IRAs, individual 403(b) plans, and CollegeAmerica accounts.

Eligible retirement plans may generally open an account and purchase Class A and R shares by contacting any investment dealer (who may impose transaction charges in addition to those described in the fund's prospectus and statement of additional information) authorized to sell the fund's shares. Additional shares may be purchased through a plan's administrator or recordkeeper.

**THE FUND AND THE PRINCIPAL UNDERWRITER RESERVE THE RIGHT TO REJECT ANY PURCHASE ORDER.**

**EXCHANGES** - Shares of the fund generally may be exchanged into shares of the same class of other funds in The American Funds Group. Exchange purchases are subject to the minimum investment requirements of the fund purchased and no sales charge generally applies. However, exchanges of Class A shares from the money market funds purchased without a sales charge generally will be subject to

the appropriate sales charge, unless the money market fund shares were acquired by an exchange from a fund having a sales charge.

Shares may be exchanged into other American Funds by contacting your plan administrator or recordkeeper. Shares held in corporate-type retirement plans for which Capital Bank and Trust Company serves as trustee may not be exchanged by telephone, Internet, fax or telegraph. Exchange redemptions and purchases are processed simultaneously at the share prices next determined after the exchange order is received. EXCHANGE TRANSACTIONS HAVE THE SAME TAX CONSEQUENCES AS ORDINARY SALES AND PURCHASES.

SALES - Shares of the fund may be sold by contacting your plan administrator or recordkeeper. Shares are sold at the net asset value next determined after the request is received in good order by the Transfer Agent, dealer or any of their designees.

Redemption proceeds will not be mailed until sufficient time has passed to provide reasonable assurance that checks or drafts (including certified or cashier's checks) for shares purchased have cleared (which may take up to 15 calendar days from the purchase date). Except for delays relating to clearance of checks for share purchases or in extraordinary circumstances (and as permissible under the 1940 Act), sale proceeds will be paid on or before the seventh day following receipt and acceptance of an order. Interest will not accrue or be paid on amounts that represent uncashed distribution or redemption checks.

Proceeds from a redemption or a dividend or capital gain distribution may be reinvested without a sales charge in any fund in The American Funds Group within 90 days after the date of the redemption or distribution. Proceeds will be reinvested in the same share class from which the original redemption or distribution was made. Redemption proceeds of Class A shares representing direct purchases in the money market funds that are reinvested in non-money market funds will be subject to a sales charge. Proceeds will be reinvested at the next calculated net asset value after the request is received and accepted by the Transfer Agent.

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FUND NUMBERS - Here are the fund numbers for use when making share transactions:

<TABLE>  
<CAPTION>

FUND	FUND NUMBERS					
	CLASS A	CLASS R-1	CLASS R-2	CLASS R-3	CLASS R-4	CLASS R-5
<S>	<C>	<C>	<C>	<C>	<C>	<C>
STOCK AND STOCK/BOND FUNDS						
AMCAP Fund/(R)/ . . . . .	002	2102	2202	2302	2402	2502
American Balanced Fund/(R)/ . . . . .	011	2111	2211	2311	2411	2511
American Mutual Fund/(R)/ . . . . .	003	2103	2203	2303	2403	2503
Capital Income Builder/(R)/ . . . . .	012	2112	2212	2312	2412	2512
Capital World Growth and Income Fund/SM/ . . . . .	033	2133	2233	2333	2433	2533
EuroPacific Growth Fund/(R)/ . . . . .	016	2116	2216	2316	2416	2516
Fundamental Investors/SM/ . . . . .	010	2110	2210	2310	2410	2510
The Growth Fund of America/(R)/ . . . . .	005	2105	2205	2305	2405	2505
The Income Fund of America/(R)/ . . . . .	006	2106	2206	2306	2406	2506
The Investment Company of America/(R)/ . . . . .	004	2104	2204	2304	2404	2504
The New Economy Fund/(R)/ . . . . .	014	2114	2214	2314	2414	2514
New Perspective Fund/(R)/ . . . . .	007	2107	2207	2307	2407	2507
New World Fund/SM/ . . . . .	036	2136	2236	2336	2436	2536
SMALLCAP World Fund/(R)/ . . . . .	035	2135	2235	2335	2435	2535
Washington Mutual Investors Fund/SM/ . . . . .	001	2101	2201	2301	2401	2501
BOND FUNDS						
American High-Income Municipal Bond Fund/(R)/ . . . . .	040	N/A	N/A	N/A	N/A	2540
American High-Income Trust/SM/ . . . . .	021	2121	2221	2321	2421	2521
The Bond Fund of America/SM/ . . . . .	008	2108	2208	2308	2408	2508
Capital World Bond Fund/(R)/ . . . . .	031	2131	2231	2331	2431	2531
Intermediate Bond Fund of America/SM/ . . . . .	023	2123	2223	2323	2423	2523
Limited Term Tax-Exempt Bond Fund of America/SM/ . . . . .	043	N/A	N/A	N/A	N/A	2543
The Tax-Exempt Bond Fund of America/(R)/ . . . . .	019	N/A	N/A	N/A	N/A	2519
The Tax-Exempt Fund of California/(R)/ * . . . . .	020	N/A	N/A	N/A	N/A	2520
The Tax-Exempt Fund of Maryland/(R)/ * . . . . .	024	N/A	N/A	N/A	N/A	2524
The Tax-Exempt Fund of Virginia/(R)/ * . . . . .	025	N/A	N/A	N/A	N/A	2525
U.S. Government Securities Fund/SM/ . . . . .	022	2122	2222	2322	2422	2522
MONEY MARKET FUNDS						

The Cash Management Trust of America/(R)/ . . . . .	009	2109	2209	2309	2409	2509
The Tax-Exempt Money Fund of America/SM/ . . . . .	039	N/A	N/A	N/A	N/A	2539
The U.S. Treasury Money Fund of America/SM/ . . . . .	049	2149	2249	2349	2449	2549

\*Available only in certain states.  
</TABLE>

SALES CHARGES

CLASS A SALES CHARGES - The sales charges you pay when purchasing Class A shares of stock, stock/bond, and bond funds of The American Funds Group are set forth below. The money market funds of The American Funds Group are offered at net asset value. (See "Fund Numbers" above for a listing of the funds.)

<TABLE>  
<CAPTION>

AMOUNT OF PURCHASE AT THE OFFERING PRICE	SALES CHARGE AS PERCENTAGE OF THE:		DEALER COMMISSION AS PERCENTAGE OF THE
	NET AMOUNT -INVESTED-	OFFERING PRICE	OFFERING PRICE
-----	-----	-----	-----
<S>	<C>	<C>	<C>
STOCK AND STOCK/BOND FUNDS			
Less than \$25,000 . . . . .	6.10%	5.75%	5.00%
\$25,000 but less than \$50,000 . . . . .	5.26	5.00	4.25
\$50,000 but less than \$100,000. . . . .	4.71	4.50	3.75
BOND FUNDS			
Less than \$100,000 . . . . .	3.90	3.75	3.00
STOCK, STOCK/BOND, AND BOND FUNDS			
\$100,000 but less than \$250,000 . . . . .	3.63	3.50	2.75
\$250,000 but less than \$500,000 . . . . .	2.56	2.50	2.00
\$500,000 but less than \$750,000 . . . . .	2.04	2.00	1.60
\$750,000 but less than \$1 million . . . . .	1.52	1.50	1.20
\$1 million or more. . . . .	none	none	none
-----	-----	-----	-----

</TABLE>

CLASS A PURCHASES NOT SUBJECT TO SALES CHARGES - Investments of \$1 million or more are sold with no initial sales charge. Employer-sponsored defined contribution-type plans investing \$1 million or more, or with 100 or more eligible employees, and Individual Retirement Account rollovers from retirement plans with assets invested in the American Funds (see "Individual Retirement Account (IRA) Rollovers" below) may invest with no sales charge and are not subject to a CDSC.

403(b) plans may be treated as employer-sponsored plans for sales charge purposes if: (i) the American Funds are principal investment options; (ii) the employer facilitates the enrollment process by, for example, allowing for onsite group enrollment meetings held during working hours; and (iii) there is only one dealer firm assigned to the plans. 403(b) plans meeting these criteria may invest with no sales charge and are not subject to a CDSC if investing \$1 million or more or having 100 or more eligible employees.

Investments made through accounts that purchased Class A shares of the fund before March 15, 2001 and are part of certain qualified fee-based programs, and retirement plans, endowments or foundations with \$50 million or more in assets, may also be made with no sales charge and are not subject to a CDSC. A dealer concession of up to 1% may be paid by the fund under its Class A Plan of Distribution on investments made with no initial sales charge.

In addition, Class A shares of the stock, stock/bond and bond funds may be sold at net asset value to:

- (1) current or retired directors, trustees, officers and advisory board members of, and certain lawyers who provide services to, the funds managed by Capital

Research and Management Company, current or retired employees of Washington Management Corporation, current or retired employees and partners of The Capital Group Companies, Inc. and its affiliated companies, certain family members and employees of the above persons, and trusts or plans primarily for such persons;

(2) current registered representatives, retired registered representatives with respect to accounts established while active, or full-time employees (and their spouses, parents, and children) of dealers who have sales agreements with the Principal Underwriter (or who clear transactions through such dealers) and plans for such persons or the dealers;

(3) companies exchanging securities with the fund through a merger, acquisition or exchange offer;

(4) insurance company separate accounts;

(5) accounts managed by subsidiaries of The Capital Group Companies, Inc.;

(6) The Capital Group Companies, Inc., its affiliated companies and Washington Management Corporation;

(7) an individual or entity with a substantial business relationship with The Capital Group Companies, Inc. or its affiliates, as determined by a Vice President or more senior officer of the Capital Research and Management Company Fund Administration Unit; and

(8) wholesalers and full-time employees directly supporting wholesalers involved in the distribution of insurance company separate accounts whose underlying investments are managed by any affiliate of The Capital Group Companies, Inc.

Shares are offered at net asset value to these persons and organizations due to anticipated economies in sales effort and expense.

DEALER COMMISSIONS AND COMPENSATION - For Class A shares, commissions (up to 1%) are paid to dealers who initiate and are responsible for purchases of \$1 million or more, for purchases by any employer-sponsored defined contribution-type plan investing \$1 million or more or with 100 or more eligible employees, IRA rollover accounts of \$1 million or more (as described in "Individual Retirement Account (IRA) Rollovers" below), and for purchases made at net asset value by certain retirement plans, endowments and foundations with assets of \$50 million or more. Commissions on investments in Class A shares are paid at the following rates: 1.00% on amounts to \$4 million, 0.50% on amounts over \$4 million to \$10 million, and 0.25% on amounts over \$10 million. Commissions are based on cumulative investments and are not annually reset.

For Class R-1 shares, annual asset-based compensation of 1.00% is paid by the Principal Underwriter to dealers who sell Class R-1 shares.

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For Class R-2 shares, annual asset-based compensation of 0.75% is paid by the Principal Underwriter to dealers who sell Class R-2 shares.

For Class R-3 shares, annual asset-based compensation of 0.50% is paid by the Principal Underwriter to dealers who sell Class R-3 shares.

For Class R-4 shares, annual asset-based compensation of 0.25% is paid by the Principal Underwriter to dealers who sell Class R-4 shares.

No dealer compensation is paid on sales of Class R-5 shares. The fund has not adopted a plan for Class R-5 shares; accordingly no 12b-1 fee is paid from Class R-5 assets.

#### CLASS A SALES CHARGE REDUCTIONS

REDUCING YOUR CLASS A SALES CHARGE - You must let your investment dealer or American Funds Service Company (the "Transfer Agent") know at the time you purchase shares if you qualify for a reduction in your sales charge using one or any combination of the methods described below.

STATEMENT OF INTENTION - You may enter into a non-binding commitment to purchase shares of a fund(s) over a 13-month period and receive the same sales charge as if all shares had been purchased at once. This includes purchases made during the previous 90 days, but does not include future

appreciation of your investment or reinvested distributions. The reduced sales charges and offering prices set forth in the Prospectus apply to purchases of \$25,000 or more for equity funds and \$100,000 or more for bond funds made within a 13-month period subject to the following statement of intention (the "Statement"). The Statement is not a binding obligation to purchase the indicated amount.

When a shareholder elects to use a Statement in order to qualify for a reduced sales charge, shares equal to 5% of the dollar amount specified in the Statement will be held in escrow in the shareholder's account out of the initial purchase (or subsequent purchases, if necessary) by the Transfer Agent. All dividends and any capital gain distributions on shares held in escrow will be credited to the shareholder's account in shares (or paid in cash, if requested). If the intended investment is not completed within the specified 13-month period, the purchaser will remit to the Principal Underwriter the difference between the sales charge actually paid and the sales charge which would have been paid if the total of such purchases had been made at a single time. The dealer assigned to the account at the end of the period will receive an appropriate commission adjustment. If the difference is not paid by the close of the Statement period, the appropriate number of shares held in escrow will be redeemed to pay such difference. If the proceeds from this redemption are inadequate, the purchaser will be liable to the Principal Underwriter for the balance still outstanding.

The Statement may be revised upward at any time during the 13-month period, and such a revision will be treated as a new Statement, except that the 13-month period during which the purchase must be made will remain unchanged. Accordingly, upon your request, the sales charge paid on investments made 90 days prior to the Statement revision will be adjusted to reflect the revised Statement.

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Existing holdings eligible for rights of accumulation (see below) may be credited toward satisfying the Statement.

During the Statement period reinvested dividends and capital gain distributions, investments in money market funds, and investments made under a right of reinstatement will not be credited toward satisfying the Statement. The Statement will be considered completed if the shareholder dies within the 13-month Statement period. Commissions will not be adjusted or paid on the difference between the Statement amount and the amount actually invested before the shareholder's death.

When the trustees of certain retirement plans purchase shares by payroll deduction, the sales charge for the investments made during the 13-month period will be handled as follows: the total monthly investment will be multiplied by 13 and then multiplied by 1.5. The current value of existing American Funds investments (other than money market fund investments) and any rollovers or transfers reasonably anticipated to be invested in non-money market American Funds during the 13-month period are added to the figure determined above. The sum is the Statement amount and applicable breakpoint level. On the first investment and all other investments made pursuant to the Statement, a sales charge will be assessed according to the sales charge breakpoint thus determined. There will be no retroactive adjustments in sales charges on investments made during the 13-month period.

Shareholders purchasing shares at a reduced sales charge under a Statement indicate their acceptance of these terms with their first purchase.

AGGREGATION - Sales charge discounts are available for certain aggregated investments. Individual purchases by a trustee(s) or other fiduciary(ies) may be aggregated if the investments are:

- .for a fiduciary account, including employee benefit plans other than individual-type employee benefit plans, such as an IRA, 403(b) plan (except as described below), or single-participant Keogh-type plan;
- .made for two or more employee benefit plans of a single employer or of affiliated employers as defined in the 1940 Act, again excluding individual-type employee benefit plans described above; or
- .for participant accounts of a 403(b) plan that are treated as an employer-sponsored plan (see "Class A Purchases Not Subject to Sales Charges" above), or made for two or more 403(b) plans that are treated as employer-sponsored plans of a single employer or affiliated employers as defined in the 1940 Act.

Purchases made for nominee or street name accounts (securities held in the



name of an investment dealer or another nominee such as a bank trust department instead of the customer) may not be aggregated with those made for other accounts and may not be aggregated with other nominee or street name accounts unless otherwise qualified as described above.

CONCURRENT PURCHASES - You may combine purchases of all classes of shares of two or more funds in The American Funds Group. Shares of money market funds purchased

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through an exchange, reinvestment or cross-reinvestment from a fund having a sales charge also qualify. However, direct purchases of the money market funds are excluded.

RIGHTS OF ACCUMULATION - Subject to the limitations described under the aggregation policy, you may take into account the current value (or if greater, the amount you invested less any withdrawals) of your existing holdings in all share classes of The American Funds Group, as well as your holdings in Endowments (shares of which may be owned only by tax-exempt organizations), to determine your sales charge on investments in accounts eligible to be aggregated, or when making a gift to an individual or charity. When determining your sales charge, you may also take into account the value of your individual holdings, as of the end of the week prior to your investment, in various American Legacy variable annuities and variable life insurance policies. Direct purchases of the money market funds are excluded.

INDIVIDUAL RETIREMENT ACCOUNT (IRA) ROLLOVERS

Assets from a retirement plan (plan assets) may be invested in any class of shares of the American Funds through an IRA rollover plan. All such rollover investments will be subject to the terms and conditions for Class A, B, C and F shares contained in the fund's current prospectus and statement of additional information.

An IRA rollover involving plan assets that offered an investment option managed by any affiliate of The Capital Group Companies, Inc., including any of the American Funds, may be invested in: i) Class A shares at net asset value; ii) Class A shares subject to the applicable initial sales charge; iii) Class B shares; iv) Class C shares; or v) Class F shares. Plan assets invested in Class A shares with a sales charge, B, C or F shares are subject to the terms and conditions contained in the fund's current prospectus and statement of additional information. Advisers will be compensated according to the policies associated with each share class as described in the fund's current prospectus and statement of additional information.

Plan assets invested in Class A shares at net asset value will not be subject to a contingent deferred sales charge and will immediately begin to accrue service fees (i.e., shares do not have to age). Dealer commissions will be paid only on IRA rollovers of \$1 million or more according to the schedule applicable to Class A share investments of \$1 million or more (see "Dealer Commissions and Compensation" above).

IRA rollovers that do not indicate which share class plan assets should be invested in and which do not have an adviser associated with the account will be invested in Class F shares. Additional plan assets may be rolled into the account holding F shares; however, subsequent contributions will not be allowed to be invested in F shares.

PRICE OF SHARES

Shares are purchased at the offering price or sold at the net asset value price next determined after the purchase or sell order is received and accepted by the fund or the Transfer Agent; the offering or net asset value price is effective for orders received prior to the time of determination of the net asset value and, in the case of orders placed with dealers or their authorized designees, accepted by the Principal Underwriter, the Transfer Agent, a dealer or any of their designees. In the case of orders sent directly to the fund or the Transfer Agent, an investment

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dealer MUST be indicated. The dealer is responsible for promptly transmitting

purchase and sell orders to the Principal Underwriter.

Orders received by the investment dealer or authorized designee, the Transfer Agent, or the fund after the time of the determination of the net asset value will be entered at the next calculated offering price. Prices which appear in the newspaper do not always indicate prices at which you will be purchasing and redeeming shares of the fund, since such prices generally reflect the previous day's closing price whereas purchases and redemptions are made at the next calculated price. The price you pay for shares, the offering price, is based on the net asset value per share which is calculated once daily as of approximately 4:00 p.m. New York time, which is the normal close of trading on the New York Stock Exchange, each day the Exchange is open. If, for example, the Exchange closes at 1:00 p.m., the fund's share price would still be determined as of 4:00 p.m. New York time. The New York Stock Exchange is currently closed on weekends and on the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day.

All portfolio securities of funds managed by Capital Research and Management Company (other than money market funds) are valued, and the net asset value per share is determined as follows:

1. Equity securities, including depositary receipts, are valued at the last reported sale price on the exchange or market on which such securities are traded, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price. In cases where equity securities are traded on more than one exchange, the securities are valued on the exchange or market determined by the Investment Adviser to be the broadest and most representative market, which may be either a securities exchange or the over-the-counter market. Fixed-income securities are valued at prices obtained from a pricing service, when such prices are available; however, in circumstances where the Investment Adviser deems it appropriate to do so, such securities will be valued at the mean quoted bid and asked prices or at prices for securities of comparable maturity, quality and type.

Short-term securities maturing within 60 days are valued at amortized cost which approximates market value.

Assets or liabilities initially expressed in terms of non-U.S. currencies are translated prior to the next determination of the net asset value of the fund's shares into U.S. dollars at the prevailing market rates.

Securities and assets for which representative market quotations are not readily available are valued at fair value as determined in good faith under procedures adopted by authority of the fund's Board. The fair value of all other assets is added to the value of securities to arrive at the total assets;

2. Liabilities, including accruals of taxes and other expense items, are deducted from total assets; and

3. Net assets so obtained are then divided by the total number of shares outstanding, and the result, rounded to the nearer cent, is the net asset value per share.

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Any purchase order may be rejected by the Principal Underwriter or by the fund. The Principal Underwriter will not knowingly sell shares of the fund directly or indirectly to any person or entity, where, after the sale, such person or entity would own beneficially directly or indirectly more than 3.0% of the outstanding shares of the fund without the consent of a majority of the fund's Board of Directors.

#### SHAREHOLDER ACCOUNT SERVICES AND PRIVILEGES

ACCOUNT STATEMENTS - Your account is opened in accordance with your registration instructions. Transactions in the account, such as additional investments, will be reflected on regular confirmation statements from the Transfer Agent. Dividend and capital gain reinvestments, and purchases through certain retirement plans, will be confirmed at least quarterly.

REDEMPTION OF SHARES - The fund's Articles of Incorporation permit the fund to direct the Transfer Agent to redeem the shares of any shareholder for their then

current net asset value per share if at such time the shareholder of record owns shares having an aggregate net asset value of less than the minimum initial investment amount required of new shareholders as set forth in the fund's current registration statement under the 1940 Act, and subject to such further terms and conditions as the Board of Directors of the fund may from time to time adopt.

SHARE CERTIFICATES - Shares are credited to your account and certificates are not issued unless you request them by writing to the Transfer Agent. Certificates are not available for the R share classes.

#### EXECUTION OF PORTFOLIO TRANSACTIONS

The Investment Adviser places orders for the fund's portfolio securities transactions. The Investment Adviser strives to obtain the best available prices in its portfolio transactions taking into account the costs and quality of executions. When, in the opinion of the Investment Adviser, two or more brokers (either directly or through their correspondent clearing agents) are in a position to obtain the best price and execution, preference may be given to brokers who have sold shares of the fund or who have provided investment research, statistical, or other related services to the Investment Adviser. The fund does not consider that it has an obligation to obtain the lowest available commission rate to the exclusion of price, service and qualitative considerations.

There are occasions on which portfolio transactions for the fund may be executed as part of concurrent authorizations to purchase or sell the same security for other funds served by the Investment Adviser, or for trusts or other accounts served by affiliated companies of the Investment Adviser. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to the fund, they are effected only when the Investment Adviser believes that to do so is in the interest of the fund. When such concurrent authorizations occur, the objective is to allocate the executions in an equitable manner. The fund will not pay a mark-up for research in principal transactions.

The fund is required to disclose information regarding investments in the securities of broker-dealers (or parent companies of broker-dealers that derive more than 15% of their revenue from broker-dealer activities) which have certain relationships with the fund. During the last fiscal year, Credit Suisse Group, J.P. Morgan Chase & Co., Deutsche Bank and CitiGroup Inc., as a parent, were among the top 10 dealers that acted as principals in portfolio transactions.

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J.P. Morgan Chase & Co. and CitiGroup Inc., as a parent, were among the top 10 dealers that received the largest amount of brokerage commissions. The fund held equity securities of Credit Suisse Group in the amount of \$66,121,000, CitiGroup Inc. in the amount of \$103,275,000, J.P. Morgan Chase & Co. in the amount of \$85,375,000 and debt securities of J.P. Morgan Chase & Co. in the amount of \$35,496,000 and Deutsche Bank in the amount of \$49,926,000.

Brokerage commissions paid on portfolio transactions, including dealer concessions on underwritings, if applicable, for the fiscal years ended 2001, 2000 and 1999, amounted to \$30,309,000, \$36,012,000 and \$17,822,000, respectively.

#### GENERAL INFORMATION

CUSTODIAN OF ASSETS - Securities and cash owned by the fund, including proceeds from the sale of shares of the fund and of securities in the fund's portfolio, are held by JPMorgan Chase Bank, 270 Park Avenue, New York, NY 10017-2070, as Custodian. If the fund holds non-U.S. securities, the Custodian may hold these securities pursuant to sub-custodial arrangements in non-U.S. banks or non-U.S. branches of U.S. banks.

TRANSFER AGENT - American Funds Service Company, a wholly owned subsidiary of the Investment Adviser, maintains the records of each shareholder's account, processes purchases and redemptions of the fund's shares, acts as dividend and capital gain distribution disbursing agent, and performs other related shareholder service functions. American Funds Service Company was paid a fee of \$30,374,000 for Class A shares for the 2001 fiscal year.

INDEPENDENT ACCOUNTANTS - PricewaterhouseCoopers LLP, 350 South Grand Avenue, Los Angeles, CA 90071, serves as the fund's independent accountants providing audit services, preparation of tax returns and review of certain documents to be filed with the Securities and Exchange Commission. The financial statements included in this Statement of Additional Information from the Annual Report have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in accounting and auditing. The selection of the fund's independent accountants is reviewed and determined annually by the Board of Directors.

PROSPECTUSES, REPORTS TO SHAREHOLDERS AND PROXY STATEMENTS - The fund's fiscal year ends on September 30. Shareholders are provided updated prospectuses annually and at least semiannually with reports showing the investment portfolio, financial statements and other information. The fund's annual financial statements are audited by the fund's independent accountants, PricewaterhouseCoopers LLP. In addition, shareholders may also receive proxy statements for the fund. In an effort to reduce the volume of mail shareholders receive from the fund when a household owns more than one account, the Transfer Agent has taken steps to eliminate duplicate mailings of prospectuses, shareholder reports and proxy statements. To receive additional copies of a prospectus, report or proxy statement, shareholders should contact the Transfer Agent.

PERSONAL INVESTING POLICY - The fund, Capital Research and Management Company and its affiliated companies, including the fund's principal underwriter, have adopted codes of ethics which allow for personal investments, including securities in which the fund may invest from time to time. This policy includes: a ban on acquisitions of securities pursuant to an initial public offering; restrictions on acquisitions of private placement securities; pre-clearance and reporting requirements; review of duplicate confirmation statements; annual recertification of compliance with codes of ethics; blackout periods on personal investing for certain investment personnel;

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ban on short-term trading profits for investment personnel; limitations on service as a director of publicly traded companies; and disclosure of personal securities transactions.

OTHER INFORMATION - The financial statements including the investment portfolio and the report of Independent Accountants contained in the Annual Report are included in this Statement of Additional Information. The following information is not included in the Annual Report:

DETERMINATION OF NET ASSET VALUE, REDEMPTION PRICE AND  
MAXIMUM OFFERING PRICE PER SHARE FOR CLASS A SHARES -- SEPTEMBER 30, 2001

<TABLE>	
<CAPTION>	
<S>	<C>
Net asset value and redemption price per share	
(Net assets divided by shares outstanding) . . . . .	\$19.74
Maximum offering price per share	
(100/94.25 of net asset value per share, which takes into account the fund's current maximum sales charge) . . . . .	\$20.94
</TABLE>	

CLASS A SHARE INVESTMENT RESULTS AND RELATED STATISTICS

The fund's yield was 1.06% based on a 30-day (or one month) period ended September 30, 2001, computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period, according to the following formula as required by the Securities and Exchange Commission:

$$YIELD = 2[(a-b)/cd + 1]/6 - 1]$$

- Where: a = dividends and interest earned during the period.  
 b = expenses accrued for the period (net of reimbursements).  
 c = the average daily number of shares outstanding during the period that were entitled to receive dividends.

d = the maximum offering price per share on the last day of the period.

The fund's one-year total return and five- and ten-year average annual total returns at the maximum offering price for the periods ended September 30, 2001 were -25.99%, 9.91% and 11.72%, respectively. The fund's one-year total return and five- and ten-year average annual total returns at net asset value for the periods ended September 30, 2001 were -21.47%, 11.21% and 12.39%, respectively.

The average total return ("T") is computed by equating the value at the end of the period ("ERV") with a hypothetical initial investment of \$1,000 ("P") over a period of years ("n") according to the following formula as required by the Securities and Exchange Commission:  $P(1+T)/n = ERV$ .

In calculating average annual total return at the maximum offering price, the fund assumes: (1) deduction of the maximum sales load of 5.75% from the \$1,000 initial investment; (2) reinvestment of dividends and distributions at net asset value on the reinvestment date determined by the Board; and (3) a complete redemption at the end of any period illustrated. In

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addition, the fund will provide lifetime average total return figures. From time to time, the fund may calculate investment results for Class B, C, F, 529 and R shares.

The fund may also, at times, calculate total return based on net asset value per share (rather than the offering price), in which case the figure would not reflect the effect of any sales charges which would have been paid if shares were purchased during the period reflected in the computation. Consequently, total return calculated in this manner will be higher. These total returns may be calculated over periods in addition to those described above. Total return for the unmanaged indices will be calculated assuming reinvestment of dividends and interest, but will not reflect any deductions for advisory fees, brokerage costs or administrative expenses.

The fund may include information on its investment results and/or comparisons of its investment results to various unmanaged indices (such as the Dow Jones Average of 30 Industrial Stocks and the Standard and Poor's 500 Composite Stock Index) or results of other mutual funds or investment or savings vehicles in advertisements or in reports furnished to present or prospective shareholders. The fund may also, from time to time, combine its results with those of other funds in The American Funds Group for purposes of illustrating investment strategies involving multiple funds.

The fund may refer to results and surveys compiled by organizations such as CDA/Wiesenberg, Ibbotson Associates, Lipper Analytical Services, Morningstar, Inc., and by the U.S. Department of Commerce. Additionally, the fund may refer to results published in various newspapers and periodicals, including Barron's,

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Forbes, Fortune, Institutional Investor, Kiplinger's Personal Finance Magazine,  
-----  
Money, U.S. News and World Report and The Wall Street Journal.  
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The fund may illustrate the benefits of tax-deferral by comparing taxable investments to investments made through tax-deferred retirement plans.

The fund may compare its investment results with the Consumer Price Index, which is a measure of the average change in prices over time in a fixed market basket of goods and services (e.g. food, clothing, fuels, transportation, and other goods and services that people buy for day-to-day living).

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APPENDIX  
Description of Bond Ratings

BOND RATINGS - The ratings of Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Corporation ("Standard & Poor's") are based on the analysis

and represents a judgment expressed in shorthand terms of the strengths and weaknesses of the bonds which they undertake to rate. It should be emphasized, however, that ratings are general and are not absolute standards of quality.

Moody's rates the long-term debt securities issued by various entities from

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"Aaa" to "C." Moody's applies the numerical modifiers 1, 2, and 3 in each generic rating classification from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category. Ratings are described as follows:

"Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as 'gilt edge.' Interest payments are protected by a large or by an exceptionally stable margin, and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues."

"Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group, they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities, or fluctuation of protective elements may be of greater amplitude, or there may be other elements present which make the long-term risks appear somewhat larger than the Aaa securities."

"Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future."

"Bonds which are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and, in fact, have speculative characteristics as well."

"Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class."

"Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small."

"Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest."

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"Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings."

"Bonds which are rated C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing."

Standard & Poor's rates the long-term debt securities of various entities in

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categories ranging from "AAA" to "D" according to quality. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. Ratings are described as follows:

AAA

"An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong."

AA

"An obligation rated 'AA' differs from the highest rated obligations only in a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong."

A

"An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong."

BBB

"An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. Obligations rated 'BB', 'B', 'CCC', 'CC' and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions."

BB

"An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation."

B

"An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB' but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation."

CCC

"An obligation rated 'CCC' is currently vulnerable to nonpayment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial or economic

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conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation."

CC

"An obligation rated 'CC' is currently highly vulnerable to nonpayment."

C

"A subordinated debt or preferred stock obligation rated 'C' is CURRENTLY HIGHLY VULNERABLE to nonpayment. The 'C' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action taken but payments on this obligation are being continued. A 'C' also will be assigned to a preferred stock issue in arrears on dividends or sinking fund payments but that is currently paying."

D

"An obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized."

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<table>

New Perspective Fund, Inc.

Investment Portfolio, September 30, 2001

11.83% Pharmaceuticals  
5.85% Media  
5.68% Oil & Gas  
5.29% Banks  
4.57% Metals & Mining  
56.23% Other Industries  
0.33% Bonds & Notes  
10.22% Cash and Equivalents

	Shares	Market Value (Millions)	Percent of Net Assets
Equity Securities			
PHARMACEUTICALS - 11.83%			
AstraZeneca PLC (United Kingdom)	18,745,694	\$858.346	
AstraZeneca PLC (ADR)	555,000	25.918	3.44%
Pfizer Inc (USA)	15,440,000	619.144	2.41
Shionogi & Co., Ltd. (Japan)	16,941,000	318.541	1.24
Elan Corp., PLC (ADR) (Ireland) (1)	5,242,200	253.985	.99
Pharmacia Corp. (USA)	5,300,000	214.968	.84
Bristol-Myers Squibb Co. (USA)	2,617,000	145.401	.57
Teva Pharmaceutical Industries Ltd. (ADR) (Israel)	2,000,000	120.900	.47
Chugai Pharmaceutical Co., Ltd. (Japan)	7,600,000	118.214	.46
Merck & Co., Inc. (USA)	1,600,000	106.560	.41
Johnson & Johnson (USA)	1,100,000	60.940	.24
H. Lundbeck A/S (Denmark) (1)	2,265,465	52.720	.21
Aventis (France)	670,000	50.827	.20
Novartis AG (Switzerland)	1,000,000	39.074	.15
Schering-Plough Corp. (USA)	700,000	25.970	.10
Sanofi-Synthelabo (France)	390,000	25.395	.10
MEDIA - 5.85%			
Viacom Inc., Class B (USA) (1)	9,233,825	318.567	
Viacom Inc., Class A (1)	1,500,000	52.425	1.44
AOL Time Warner Inc. (1)	9,600,000	317.760	1.24
Clear Channel Communications, Inc. (USA) (1)	5,307,300	210.965	.82
News Corp. Ltd. (ADR) (Australia)	4,601,600	110.899	
News Corp. Ltd., preferred (ADR)	1,849,600	39.378	
News Corp. Ltd.	3,969,865	24.244	
News Corp. Ltd., preferred	1,222,196	6.561	.70
Vivendi Universal (France)	2,320,000	107.437	
Vivendi Universal (ADR)	452,000	20.950	.50
Interpublic Group of Companies, Inc. (USA)	3,300,000	67.320	.26
Independent News & Media PLC (Ireland)	26,453,850	39.510	.15
Grupo Televisa, SA, ordinary participation certificates (ADR) (Mexico) (1)	1,316,400	37.781	.15
WPP Group PLC (United Kingdom)	5,150,000	37.489	.15
Dow Jones & Co., Inc. (USA)	600,000	27.258	.11
Walt Disney Co. (USA)	1,290,600	24.031	.09
Lagarde Groupe SCA (France)	700,000	22.057	.09
Granada PLC (United Kingdom)	12,150,000	16.617	.07
NTL Inc. (USA) (1)	4,500,000	13.950	.05
TMP Worldwide Inc. (USA) (1)	240,000	6.814	.03
OIL & GAS - 5.68%			
ENI SpA (Italy)	21,550,000	266.555	1.04
Texaco Inc. (USA)	3,520,000	228.800	.89
Royal Dutch Petroleum Co. (New York registered) (Netherlands)	2,452,000	123.213	
"Shell" Transport and Trading Co., PLC (United Kingdom)	14,000,000	105.001	.89
Petroleo Brasileiro SA - Petrobras (ADR) (Brazil)	5,655,000	111.686	
Petroleo Brasileiro SA - Petrobras, preferred nominative (ADR)	4,139,500	79.478	.74
TOTAL FINA ELF SA, Class B (ADR) (France)	1,600,000	108.080	
TOTAL FINA ELF SA, Class B	515,688	69.271	.69
Chevron Corp. (USA)	1,800,000	152.550	.59
Imperial Oil Ltd. (Canada)	3,000,000	81.630	.32
Unocal Corp. (USA)	1,500,000	48.750	.19
Phillips Petroleum Co. (USA)	600,000	32.364	.13
Talisman Energy Inc. (Canada)	800,000	27.361	.11
LUKOIL (ADR) (Russia)	630,000	23.562	.09
BANKS - 5.29%			
Bank of America Corp. (USA)	5,000,000	292.000	1.14
Royal Bank of Canada (Canada)	8,634,000	263.302	1.03
Bank of Nova Scotia (Canada)	7,719,000	226.745	.88



Sumitomo Mitsui Banking Corp. Inc. (formerly Sumitomo Bank, Ltd. And Sakura Bank, Ltd) (Japan)	15,706,000	112.591	.44
Westpac Banking Corp. (Australia)	16,049,832	105.051	.41
ABN AMRO Holding NV (Netherlands)	6,080,376	100.282	.39
Bank of Montreal (Canada)	3,207,960	79.828	.31
Credit Suisse Group (Switzerland) (1)	1,895,859	66.121	.26
Australia and New Zealand Banking Group Ltd. (Australia)	6,843,541	53.860	.21
Toronto-Dominion Bank (Canada)	1,223,700	30.095	.12
HSEC Holdings PLC (United Kingdom)	2,450,000	25.833	.10
<b>METALS &amp; MINING - 4.57%</b>			
Alcoa Inc. (USA)	6,800,000	210.868	.82
Newmont Mining Corp. (USA)	8,700,000	205.320	.80
Barrick Gold Corp. (Canada)	10,500,000	182.175	.71
Anglo American PLC (United Kingdom)	10,500,000	125.114	
Anglo American PLC (ADR)	2,500,000	29.800	.60
Placer Dome Inc. (Canada)	9,000,000	115.110	.45
Pohang Iron & Steel Co., Ltd. (South Korea)	1,450,000	90.081	.35
BHP Billiton Ltd. (formerly and BHP Ltd.) (Australia)	11,133,362	47.046	
BHP Billiton PLC (formerly Billiton PLC) (United Kingdom)	10,372,416	42.672	.35
Homestake Mining Co. (USA)	7,000,000	65.100	.25
WMC Ltd. (Australia)	9,644,700	37.525	.15
Gold Fields Ltd. (South Africa)	5,191,105	23.469	.09
Usinor (France)	100,000	.801	.00
Cia. Vale do Rio Doce, preferred nominative, Class B (Brazil) (1) (2)	38,400	.000	.00
<b>INSURANCE - 4.32%</b>			
American International Group, Inc. (USA)	4,734,569	369.296	1.44
Allianz AG (Germany)	792,000	179.597	.70
Munchener Ruckversicherungs-Gesellschaft (Germany)	475,000	123.286	.48
AEGON NV (Netherlands)	3,523,499	92.158	.36
Manulife Financial Corp. (Canada)	2,400,000	62.854	.24
Berkshire Hathaway Inc., Class A (USA) (1)	860	60.200	.23
Fairfax Financial Holdings Ltd. (Canada) (1)	352,800	45.206	
Fairfax Financial Holdings Ltd. (1) (3)	93,000	11.916	.22
Yasuda Fire and Marine Insurance Co., Ltd. (Japan)	7,000,000	47.007	.18
QBE Insurance Group Ltd. (Australia)	15,131,838	42.851	.17
Royal & Sun Alliance Insurance Group PLC (United Kingdom)	6,700,000	33.550	.13
Assicurazioni Generali SpA (Italy)	1,200,000	32.151	.13
Zurich Financial Services (Switzerland)	50,000	10.201	.04
<b>SEMICONDUCTOR EQUIPMENT &amp; PRODUCTS - 4.29%</b>			
Taiwan Semiconductor Manufacturing Co. Ltd. (Taiwan) (1)	201,329,440	272.841	1.06
Samsung Electronics Co., Ltd. (South Korea)	1,617,820	174.361	.68
Texas Instruments Inc. (USA)	4,400,000	109.912	.43
Micron Technology, Inc. (USA) (1)	4,000,000	75.320	.29
Linear Technology Corp. (USA)	2,237,100	73.377	.29
Agere Systems Inc. (USA) (1)	16,855,584	69.614	.27
Advanced Micro Devices, Inc. (USA) (1)	7,478,600	60.951	.24
ASML Holding NV (formerly ASM Lithography Holding NV) (New York registered) (Netherlands) (1)	2,675,000	29.987	
ASML Holding NV (1)	2,200,000	24.483	.21
Tokyo Electron Ltd. (Japan)	1,489,100	52.249	.20
Xilinx, Inc. (USA) (1)	1,802,800	42.420	.17
Altera Corp. (USA) (1)	2,420,900	39.654	.16
Rohm Co., Ltd. (Japan)	400,000	38.949	.15
AIXTRON AG (Germany)	1,296,000	21.481	.08
Applied Materials, Inc. (USA) (1)	550,000	15.642	.06
<b>FOOD PRODUCTS - 4.14%</b>			
Nestle SA (Switzerland)	1,570,000	334.352	1.30
Groupe Danone (France)	1,756,898	228.801	.89
Unilever PLC (United Kingdom)	14,215,526	107.976	.42
Archer Daniels Midland Co. (USA)	8,020,687	100.980	.39
Unilever NV (Netherlands)	1,250,000	67.619	
Unilever NV (New York Registered)	400,000	21.608	.35
Sara Lee Corp. (USA)	3,315,300	70.616	.27
Kraft Foods Inc. (USA)	2,000,000	68.740	.27
Orkla AS, Class A (Norway)	4,100,000	65.155	.25
<b>DIVERSIFIED TELECOMMUNICATION SERVICES - 3.26%</b>			
AT&T Corp. (USA)	17,700,000	341.610	1.33
SBC Communications Inc. (USA)	2,900,000	136.648	.53

WorldCom, Inc. - WorldCom Group (USA) (1)	5,100,000	76.704	
WorldCom, Inc. - MCI Group	44,000	.670	.30
Telefonos de Mexico, SA de CV, Class L (ADR) (Mexico)	2,200,000	71.038	.28
TDC A/S (formerly Tele Danmark AS, Class B) (ADR) (Denmark)	2,094,100	36.479	
TDC A/S (formerly Tele Danmark AS)	900,000	31.526	.26
Swisscom AG (Switzerland)	130,395	36.704	.14
Sprint FON Group (USA)	1,500,000	36.015	.14
Deutsche Telekom AG (Germany)	1,800,000	28.015	.11
Korea Telecom Corp. (South Korea)	711,000	24.302	.09
Telecom Italia SpA, nonvoting savings shares, nonconvertible (Italy)	3,492,100	14.922	.06
Williams Communications Group, Inc., Class A (USA) (1)	4,995,251	5.894	.02
<b>PAPER &amp; FOREST PRODUCTS - 3.16%</b>			
International Paper Co. (USA)	8,900,000	309.720	1.21
Georgia-Pacific Corp., Georgia-Pacific Group (USA)	5,100,000	146.829	.57
Stora Enso Oyj, Class R (Finland)	10,000,000	111.561	.43
UPM-Kymmene Corp. (Finland)	3,153,000	89.876	.35
Abitibi-Consolidated Inc. (Canada)	9,061,755	57.335	.22
Weyerhaeuser Co. (USA)	1,100,000	53.581	.21
Rayonier Inc. (USA)	700,000	28.329	.11
Louisiana-Pacific Corp. (USA)	2,550,000	16.575	.06
<b>TOBACCO - 3.07%</b>			
Philip Morris Companies Inc. (USA)	15,950,000	770.226	3.00
Gallaher Group PLC (United Kingdom)	2,905,100	19.140	.07
<b>BEVERAGES - 2.77%</b>			
Coca-Cola Co. (USA)	6,300,000	295.155	1.15
Coca-Cola Enterprises Inc. (USA)	8,950,000	137.293	.53
PepsiCo, Inc. (USA)	2,250,000	109.125	.42
Cia. de Bebidas das Americas - AmBev, preferred nominative ADR (Brazil)	4,250,000	68.043	.26
Heineken NV (Netherlands)	1,700,000	64.436	.25
Anheuser-Busch Companies, Inc. (USA)	980,000	41.042	.16
<b>WIRELESS TELECOMMUNICATION SERVICES - 2.74%</b>			
Vodafone Group PLC (United Kingdom)	138,120,686	304.680	1.19
NTT DoCoMo, Inc. (Japan) (3)	6,699	90.535	
NTT DocoMo, Inc.	4,444	60.059	.59
America Movil SA de CV, Series L (ADR) (Mexico)	8,499,060	126.041	.49
KDDI Corp. (formerly DDI Corp.) (Japan)	33,400	91.399	.36
Bouygues SA (France)	1,000,000	25.809	.10
Nextel Communications, Inc., Series D, 13.00% exchangeable preferred 2009 (USA) (4)	10,660	3.358	.01
<b>HOTELS, RESTAURANTS &amp; LEISURE - 2.71%</b>			
Starbucks Corp. (USA) (1)	13,300,000	198.702	.77
McDonald's Corp. (USA)	6,230,000	169.082	.66
Carnival Corp. (USA)	7,273,900	160.171	.62
MGM Mirage, Inc. (USA) (1)	3,800,000	85.424	.33
Compass Group PLC (United Kingdom)	12,150,000	84.783	.33
<b>COMMUNICATIONS EQUIPMENT - 2.47%</b>			
Nokia Corp., Class A (Finland)	7,870,000	128.651	
Nokia Corp., Class A (ADR)	6,750,000	105.638	.91
Telefonaktiebolaget LM Ericsson, Class B (Sweden)	51,188,100	184.848	
Telefonaktiebolaget LM Ericsson, Class B (ADR)	12,400,000	43.276	.89
Crown Castle International Corp. (USA) (1)	5,490,036	49.410	
Crown Castle International Corp. 6.25% convertible preferred 2012 (1)	755,900	18.520	.26
Cisco Systems, Inc. (USA) (1)	4,620,000	56.272	.22
Motorola, Inc. (USA)	2,500,000	39.000	.15
Lucent Technologies Inc. (USA) (1)	1,700,000	9.741	.04
<b>DIVERSIFIED FINANCIALS - 2.39%</b>			
ING Groep NV (Netherlands)	12,811,170	343.364	
ING Groep NV, Class B, warrants, expire 2008 (1)	1,265,000	23.190	1.43
Citigroup Inc. (USA)	2,550,000	103.275	.40
J.P. Morgan Chase & Co. (USA)	2,500,000	85.375	.33
Investor AB, Class B (Sweden)	5,900,000	55.748	.22
OM AB (formerly OM Gruppen AB) (Sweden)	256,700	1.813	.01

HOUSEHOLD DURABLES - 1.75%			
Nintendo Co., Ltd. (Japan)	1,521,200	218.482	.85
Koninklijke Philips Electronics NV (Netherlands)	6,100,727	118.341	.46
Sony Corp. (Japan)	3,064,800	112.939	.44
CHEMICALS - 1.66%			
Dow Chemical Co. (USA)	7,810,000	255.856	1.00
Valspar Corp. (USA)	1,512,200	50.568	.20
Rohm and Haas Co. (USA)	1,383,600	45.327	.18
Methanex Corp. (Canada) (1)	7,250,000	35.219	.14
L'Air Liquide (France)	249,010	34.923	.14
INDUSTRIAL CONGLOMERATES - 1.57%			
Norsk Hydro AS (Norway)	3,600,000	132.068	.51
Siemens AG (Germany)	3,445,000	129.887	.51
Tyco International Ltd. (USA)	1,500,000	68.250	.27
Smiths Group PLC (United Kingdom)	3,905,921	37.796	.15
General Electric Co. (USA)	900,000	33.480	.13
COMPUTERS & PERIPHERALS - 1.54%			
Dell Computer Corp. (USA) (1)	5,927,200	109.831	.43
International Business Machines Corp. (USA)	1,150,000	106.145	.41
Sun Microsystems, Inc. (USA) (1)	10,000,000	82.700	.32
Compaq Computer Corp. (USA)	7,575,000	62.948	.25
Hewlett-Packard Co. (USA)	2,118,600	34.109	.13
ELECTRONIC EQUIPMENT & INSTRUMENTS - 1.48%			
EPCOS AG (Germany)	3,087,000	101.208	.39
Hon Hai Precision Industry Co., Ltd. (Taiwan)	26,625,600	84.219	.33
Hitachi, Ltd. (Japan)	11,500,000	76.551	.30
Samsung Electro-Mechanics Co., Ltd. (South Korea)	1,988,760	38.045	.15
Hoya Corp. (Japan)	700,000	36.431	.14
Agilent Technologies, Inc. (USA) (1)	1,200,000	23.460	.09
Murata Manufacturing Co., Ltd. (Japan)	264,000	15.136	.06
Hirose Electric Co., Ltd. (Japan)	98,900	6.226	.02
ENERGY EQUIPMENT & SERVICES - 1.12%			
Baker Hughes Inc. (USA)	6,900,000	199.755	.78
Halliburton Co. (USA)	2,500,000	56.375	.22
Schlumberger Ltd. (USA)	660,000	30.162	.12
COMMERCIAL SERVICES & SUPPLIES - 1.07%			
Cendant Corp. (USA) (1)	13,452,900	172.197	.67
Rentokil Initial PLC (United Kingdom)	10,000,000	36.177	.14
Pitney Bowes Inc. (USA)	800,000	30.560	.12
Chubb PLC (United Kingdom)	8,803,123	20.519	.08
Adecco SA (Switzerland)	450,000	15.306	.06
MACHINERY - 0.96%			
Mitsubishi Heavy Industries, Ltd. (Japan)	39,600,000	137.285	.53
Deere & Co. (USA)	1,300,000	48.893	.19
Dover Corp. (USA)	1,050,000	31.615	.12
Parker Hannifin Corp. (USA)	900,000	30.870	.12
SOFTWARE - 0.94%			
Microsoft Corp. (USA) (1)	3,200,000	163.744	.64
Cadence Design Systems, Inc. (USA) (1)	4,673,600	77.815	.30
Oracle Corp. (USA) (1)	64,300	.809	.00
AUTOMOBILES - 0.94%			
Suzuki Motor Corp. (Japan)	9,052,000	87.762	.34
Honda Motor Co., Ltd. (Japan)	2,600,000	84.462	.33
Renault SA (France)	1,500,000	43.714	.17
General Motors Corp. (USA)	600,000	25.740	.10
AEROSPACE & DEFENSE - 0.78%			
Lockheed Martin Corp. (USA)	1,900,000	83.125	.32
Bombardier Inc., Class B (Canada)	7,200,000	52.898	.21
Honeywell International Inc. (USA)	1,600,000	42.240	.16
Rockwell Collins, Inc. (USA)	1,000,000	14.200	.06
BAE SYSTEMS PLC (United Kingdom)	1,642,948	7.997	.03

CONTAINERS & PACKAGING - 0.70%			
Smurfit Group (Ireland)	54,400,000	93.139	.36
Smurfit-Stone Container Corp. (USA) (1)	6,455,700	85.409	.34
MULTI-UTILITIES - 0.65%			
Williams Companies, Inc. (USA)	6,074,000	165.820	.65
MULTILINE RETAIL - 0.60%			
Wal-Mart Stores, Inc. (USA)	1,350,000	66.825	.26
Kingfisher PLC (United Kingdom)	12,438,903	56.707	.22
Wal-Mart de Mexico, SA de CV, Class V (Mexico)	10,995,004	23.027	
Wal-Mart de Mexico, SA de CV, Class C	3,624,400	6.885	.12
AIR FREIGHT & COURIERS - 0.57%			
United Parcel Service, Inc., Class B (USA)	2,204,400	114.585	.45
TPG NV (formerly TNT Post Groep NV) (Netherlands)	1,652,573	31.590	.12
OTHER INDUSTRIES - 3.29%			
Koninklijke Ahold NV (Netherlands)	3,118,477	86.620	.34
Kimberly-Clark Corp. (USA)	1,380,000	85.560	.33
Japan Airlines Co., Ltd. (Japan)	32,590,000	76.599	.30
Avon Products, Inc. (USA)	1,650,000	76.312	.30
Amdocs Ltd. (USA) (1)	2,600,000	69.290	.27
Canon Inc. (Japan)	2,130,000	58.466	.23
Asahi Glass Co., Ltd. (Japan)	10,114,000	54.081	.21
Quintiles Transnational Corp. (USA) (1)	3,701,000	54.035	.21
Luxottica Group SpA (ADR) (Italy)	3,741,000	52.337	.20
Canadian Pacific Ltd. (Canada)	1,600,000	51.344	.20
Nitto Denko Corp. (Japan)	2,915,000	43.555	.17
Medtronic, Inc. (USA)	900,000	39.150	.15
Xerox Corp. (USA)	5,000,000	38.750	.15
Yahoo! Inc. (USA) (1)	4,355,000	38.368	.15
Genentech, Inc. (USA) (1)	816,800	35.939	.14
Scottish Power PLC (United Kingdom)	5,157,902	31.023	.12
Gap, Inc. (USA)	2,000,000	23.900	.09
Nippon Sheet Glass Co., Ltd. (Japan)	5,882,000	22.120	.09
AMR Corp. (USA) (1)	1,100,000	21.054	.08
Mirant Corp. (USA) (1)	800,000	17.520	.07
Rockwell Automation (formerly Rockwell International Corp.) (USA)	1,000,000	14.680	.06
Ushio Inc. (Japan)	1,092,000	14.015	.05
National Grid Group PLC (United Kingdom)	1,335,100	8.443	.03
Zimmer Holdings Inc. (USA) (1)	135,000	3.746	.02
Marubeni Corp. (Japan) (1)	600	.001	.00
TI Automotive Ltd. (United Kingdom) (1) (2)	4,578,091	.000	.00
MISCELLANEOUS - 0.62%			
Other equity securities in initial period of acquisition		159.180	.62
TOTAL EQUITY SECURITIES (cost: \$22,110.871 million)		22,976.764	89.45
Fixed Income Securities			
Principal Amount (Millions)			
FHLB BONDS AND NOTES - 0.19%			
Federal Home Loan Bank Bonds, 6.085% 2001	\$ 50.000	50.352	.19
MEDIA - 0.11%			
Charter Communications Holdings, LLC 0%/13.50% 2011 (5)	46.950	27.466	.11
WIRELESS TELECOMMUNICATION SERVICES - 0.03%			
Nextel Partners, Inc. 0%/14.00% 2009 (5)	17.212	7.745	.03
TOTAL FIXED INCOME SECURITIES (cost: \$90.016 million)		85.563	.33
		Principal Amount	Market Value
			Percent of Net

Short-Term Securities	(Millions)	(Millions)	Assets
Federal Agency Discount Notes - 4.73%			
Fannie Mae 2.34%-4.38% due 10/4/2001-2/26/2002	\$ 430.147	428.238	1.67
Federal Home Loan Banks 2.36%-4.07% due 10/3/2001-1/31/2002	402.839	401.253	1.56
Freddie Mac due 2.36% - 3.85% 10/18/2001-2/20/2002	342.824	341.221	1.33
Federal Farm Credit Discount Note 3.60%-3.78% due 10/11-11/16/2001	42.700	42.556	.17
Corporate Short-Term Notes - 3.83%			
Diageo Capital PLC 3.54%-3.56% due 10/1-10/19/2001 (3)	79.000	78.945	.31
Westpac Trust Securities NZ Ltd. 3.50%-3.68% due 10/9-11/2/2001	69.600	69.440	.27
AB Spintab due 3.40%-3.56% 10/9-11/26/2001	65.300	65.132	.25
Private Export Funding Corp. 3.57%-3.90% due 11/8-11/27/2001 (3)	60.000	59.707	.23
Svenska Handelsbanken Inc. 3.46% due 10/17/2001	50.000	49.918	.19
Deutsche Bank Financial Inc. 3.55% due 10/15/2001	50.000	49.926	.19
Lloyds Bank PLC 3.38% due 10/26/2001	50.000	49.878	.19
CBA (Delaware) Finance Inc. 3.43%-3.56% due 10/26-11/20/2001	50.000	49.814	.19
Asset Securitization Corp. 3.55% due 10/10/2001 (3)	49.600	49.551	.19
Rio Tinto America, Inc. 2.49%-3.45% due 11/13-12/21/2001 (3)	42.196	41.989	.16
Den Danske Corp. Inc. 3.43%-3.56% due 10/19-11/14/2001	36.400	36.304	.14
J.P. Morgan Chase & Co. 3.54% due 10/1/2001	35.500	35.496	.14
Royal Bank of Canada 3.625% due 10/10/2001	32.000	31.968	.12
BMW US Capital Corp. 2.52%-3.46% due 10/1-11/29/2001	30.000	29.881	.12
Halifax PLC 3.85% due 11/13/2001	28.800	28.663	.11
BellSouth Corp. 3.55% due 10/12/2001 (3)	27.850	27.817	.11
KfW International Finance Inc. 3.52%-3.57% due 10/10-10/19/2001	26.000	25.965	.10
Reseau Ferre de France 3.78% due 10/9/2001	25.000	24.976	.10
Preferred Receivables Funding Corp. 3.42% due 10/22/2001 (3)	25.000	24.948	.10
Stadshypotek AB 3.43% due 11/20/2001 (3)	25.000	24.878	.10
Bayerische Hypo- und Vereinsbank AG 2.44% due 12/20/2001	25.000	24.850	.10
Sony Capital Corp. 3.45% due 10/23/2001	23.300	23.249	.09
Coca-Cola Co. 3.52% due 10/23/2001	20.000	19.955	.08
Triple-A One Funding Corp. 3.57% due 10/12/2001 (3)	16.483	16.463	.06
HVB Finance (Delaware) 3.83% due 11/14/2001	15.000	14.928	.06
Bank of Montreal 3.50% due 10/2/2001	14.600	14.597	.06
American Honda Finance Corp. 3.54% due 10/16/2001	10.000	9.984	.04
General Electric Capital Corp. 3.38% due 11/5/2001	7.000	6.976	.03
Certificates of Deposit - 1.06%			
Barclays Bank PLC 3.83%-4.02% due 11/19-12/7/2001	70.000	70.113	.27
Societe Generale 2.50% due 12/17/2001	50.000	49.997	.20
Abbey National North America 2.51% due 12/28/2001	50.000	49.977	.19
Royal Bank of Scotland Group PLC 3.41% due 11/26/2001	28.418	28.417	.11
Toronto-Dominion Holdings USA Inc. 3.61% due 10/1/2001	25.000	25.000	.10
Canadian Imperial Bank of Commerce 3.43% due 11/16/2001	25.000	25.000	.10
Rabobank Nederland NV 3.52% due 10/2/2001	22.000	22.000	.09
U.S. Treasuries - 0.21%			
U.S. Treasury Bills 3.365%-3.435% due 11/15-11/29/2001	55.000	54.772	.21
Non-U.S. Currency - 0.03%			
New Taiwanese Dollar	NT\$269.282	7.814	.03
<b>TOTAL SHORT-TERM SECURITIES: (cost: \$2,532.804 million)</b>		<b>2,532.556</b>	<b>9.86</b>
<b>TOTAL INVESTMENT SECURITIES: (cost: \$24,733.691 million)</b>		<b>25,594.883</b>	<b>99.64</b>
Excess of cash and receivables over payables		91.258	.36
<b>NET ASSETS</b>		<b>\$25,686.141</b>	<b>100.00%</b>

- (1) Non-income-producing security.
- (2) Valued under procedures established by the Board of Directors.
- (3) Purchased in a private placement transaction; resale may be limited to qualified institutional

- buyers; resale to public may require registration.  
 (4) Payment in kind; the issuer has the option of paying additional securities in lieu of cash.  
 (5) Step bond; coupon rate will increase at a later date.

ADR = American Depositary Receipts

See Notes to Financial Statements

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New Perspective Fund  
 Financial statements

Statement of assets and liabilities

at September 30, 2001

<s>

(dollars in millions)  
 <c> <c>

Assets:

Investment securities at market

(cost: \$24,733.691)

\$25,594.883

Cash

.899

Receivables for -

Sales of investments

\$259.973

Sales of fund's shares

32.842

Dividends and interest

49.522

Other

.178

342.515

25,938.297

Liabilities:

Payables for -

Purchases of investments

196.006

Repurchases of fund's shares

33.030

Forward currency contracts - net

3.357

Management services

8.739

Other expenses

11.024

252.156

Net assets at September 30, 2001

\$25,686.141

Total authorized capital stock - 2,000,000,000

shares, \$.001 par value

Class A shares:

Net assets

\$25,093.926

Shares outstanding

1,270,941,980

Net asset value per share

\$19.74

Class B shares:

Net assets

\$445.060

Shares outstanding

22,788,930

Net asset value per share

\$19.53

Class C shares:

Net assets

\$87.009

Shares outstanding

4,463,040

Net asset value per share

\$19.50

Class F shares:

Net assets

\$60.146

Shares outstanding

3,049,270

Net asset value per share

\$19.72

Statement of operations

for the year ended September 30, 2001

(dollars in millions)

Investment income:

Income:

Dividends

\$461.286

Interest

208.476

\$669.762

Expenses:

Management services fee

121.463

Distribution expenses - Class A

71.114

Distribution expenses - Class B

3.921

Distribution expenses - Class C

.283

Distribution expenses - Class F

.040

Transfer agent fee - Class A

30.374

Transfer agent fee - Class B

.486

Administrative services fees - Class C

.121

Administrative services fees - Class F

.043

Reports to shareholders

.947

Registration statement and prospectus

2.459

Postage, stationery and supplies

4.043

Directors' and Advisory Board fees

.292

Auditing and legal fees

.103

Custodian fee

6.160

Taxes other than federal income tax

.517

Other expenses

.157

242.523

Net investment income

427.239

Realized gain and unrealized

depreciation on investments:		
Net realized gain		33.144
Net unrealized depreciation on:		
Investments	(7,596.459)	
Open forward currency contracts	(3.357)	
Net unrealized depreciation		(7,599.816)
Net realized gain and unrealized depreciation on investments		(7,566.672)
Net decrease in net assets resulting from operations		(7,139.433)

	(dollars in millions)	
	Year ended 2001	September 30, 2000
Operations:		
Net investment income	\$427.239	\$327.728
Net realized gain on investments	33.144	4,202.874
Net unrealized (depreciation) appreciation on investments	(7,599.816)	279.532
Net (decrease) increase in net assets resulting from operations	(7,139.433)	4,810.134
Dividends and distributions paid to shareholders:		
Dividends from net investment income:		
Class A	(353.625)	(109.901)
Class B	(3.535)	-
Class C	(.161)	-
Class F	(.102)	-
Distributions from net realized gain on investments:		
Class A	(3,575.929)	(2,337.892)
Class B	(35.657)	-
Total dividends and distributions	(3,969.009)	(2,447.793)
Capital share transactions:		
Proceeds from shares sold	4,285.360	6,834.769
Proceeds from shares issued in reinvestment of net investment income dividends and distributions of net realized gain on investments	3,776.522	2,334.800
Cost of shares repurchased	(4,938.919)	(3,612.572)
Net increase in net assets resulting from capital share transactions	3,122.963	5,556.997
Total (decrease) increase in net assets	(7,985.479)	7,919.338
Net assets:		
Beginning of year	33,671.620	25,752.282
End of year (including undistributed net investment income: \$320.221 and \$315.556, respectively)	\$25,686.141	\$33,671.620

See notes to financial statements  
</table>

#### NOTES TO FINANCIAL STATEMENTS

##### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION - New Perspective Fund (the "fund") is registered under the Investment Company Act of 1940 as an open-end, diversified management investment company. The fund seeks long-term growth of capital through investments all over the world, including the United States.

The fund offers four classes of shares as described below:

Class A shares are sold with an initial sales charge of up to 5.75%.

Class B shares are sold without an initial sales charge but are subject to a contingent deferred sales charge ("CDSC") paid upon redemption. This charge declines from 5% to zero over a period of six years. Class B shares automatically convert to Class A shares after eight years.

Class C shares are sold without an initial sales charge but are subject to a CDSC of 1% for redemptions within one year of purchase. Class C shares automatically convert to Class F shares after ten years.

Class F shares, which are sold exclusively through fee-based programs, are sold without an initial sales charge or CDSC.

Holders of all classes of shares have equal pro rata rights to assets, dividends, liquidation and other rights. Each class has identical voting rights, except for exclusive rights to vote on matters affecting only its class. Each class of shares may have different distribution, administrative services and transfer agent fees and expenses. Differences in class-specific expenses will result in the payment of different per share dividends by each class.

**SIGNIFICANT ACCOUNTING POLICIES** - The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. These principles require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the fund in the preparation of its financial statements:

**SECURITY VALUATION** - Equity securities, including depositary receipts, are valued at the last reported sale price on the exchange or market on which such securities are traded, as of the close of business on the day the securities are being valued or, lacking any sales, at the last available bid price. In cases where equity securities are traded on more than one exchange, the securities are valued on the exchange or market determined by the investment adviser to be the broadest and most representative market, which may be either a securities exchange or the over-the-counter market. Fixed-income securities are valued at prices obtained from a pricing service, when such prices are available; however, in circumstances where the investment adviser deems it appropriate to do so, such securities will be valued at the mean quoted bid and asked prices or at prices for securities of comparable maturity, quality and type. Short-term securities maturing within 60 days are valued at amortized cost, which approximates market value. The ability of the issuers of the debt securities held by the fund to meet their obligations may be affected by economic developments in a specific industry, state or region. Forward currency contracts are valued at the mean of their representative quoted bid and asked prices. Securities and assets for which representative market quotations are not readily available are valued at fair value as determined in good faith by a committee appointed by the fund's Board of Directors. If events occur that materially affect the value of securities (including non-U.S. securities) between the close of trading in those securities and the close of regular trading on the New York Stock Exchange, the securities will be valued at fair value.

**NON-U.S. CURRENCY TRANSLATION** - Assets and liabilities initially expressed in terms of non-U.S. currencies are translated into U.S. dollars at the prevailing market rates at the end of the reporting period. Purchases and sales of securities and income and expenses are translated into U.S. dollars at the prevailing market rates on the dates of such transactions. The effects of changes in non-U.S. currency exchange rates on investment securities and other assets and liabilities are combined with the net realized and unrealized gain or loss on investment securities for financial reporting purposes.

**SECURITY TRANSACTIONS AND RELATED INVESTMENT INCOME** - Security transactions are accounted for as of the trade date. Realized gains and losses from securities transactions are determined based on specific identified cost. In the event securities are purchased on a delayed delivery or when-issued basis, the fund will instruct the custodian to segregate liquid assets sufficient to meet its payment obligations in these transactions. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis. Market discounts, premiums, and original issue discounts on fixed-income securities are amortized daily over the expected life of the security.

**DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS** - Dividends and distributions paid to shareholders are recorded on the ex-dividend date.

**FORWARD CURRENCY CONTRACTS** - The fund may enter into forward currency contracts, which represent agreements to exchange currencies of different countries at specified future dates at specified rates. The fund enters into these contracts to manage its exposure to fluctuations in foreign exchange rates arising from investments denominated in non-U.S. currencies. The fund's use of forward currency contracts involves market risk in excess of the amount recognized in the Statement of Assets and Liabilities. The contracts are recorded in the Statement of Assets and Liabilities at their net unrealized value. The fund records realized gains or losses at the time the forward contract is closed or offset by a matching contract. The face or contract amount in U.S. dollars reflects the total exposure the fund has in that particular contract. Risks may arise upon entering these contracts from the potential inability of counterparties to meet the terms of their contracts and from possible movements in non-U.S. exchange rates and securities' values underlying these instruments. Purchases and sales of forward currency exchange contracts having the same settlement date and broker are offset and presented net in the Statement of Assets and Liabilities.

**CLASS ALLOCATIONS** - Income, expenses (other than class-specific expenses) and realized and unrealized gains and losses are allocated daily among the various



share classes based on their relative net asset values. Distribution expenses, administrative services fees, certain transfer agent fees and other applicable class-specific expenses are accrued daily and charged to the respective share class.

## 2. NON-U.S. INVESTMENTS

**INVESTMENT RISK** - Investments in securities of non-U.S. issuers in certain countries involve special investment risks. These risks may include, but are not limited to, investment and repatriation restrictions, revaluation of currencies, adverse political, social and economic developments, government involvement in the private sector, limited and less reliable investor information, lack of liquidity, certain local tax law considerations, and limited regulation of the securities markets.

**TAXATION** - Dividend and interest income is recorded net of non-U.S. taxes paid. For the year ended September 30, 2001, non-U.S. taxes paid were \$30,183,000.

**CURRENCY GAINS AND LOSSES** - Net realized currency gains on dividends, interest, sales of non-U.S. bonds and notes, forward contracts, and other receivables and payables, on a book basis, were \$2,356,000 for the year ended September 30, 2001.

## 3. FEDERAL INCOME TAXATION

The fund complies with the requirements of the Internal Revenue Code applicable to regulated investment companies and intends to distribute all of its net taxable income and net capital gains for the fiscal year. As a regulated investment company, the fund is not subject to income taxes if such distributions are made. Required distributions are based on net investment income and net realized gains determined on a tax basis and may differ from such amounts for financial reporting purposes. In addition, the fiscal year in which amounts are distributed may differ from the year in which the net investment income is earned and the net gains are realized by the fund.

As of September 30, 2001 the cost of investment securities, excluding forward currency contracts, for federal income tax reporting purposes was \$24,733,480,000. Net unrealized appreciation on investments, excluding forward currency contracts, aggregated \$861,403,000; \$4,205,576,000 related to appreciated securities and \$3,344,173,000 related to depreciated securities. For the year ended September 30, 2001, the fund realized tax basis net capital gains of \$30,561,000. In addition, the fund has recognized, for tax purposes, net capital losses relating to non-U.S. currency transactions totaling \$2,173,000 which were realized during the period November 1, 1999 through September 30, 2000. Net gains related to non-U.S. currency transactions and tax adjustments of \$2,432,000 were treated as an adjustment to ordinary income for federal income tax purposes. Other tax adjustments of \$318,000 were treated as deferred capital gains for federal income tax purposes.

## 4. FEES AND TRANSACTIONS WITH RELATED PARTIES

**INVESTMENT ADVISORY FEE** - The fee of \$121,463,000 for management services was incurred pursuant to an agreement with Capital Research and Management Company ("CRMC") with which officers and certain Directors of the fund are affiliated.

The Investment Advisory and Service Agreement provides for monthly fees accrued daily, based on a series of rates beginning with 0.600% per annum of the first \$500 million of daily net assets decreasing to 0.365% of such assets in excess of \$44 billion. For the year ended September 30, 2001, the management services fee was equivalent to an annualized rate of 0.396% of average daily net assets.

**DISTRIBUTION EXPENSES** - The fund has adopted plans of distribution under which it may finance activities primarily intended to sell fund shares, provided the categories of expenses are approved in advance by the fund's Board of Directors. The plans provide for annual expenses, based on average daily net assets, of up to 0.25% for Class A shares, 1.00% for Class B and Class C shares, and up to 0.50% for Class F shares.

All share classes may use up to 0.25% of these expenses to pay service fees, or to compensate American Funds Distributors, Inc. ("AFD"), the principal underwriter of the fund's shares, for paying service fees to firms that have entered into agreements with AFD for providing certain shareholder services. The balance may be used for approved distribution expenses as follows:

**CLASS A SHARES** - Approved categories of expense include reimbursements to AFD for commissions paid to dealers and wholesalers in respect of certain shares sold without a sales charge. Those reimbursements are permitted for amounts billed to the fund within the prior 15 months but only to the extent that the overall 0.25% annual expense limit for Class A shares is not exceeded. For the year ended September 30, 2001, aggregate distribution expenses were \$71,114,000, equivalent to an annualized rate of 0.24% of average daily net assets attributable to Class A shares.

**CLASS B SHARES** - In addition to service fees of 0.25%, approved categories of

expense include fees of 0.75% per annum of average daily net assets attributable to Class B shares payable to AFD. AFD sells the rights to receive such payments (as well as any contingent deferred sales charges payable in respect of shares sold during the period) in order to finance the payment of dealer commissions. For the year ended September 30, 2001, aggregate distribution expenses were \$3,921,000, equivalent to an annualized rate of 1.00% of average daily net assets attributable to Class B shares.

CLASS C SHARES - In addition to service fees of 0.25%, the Board of Directors has approved the payment of 0.75% per annum of average daily net assets attributable to Class C shares to AFD to compensate firms selling Class C shares of the fund. For the period ended September 30, 2001, aggregate distribution expenses were \$283,000, equivalent to an annualized rate of 1.00% of average daily net assets attributable to Class C shares.

CLASS F SHARES - The plan has an expense limit of 0.50%. However, the Board of Directors has presently approved expenses under the plan of 0.25% per annum of average daily net assets attributable to Class F shares. For the period ended September 30, 2001, aggregate distribution expenses were \$40,000, equivalent to an annualized rate of 0.25% of average daily net assets attributable to Class F shares.

As of September 30, 2001, aggregate distribution expenses payable to AFD were \$6,171,000.

AFD received \$10,317,000 (after allowances to dealers) as its portion of the sales charges paid by purchasers of the fund's Class A shares for the year ended September 30, 2001. Such sales charges are not an expense of the fund and, hence, are not reflected in the accompanying Statement of Operations.

TRANSFER AGENT FEE - A fee of \$30,860,000 was incurred during the year ended September 30, 2001, pursuant to an agreement with American Funds Service Company ("AFS"), the transfer agent for the fund. As of September 30, 2001, aggregate transfer agent fees payable to AFS for Class A and Class B shares were \$2,454,000.

ADMINISTRATIVE SERVICES FEES - The fund has an administrative services agreement with CRMC for Class C and Class F shares. Pursuant to this agreement, CRMC provides transfer agency and other related shareholder services. CRMC may contract with third parties to perform these services. Under the agreement, the fund pays CRMC a fee equal to 0.15% per annum of average daily net assets of Class C and Class F shares, plus amounts payable for certain transfer agency services according to a specified schedule. For the period ended September 30, 2001, total fees under the agreement were \$164,000. As of September 30, 2001, aggregate administrative services fees payable to CRMC for Class C and Class F shares were \$34,000.

DIRECTORS' AND ADVISORY BOARD FEES - Since the adoption of the deferred compensation plan in 1993, Directors and Advisory Board members who are unaffiliated with CRMC may elect to defer the receipt of part or all of their compensation. Deferred compensation amounts, which remain in the fund, are treated as if invested in shares of the fund or other American Funds. These amounts represent general, unsecured liabilities of the fund and vary according to the total returns of the selected funds. As of September 30, 2001, the cumulative amount of these liabilities was \$1,201,000. Directors' and Advisory Board fees on the Statement of Operations include the current fees (either paid in cash or deferred) and the net increase or decrease in the value of deferred compensation.

AFFILIATED OFFICERS AND DIRECTORS - CRMC is owned by The Capital Group Companies, Inc. AFS and AFD are both wholly owned subsidiaries of CRMC. Officers and certain Directors of the fund are or may be considered to be affiliated with CRMC, AFS and AFD. No such persons received any remuneration directly from the fund.

#### 5. INVESTMENT TRANSACTIONS AND OTHER DISCLOSURES

The fund made purchases and sales of investment securities, excluding short-term securities, of \$9,691,727,000 and \$8,641,249,000, respectively, during the year ended September 30, 2001.

Pursuant to the custodian agreement, the fund receives credits against its custodian fee for imputed interest on certain balances with the custodian bank. For the year ended September 30, 2001, the custodian fee of \$6,160,000 includes \$99,000 that was paid by these credits rather than in cash.

For the year ended September 30, 2001, the fund reclassified \$2,125,000 to undistributed net investment income from undistributed net realized gains. The fund also reclassified \$67,276,000 from undistributed net investment income and \$28,972,000 from undistributed net realized gains to additional paid-in capital to reflect permanent differences between book and tax reporting.

As of September 30, 2001, net assets wholly consisted of the following:

<table>

As of September 30, 2001, net assets consisted of the following:

	(dollars in millions)
<s>	<c>
Capital paid in on shares of capital stock	\$24,508.743
Undistributed net investment income	320.221
Undistributed net realized loss	(.700)
Net unrealized appreciation	857.877
Net assets	\$25,686.141

Capital share transactions in the fund were as follows:

	Year ended September 30, 2001	Shares
<s>	Amount (millions)	<c>
Class A Shares:		
Sold	\$3,780.998	157,588,075
Reinvestment of dividends and distributions	3,738.129	153,753,607
Repurchased	(4,894.145)	(206,070,242)
Net increase in Class A	2,624.982	105,271,440
Class B Shares: (1)		
Sold	326.328	13,668,709
Reinvestment of dividends and distributions	38.168	1,578,610
Repurchased	(36.100)	(1,568,829)
Net increase in Class B	328.396	13,678,490
Class C Shares: (2)		
Sold	102.827	4,558,525
Reinvestment of dividends and distributions	.137	5,724
Repurchased	(2.127)	(101,209)
Net increase in Class C	100.837	4,463,040
Class F Shares: (2)		
Sold	75.207	3,344,488
Reinvestment of dividends and distributions	.088	3,637
Repurchased	(6.547)	(298,855)
Net increase in Class F	68.748	3,049,270
Total net increase in fund	\$3,122.963	126,462,240

	Year ended September 30, 2000	Shares
<s>	Amount (millions)	<c>
Class A Shares:		
Sold	\$6,555.931	220,816,130
Reinvestment of dividends and distributions	2,334.800	85,115,039
Repurchased	(3,610.152)	(121,160,972)
Net increase in Class A	5,280.579	184,770,197
Class B Shares: (1)		
Sold	278.838	9,191,145
Reinvestment of dividends and distributions	-	-
Repurchased	(2.420)	(80,705)
Net increase in Class B	276.418	9,110,440
Class C Shares: (2)		
Sold	-	-
Reinvestment of dividends and distributions	-	-
Repurchased	-	-
Net increase in Class C	-	-
Class F Shares: (2)		
Sold	-	-
Reinvestment of dividends and distributions	-	-
Repurchased	-	-
Net increase in Class F	-	-
Total net increase in fund	\$5,556.997	193,880,637

(1) Class B shares were not offered before March 15, 2000.

(2) Class C and Class F shares were not offered before March 15, 2001.

</table>

At September 30, 2001, the fund had outstanding forward currency contracts to sell non-U.S. currencies as follows:

Non-U.S. Currency	Contract	U.S. Valuation	Unrealized
Sale Contract	Amounts	at 9/30/2001	Depreciation
<s>	<c>	<c>	<c>
	Non-U.S.	U.S.	Amount
	(millions)	(millions)	(millions)
Japanese Yen	Yen 14,614.200	\$120.000	\$123.357
expiring 12/14/2001			(\$3.357)

</table>

Per-share data and ratios

<s>	Class A		
<c>	<c>	<c>	<c>
Year ended September 30,			
	2001	2000	1999
Net asset value, beginning of year	\$28.66	\$26.25	\$20.50
Income from investment operations :			
Net investment income	.34 (1)	.30 (1)	.26
Net (losses) gains on securities (both realized and unrealized)	(5.86) (1)	4.56 (1)	7.26
Total from investment operations	(5.52)	4.86	7.52
Less distributions :			
Dividends (from net investment income)	(.30)	(.11)	(.20)
Distributions (from capital gains)	(3.10)	(2.34)	(1.57)
Total distributions	(3.40)	(2.45)	(1.77)
Net asset value, end of year	\$19.74	\$28.66	\$26.25
Total return (2)	(21.47)%	18.93%	38.43%
Ratios/supplemental data:			
Net assets, end of year (in millions)	\$25,094	\$33,412	\$25,752
Ratio of expenses to average net assets	.78%	.79%	.77%
Ratio of net income to average net assets	1.40%	1.00%	1.06%

Year ended September 30,		
	1998	1997
Net asset value, beginning of year	\$21.86	\$17.77
Income from investment operations :		
Net investment income	.27	.29
Net (losses) gains on securities (both realized and unrealized)	(.11)	4.81
Total from investment operations	.16	5.10
Less distributions :		
Dividends (from net investment income)	(.31)	(.33)
Distributions (from capital gains)	(1.21)	(.68)
Total distributions	(1.52)	(1.01)
Net asset value, end of year	\$20.50	\$21.86
Total return (2)	1.23%	29.97%
Ratios/supplemental data:		
Net assets, end of year (in millions)	\$17,707	\$16,956
Ratio of expenses to average net assets	.77%	.79%
Ratio of net income to average net assets	1.27%	1.56%

	Class B	
	Year	March 15 to
	ended	September 30,
	September 30,	September 30,
	2001	2000 (3)
Net asset value, beginning of period	\$28.54	\$30.11
Income from investment operations :		
Net investment income (1)	.14	.08
Net (losses) gains on securities (both realized and unrealized) (1)	(5.80)	(1.65)
Total from investment operations	(5.66)	(1.57)
Less distributions :		

Dividends (from net investment income)	(.25)	-
Distributions (from capital gains)	(3.10)	-
Total distributions	(3.35)	-
Net asset value, end of period	\$19.53	\$28.54
Total return (2)	(22.06)%	(5.21)%

Ratios/supplemental data:

Net assets, end of period (in millions)	\$445	\$260
Ratio of expenses to average net assets	1.57%	1.53%
Ratio of net income to average net assets	.60%	.56% (4)

	Class C	Class F
	March 15 to September 30, 2001 (3)	March 15 to September 30, 2001 (3)
Net asset value, beginning of period	\$22.42	\$22.59
Income from investment operations :		
Net investment income (1)	(.01)	.10
Net (losses) gains on securities (both realized and unrealized) (1)	(2.83)	(2.87)
Total from investment operations	(2.84)	(2.77)
Less distributions :		
Dividends (from net investment income)	(.08)	(.10)
Distributions (from capital gains)	-	-
Total distributions	(.08)	(.10)
Net asset value, end of period	\$19.50	\$19.72
Total return (2)	(12.78)%	(12.35)%

Ratios/supplemental data:

Net assets, end of period (in millions)	\$87	\$60
Ratio of expenses to average net assets	1.76% (4)	.90%
Ratio of net income to average net assets	-	.84% (4)

Supplemental data - all classes

Year ended September 30,	2001	2000	1999
Portfolio turnover rate	32.07%	34.25%	29.14%
Portfolio turnover rate	1998 29.71%	1997 25.68%	

- 1) Based on average shares outstanding.
- 2) Total returns exclude all sales charges, including contingent deferred sales charges.
- 3) Based on operations for the period shown and, accordingly, not representative of a full year (unless otherwise noted).
- 4) Annualized

Report of Independent Accountants

To the Board of Directors and Shareholders of New Perspective Fund:

In our opinion, the accompanying statement of assets and liabilities, including the investment portfolio, and the related statements of operations and of changes in net assets and the per-share data and ratios present fairly, in all material respects, the financial position of New Perspective Fund (the "Fund") at September 30, 2001, the results of its operations, the changes in its net assets and the per-share data and ratios for the each of the periods presented in conformity with accounting principles generally accepted in the United States. These financial statements and per-share data and ratios (hereafter

referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at September 30, 2001, by correspondence with the custodian, provide a reasonable basis for our opinion.

PRICEWATERHOUSECOOPERS LLP  
Los Angeles, California

October 31, 2001

#### Tax Information (unaudited)

We are required to advise you within 60 days of the fund's fiscal year-end regarding the federal tax status of certain distributions received by shareholders during such fiscal year.

During the fiscal year ended September 30, 2001, the fund paid a long-term capital gain distribution of \$3,611,586,000. The fund also designated as a capital gain distribution a portion of earnings and profits paid to shareholders in redemption of their shares.

The fund makes an election under the Internal Revenue Code Section 853 to pass through certain non-U.S. taxes paid by the fund to its shareholders as a foreign tax credit. The amount of foreign tax credit passed through to shareholders for the fiscal year ended September 30, 2001 is \$30,183,000. Foreign source income earned by the fund for the fiscal year ended September 30, 2001 was \$436,656,000. Shareholders are entitled to a foreign tax credit or an itemized deduction, at their discretion. Generally, it is more advantageous to claim a credit than to take a deduction.

Corporate shareholders may exclude up to 70% of qualifying dividends received during the year. For purposes of computing this exclusion, 39% of the dividends paid by the fund from net investment income represent qualifying dividends.

Certain states may exempt from income taxation that portion of the dividends paid from net investment income that was derived from direct U.S. Treasury obligations. For purposes of computing this exclusion, 0.4% of the dividends paid by the fund from net investment income were derived from interest on direct U.S. Treasury obligations.

Dividends and distributions received by retirement plans such as IRAs, Keogh-type plans and 403(b) plans need not be reported as taxable income. However, many retirement plan trusts may need this information for their annual information reporting.

SINCE THE INFORMATION ABOVE IS REPORTED FOR THE FUND'S FISCAL YEAR AND NOT THE CALENDAR YEAR, SHAREHOLDERS SHOULD REFER TO THEIR FORM 1099-DIV OR OTHER TAX INFORMATION WHICH WILL BE MAILED IN JANUARY 2002 TO DETERMINE THE CALENDAR YEAR AMOUNTS TO BE INCLUDED ON THEIR 2001 TAX RETURNS. SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISERS.

PART C  
OTHER INFORMATION  
NEW PERSPECTIVE FUND, INC.

#### ITEM 23. EXHIBITS

1. Articles of Restatement and Restated Articles of Incorporation - previously filed (see Post-Effective Amendment No. 47 filed 11/26/97); Articles of Amendment and Articles Supplementary - previously filed (see P/E Amendment No. 51 filed 3/13/00); and Articles Supplementary - previously filed (see P/E Amendment No. 53 filed 3/13/01; and No. 55 filed 2/14/02)
  - (b) By-laws - previously filed (see P/E Amendment No. 53 filed 3/13/01)
  - (c) Form of share certificate - previously filed (see P/E Amendment No. 53 filed 3/13/01)
  - (d) Form of Investment Advisory and Service Agreement - previously filed (see P/E Amendment No. 52 filed 11/29/00)
  - (e-1) Form of Amended and Restated Principal Underwriting Agreement - previously filed (see P/E Amendment No. 55 filed 2/14/02)
  - (e-2) Form of Selling Group Agreements
  - (f) None
  - (g) Form of Global Custody Agreement
  - (h) Form of Amended and Restated Administrative Services Agreement; and Form of Amended Shareholder Services Agreement - previously filed (see P/E

Amendment No. 55 filed 2/14/02)

(i) Legal opinion for Classes R-1, R-2, R-3, R-4 and R-5 Shares

(j) Consent of Independent Accountants

(k) None

(l) None

(m-1) Forms of Plans of Distribution - previously filed (see P/E Amendment No. 47 filed 11/26/97; No. 51 filed 3/13/00; No. 53 filed 3/13/01; and No. 55 filed 2/14/02)

(m-2) Forms of Plans of Distribution relating to Class R-1, R-2, R-3 and R-4 Shares

(n) Form of Amended and Restated Multiple Class Plan - previously filed (see P/E Amendment No. 55 filed 2/14/02)

(o) None

(p) Code of Ethics - previously filed (see P/E Amendment No. 55 filed 2/14/02)

#### ITEM 24. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH REGISTRANT

None

#### ITEM 25. INDEMNIFICATION

Registrant is a joint-insured under an Investment Advisor/Mutual Fund Errors and Omissions Policies written by American International Surplus Lines Insurance Company, Chubb Custom Insurance Company and ICI Mutual Insurance Company which insures its officers and directors against certain liabilities. However, in no event will Registrant maintain insurance to indemnify any such person for any act for which Registrant itself is not permitted to indemnify the individual.

Subsection (b) of Section 2-418 of the General Corporation Law of Maryland empowers a corporation to indemnify any person who was or is party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against reasonable expenses (including attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually incurred by him in connection with such action, suit or proceeding unless it is established that: (i) the act or omission of the person was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty; (ii) the person actually received an improper personal benefit of money, property or services; or (iii) with respect to any criminal action or proceeding, the person had reasonable cause to believe his act or omission was unlawful.

Indemnification under subsection (b) of Section 2-418 may not be made by a corporation unless authorized for a specific proceeding after a determination has been made that indemnification is permissible in the circumstances because the party to be indemnified has met the standard of conduct set forth in subsection (b). This determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors not, at the time, parties to the proceeding, or, if such quorum cannot be obtained, then by a majority vote of a committee of the Board consisting solely of two or more directors not, at the time, parties to such proceeding and who were duly designated to act in the matter by a majority vote of the full Board in which the designated directors who are parties may participate; (ii) by special legal counsel selected by the Board of Directors of a committee of the Board by vote as set forth in subparagraph (i), or, if the requisite quorum of the full Board cannot be obtained therefor and the committee cannot be established, by a majority vote of the full Board in which any director who is a party may participate; or (iii) by the stockholders (except that shares held by any party to the specific proceeding may not be voted). A court of appropriate jurisdiction may also order indemnification if the court determines that a person seeking indemnification is entitled to reimbursement under subsection (b).

Section 2-418 further provides that indemnification provided for by Section 2-418 shall not be deemed exclusive of any rights to which the indemnified party may be entitled; that the scope of indemnification extends to directors, officers, employees or agents of a constituent corporation absorbed in a consolidation or merger and persons serving in that capacity at the request of the constituent corporation for another; and empowers the corporation to purchase and maintain insurance on behalf of a director, officer, employee or agent of the corporation against any liability asserted against or incurred by such person in any such capacity or arising out of such person's status as such whether or not the corporation would have the power to indemnify such person against such liabilities under Section 2-418.

Article VI of the Articles of Incorporation of the fund provides that the fund shall indemnify directors or officers of the fund against certain actions, including expenses incurred except that "[N]othing . . . . . shall be deemed to protect any director or officer of the Corporation against any liability to

the Corporation or to its security holders to which he would otherwise be subject by reason of willful malfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his office."

Registrant will comply with the indemnification requirements contained in the Investment Company Act of 1940 (the "1940 Act") Releases No. 7221 (June 9, 1972) and No. 11330 (September 4, 1980). In addition, indemnification by the Registrant shall be consistent with the requirements of rule 484 under the Securities Act of 1933. Furthermore, Registrant undertakes to the staff of the Securities and Exchange Commission that the Fund's indemnification provisions quoted above prohibit indemnification for liabilities arising under the Securities Act of 1933 and the 1940 Act.

ITEM 26. BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISER

None

ITEM 27. PRINCIPAL UNDERWRITERS

(a) American Funds Distributors, Inc. is the Principal Underwriter of shares of: AMCAP Fund, Inc., American Balanced Fund, Inc., The American Funds Income Series, The American Funds Tax-Exempt Series I, The American Funds Tax-Exempt Series II, 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., The Investment Company of America, Intermediate Bond Fund of America, Limited Term Tax-Exempt Bond Fund of America, The New Economy Fund, New World Fund, Inc., SMALLCAP World Fund, Inc., The Tax-Exempt Bond Fund of America, Inc., The Tax-Exempt Money Fund of America, U.S. Treasury Money Fund of America and Washington Mutual Investors Fund, Inc.

<TABLE>

<CAPTION>

(B) (1) (2) (3)

	NAME AND PRINCIPAL BUSINESS ADDRESS	POSITIONS AND OFFICES WITH UNDERWRITER	POSITIONS AND OFFICES WITH REGISTRANT
<s>	<c> David L. Abzug  P.O. Box 2248 Agoura Hills, CA 91376	<c> Vice President	<c> None
	John A. Agar  P.O. Box 7326 Little Rock, AR 72217	Vice President	None
	Robert B. Aprison  2983 Bryn Wood Drive Madison, WI 53711	Vice President	None
L	William W. Bagnard  Steven L. Barnes 7490 Clubhouse Road Suite 100 Boulder, CO 80301	Vice President  Senior Vice President	None  None



B	Carl R. Bauer	Vice President	None
	Michelle A. Bergeron 4160 Gateswalk Drive Smyrna, GA 30080	Senior Vice President	None
	J. Walter Best, Jr. 9013 Brentmeade Blvd. Brentwood, TN 37027	Regional Vice President	None
	Joseph T. Blair P.O. Box 3529 148 E. Shore Avenue Groton Long Point, CT 06340	Senior Vice President	None
	John A. Blanchard 576 Somerset Lane Northfield, IL 60093	Vice President	None
	Ian B. Bodell P.O. Box 1665 Brentwood, TN 37024-1665	Senior Vice President	None
	Mick L. Brethower 601 E. Whitestone Blvd. Building 6, Suite 115 Cedar Park, TX 78613	Senior Vice President	None
	Alan Brown 4129 Laclede Avenue St. Louis, MO 63108	Vice President	None
B	J. Peter Burns	Vice President	None
	Cody Callaway 803 South Desert Palm Place Broken Arrow, OK 74012	Regional Vice President	None
	Matthew C. Carlisle 4500 Fairvista Drive Charlotte, NC 28269	Regional Vice President	None

	Damian F. Carroll 40 Ten Acre Road New Britain, CT 06052	Regional Vice President	None
	Brian C. Casey 8002 Greentree Road Bethesda, MD 20817	Vice President	None
	Victor C. Cassato 609 W. Littleton Blvd., Suite 310 Littleton, CO 80120	Senior Vice President	None
	Christopher J. Cassin 19 North Grant Street Hinsdale, IL 60521	Senior Vice President	None
	Denise M. Cassin 1301 Stoney Creek Drive San Ramon, CA 94583	Vice President	None
L	David Charlton	Senior Vice President	None
L	Larry P. Clemmensen	Director	None
L	Kevin G. Clifford	Director, President and Co-Chief Executive Officer	None
H	Cheri Coleman	Assistant Vice President	None
	Ruth M. Collier 29 Landsdowne Drive Larchmont, NY 10538	Senior Vice President	None
S	David Coolbaugh	Vice President	None
	Carlo O. Cordasco 101 Five Forks Lane Hampton, VA 23669	Regional Vice President	None
	Thomas E. Cournoyer 2333 Granada Boulevard Coral Gables, FL 33134	Vice President	None

	Joseph G. Cronin 1533 Wilmot Road Deerfield, IL 60015	Regional Vice President	None
	William F. Daugherty 1216 Highlander Way Mechanicsburg, PA 17050	Regional Vice President	None
	Guy E. Decker 2990 Topaz Lane Carmel, IN 46032	Regional Vice President	None
	Daniel J. Delianedis Edina Executive Plaza 5200 Willson Road, Suite 150 Edina, MN 55424	Vice President	None
	James A. DePerno, Jr. 91 Church Street East Aurora, NY 14052	Regional Vice President	None
L	Bruce L. DePriester	Senior Vice President	None
	Thomas J. Dickson 108 Wilmington Court Southlake, TX 76092	Regional Vice President	None
	Michael A. DiLella P. O. Box 661 Ramsey, NJ 07446	Vice President	None
	G. Michael Dill 505 E. Main Street Jenks, OK 74037	Senior Vice President	None
	Kirk D. Dodge 2627 Mission Street San Marino, CA 91108	Senior Vice President	None
	Peter J. Doran 100 Merrick Road, Suite 216W	Director, Executive Vice President	None

L	Michael J. Downer	Secretary	None
	Michael J. Dullaghan 5040 Plantation Grove Lane Roanoke, VA 24012	Regional Vice President	None
S	J. Steven Duncan	Senior Vice President	None
	Robert W. Durbin 74 Sunny Lane Tiffin, OH 44883	Vice President	None
I	Lloyd G. Edwards	Senior Vice President	None
	Timothy L. Ellis 1441 Canton Mart Road, Suite 9 Jackson, MS 39211	Regional Vice President	None
	John R. Fodor 15 Latisquama Road Southborough, MA 01772	Senior Vice President	None
	Daniel B. Frick 845 Western Avenue Glen Ellyn, IL 60137	Regional Vice President	None
	Clyde E. Gardner Route 2, Box 3162 Osage Beach, MO 65065	Senior Vice President	None
L	Linda S. Gardner	Assistant Vice President	None
B	Evelyn K. Glassford	Vice President	None
	Jack E. Goldin 7995 Northwest 20th Street Pembroke Pines, FL 33024	Regional Vice President	None
	Jeffrey J. Greiner 12210 Taylor Road	Vice President	None

L	Paul G. Haaga, Jr.	Director	Director
B	Mariellen Hamann	Vice President	None
	Derek S. Hansen	Regional Vice President	None
	13033 Ridgedale Drive, PMB 147 Minnetonka, MN 55305		
	David E. Harper	Senior Vice President	None
	150 Old Franklin School Road Pittstown, NJ 08867		
H	Mary Pat Harris	Vice President	None
	Robert J. Hartig, Jr.	Regional Vice President	None
	8504 Scenic View Drive, Apt. 103 Fishers, IN 46038		
	Steven J. Hipsley	Regional Vice President	None
	14 Dyer Switch Road Saratoga Springs, NY 12866		
	Ronald R. Hulsey	Senior Vice President	None
	6202 Llano Dallas, TX 75214		
	Robert S. Irish	Vice President	None
	1225 Vista Del Mar Drive Delray Beach, FL 33483		
	Michael J. Johnston	Director	None
	630 Fifth Avenue, 36th Floor New York, NY 10111		
B	Damien M. Jordan	Senior Vice President	None
	John P. Keating	Regional Vice President	None
	2285 Eagle Harbor Parkway Orange Park, FL 32073		
	Dorothy Klock	Vice President	None

555 Madison Avenue, 29th Floor  
New York, NY 10022

Dianne L. Koske Assistant Vice President  
122 Clydesdale Court  
Hampton, VA 23666

Andrew R. LeBlanc Regional Vice President None  
78 Eton Road  
Garden City, NY 11530

B Karl A. Lewis Vice President None

T. Blake Liberty Vice President None  
5506 East Mineral Lane  
Littleton, CO 80122

Mark J. Lien Regional Vice President None  
1103 Tulip Tree Lane  
West Des Moines, IA 50266

L Lorin E. Liesy Vice President None

I Kelle Lindenberg Assistant Vice President None

Louis K. Linqyata Regional Vice President None  
5214 Cass Street  
Omaha, NE 68132

LW Robert W. Lovelace Director None

Brendan T. Mahoney Regional Vice President None  
29 Harvard Drive  
Sudbury, MA 01776

Stephen A. Malbasa Director, Senior Vice President None  
13405 Lake Shore Blvd.  
Cleveland, OH 44110

Steven M. Markel Senior Vice President None  
5241 South Race Street

L	J. Clifton Massar	Director, Senior Vice President	None
	James R. McCrary	Regional Vice President	None
	28812 Crestridge Rancho Palos Verdes, CA 90275		
L	Scott F. McIntyre	Senior Vice President	None
S	John V. McLaughlin	Senior Vice President	None
	Terry W. McNabb	Vice President	None
	2002 Barrett Station Road St. Louis, MO 63131		
	Scott M. Meade	Regional Vice President	None
	P.O. Box 122 Rye Beach, NH 03871		
	Monty L. Moncrief	Regional Vice President	None
	55 Chandler Creek Court The Woodlands, TX 77381		
	William E. Noe	Vice President	None
	304 River Oaks Road Brentwood, TN 37027		
	Peter A. Nyhus	Vice President	None
	3084 Wilds Ridge Court Prior Lake, MN 55372		
	Eric P. Olson	Vice President	None
	62 Park Drive Glenview, IL 60025		
	Jeffrey A. Olson	Regional Vice President	None
	930 S. Cowley Street, #305 Spokane, WA 99202		
	Gary A. Peace	Regional Vice President	None
	291 Kaanapali Drive		

Napa, CA 94558

	Samuel W. Perry 4730 East Indian School Road Suite 120 Phoenix, AZ 85018	Regional Vice President	None
	David K. Petzke 4016 Saint Lucia Street Boulder, CO 80301	Regional Vice President	None
	Fredric Phillips 175 Highland Avenue, 4th Floor Needham, MA 02494	Senior Vice President	None
B	Candance D. Pilgrim	Assistant Vice President	None
	Carl S. Platou 7455 80th Place, S.E. Mercer Island, WA 98040	Vice President	None
S	Richard P. Prior	Vice President	None
	Mark S. Reischmann 5485 East Mineral Lane Littleton, CO 80122	Regional Vice President	None
	Steven J. Reitman 212 The Lane Hinsdale, IL 60521	Senior Vice President	None
	Brian A. Roberts 418 S. Royal Street Alexandria, VA 22314	Vice President	None
L	Julie D. Roth	Vice President	None
L	James F. Rothenberg	Director	None
	Douglas F. Rowe 414 Logan Ranch Road Georgetown, TX 78628	Vice President	None



	Christopher S. Rowey 10538 Cheviot Drive Los Angeles, CA 90064	Vice President	None
H	Steve Rubin	Assistant Vice President	None
	Dean B. Rydquist 1080 Bay Pointe Crossing Alpharetta, GA 30005	Senior Vice President	None
	Richard R. Samson 4604 Glencoe Avenue, #4 Marina del Rey, CA 90292	Senior Vice President	None
	Paul V. Santoro 17 Willow Street Boston, MA 02108	Regional Vice President	None
	Joseph D. Scarpitti 31465 St. Andrews Westlake, OH 44145	Vice President	None
	Shannon D. Schofield 201 McIver Street Greenville, SC 29601	Regional Vice President	None
S	Sherrie Senft	Vice President	None
L	R. Michael Shanahan	Director	None
	Brad Short 1601 Seal Way Seal Beach, CA 90740	Regional Vice President	None
	David W. Short 1000 RIDC Plaza, Suite 212 Pittsburgh, PA 15238	Chairman of the Board and Co-Chief Executive Officer	None
	William P. Simon 912 Castlehill Lane Devon, PA 19333	Senior Vice President	None

	Jerry L. Slater 4152 42nd Avenue, NE Seattle, WA 98105	Regional Vice President	None
	Rodney G. Smith 5520 Frankford Court Dallas, TX 75252	Senior Vice President	None
	Anthony L. Soave 5397 W. Rosebud Court, S.E. Kentwood, MI 49512	Regional Vice President	None
L	Therese L. Soullier  Nicholas D. Spadaccini 855 Markley Woods Way Cincinnati, OH 45230	Assistant Vice President	None
		Vice President	None
L	Kristen J. Spazafumo  Daniel S. Spradling 181 Second Avenue Suite 228 San Mateo, CA 94401	Assistant Vice President	None
		Senior Vice President	None
B	Raymond Stein	Assistant Vice President	None
LW	Eric H. Stern	Director	None
	Brad Stillwagon 2438 Broadmeade Road Louisville, KY 40205	Regional Vice President	None
	Thomas A. Stout 1004 Ditchley Road Virginia Beach, VA 23451	Vice President	None
	Craig R. Strauser 3 Dover Way Lake Oswego, OR 97034	Vice President	None

	Francis N. Strazzeri 3021 Kensington Trace Tarpon Springs, FL 34689	Senior Vice President	None
L	Lisa F. Swaiman	Vice President	None
L	Drew W. Taylor	Vice President	None
	Gary J. Thoma 21 White Cloud HCR 1 Box 172-A Keshena, WI 54135	Regional Vice President	None
	Cynthia M. Thompson 4 Franklin Way Ladera Ranch, CA 92694	Regional Vice President	None
L	James P. Toomey	Vice President	None
I	Christopher E. Trede	Vice President	None
	George F. Truesdail 400 Abbotsford Court Charlotte, NC 28270	Senior Vice President	None
	Scott W. Ursin-Smith 60 Reedland Woods Way Tiburon, CA 94920	Vice President	None
	J. David Viale 39 Old Course Drive Newport Beach, CA 92660	Regional Vice President	None
	Gerald J. Voss The Pines at Four Hills 3900 S. Southeastern Ave., #304 Sioux Falls, SD 57103	Regional Vice President	None
	Thomas E. Warren 7347 Turnstone Road Sarasota, FL 34242	Vice President	None

L	J. Kelly Webb	Senior Vice President, Treasurer and Controller	None
	Gregory J. Weimer 206 Hardwood Drive Venetia, PA 15367	Vice President	None
B	Timothy W. Weiss	Director	None
SF	Gregory W. Wendt	Director	None
	George J. Wenzel 251 Barden Road Bloomfield Hills, MI 48304	Regional Vice President	None
H	J. D. Wiedmaier	Assistant Vice President	None
SF	N. Dexter Williams, Jr.	Senior Vice President	None
	Timothy J. Wilson 113 Farmview Place Venetia, PA 15367	Vice President	None
B	Laura L. Wimberly	Vice President	None
H	Marshall D. Wingo	Director, Senior Vice President	None
L	Robert L. Winston	Director, Senior Vice President	None
	William R. Yost 9320 Overlook Trail Eden Prairie, MN 55347	Senior Vice President	None
	Jonathan A. Young 329 Downing Drive Chesapeake, VA 23322	Regional Vice President	None
	Scott D. Zambon 2178 Piper Lane Tustin, CA 92782	Regional Vice President	None

</TABLE>

L Business Address, 333 South Hope Street, Los Angeles, CA 90071  
LW Business Address, 11100 Santa Monica Boulevard, 15th Floor, Los Angeles, CA 90025  
B Business Address, 135 South State College Boulevard, Brea, CA 92821  
S Business Address, 3500 Wiseman Boulevard, San Antonio, TX 78251  
SF Business Address, One Market, Steuart Tower, Suite 1800, San Francisco, CA 94105-1016  
H Business Address, 5300 Robin Hood Road, Norfolk, VA 23513  
I Business Address, 8332 Woodfield Crossing Blvd., Indianapolis, IN 46240

(c) None

ITEM 28. LOCATION OF ACCOUNTS AND RECORDS

Accounts, books and other records required by Rules 31a-1 and 31a-2 under the Investment Company Act of 1940, as amended, are maintained and held in the offices of its investment adviser, Capital Research and Management Company, 333 South Hope Street, Los Angeles, California 90071, and/or 135 South State College Boulevard, Brea, California 92821.

Registrant's records covering shareholder accounts are maintained and kept by its transfer agent, American Funds Service Company, 135 South State College Boulevard, Brea, California 92821; 8332 Woodfield Crossing Boulevard, Indianapolis, IN 46240; 3500 Wiseman Boulevard, San Antonio, Texas 78251; and 5300 Robin Hood Road, Norfolk, VA 23513.

Registrant's records covering portfolio transactions are maintained and kept by its custodian, JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017-2070.

ITEM 29. MANAGEMENT SERVICES

None

ITEM 30. UNDERTAKINGS

n/a

SIGNATURE OF REGISTRANT

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant certifies that it meets all of the requirements for effectiveness of this Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this amended Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, and State of California, on the 13th day of May, 2002.

NEW PERSPECTIVE FUND, INC.  
By /s/ Walter P. Stern  
(Walter P. Stern, Chairman of the Board)

Pursuant to the requirements of the Securities Act of 1933, this amendment to its registration statement has been signed below on May 13, 2002, by the following persons in the capacities indicated.

<TABLE>  
<CAPTION>

<s>	<c> SIGNATURE	<c> TITLE
(1)	Principal Executive Officer:  /s/ Gina H. Despres  (Gina H. Despres)	President and Director
(2)	Principal Financial Officer and  Principal Accounting Officer:  /s/ R. Marcia Gould  (R. Marcia Gould)	Treasurer
(3)	Directors:  Elisabeth Allison*	Director

Vanessa C. L. Chang*	Director
/s/ Gina H. Despres	President and Director
(Gina H. Despres)	
Robert A. Fox*	Director
Alan Greenway*	Director
Paul G. Haaga, Jr.*	Director
Jae H. Hyun	Director
Gregg E. Ireland*	Director
Koichi Itoh*	Director
William H. Kling*	Director
Jon B. Lovelace*	Vice Chairman and Director
John G. McDonald*	Director
William I. Miller*	Director
Kirk P. Pendleton*	Director
Rozanne L. Ridgway*	Director
/s/ Walter P. Stern	Chairman of the Board
(Walter P. Stern)	

\*By /s/ Vincent P. Corti

(Vincent P. Corti, Attorney-in-Fact)

</TABLE>

Counsel represents that this amendment does not contain disclosures that would make the amendment ineligible for effectiveness under the provisions of rule 485 (b) .

/s/ Kristine M. Nishiyama  
(Kristine M. Nishiyama)

[LOGO - AMERICAN FUNDS (SM)]

AMERICAN FUNDS DISTRIBUTORS, INC.  
333 South Hope Street  
Los Angeles, California 90071  
Telephone 800/421-9900, ext. 4

Form of selling group agreement

Ladies and Gentlemen:

We have entered into a principal underwriting agreement with each Fund in The American Funds Group (Funds) under which we are appointed exclusive agent for the sale of shares. As such agent we offer to sell to you as a member of a Selling Group, shares of the Funds as are qualified for sale in your state, on the terms set forth below. We are acting as an underwriter within the meaning of the applicable rules of the National Association of Securities Dealers, Inc. (NASD). In addition, we are the distributor of CollegeAmerica (Program), a college savings program as described in Section 529 of the Internal Revenue Code.

#### 1. AUTHORIZATION TO SELL

You are to offer and sell shares only at the regular public price currently determined by the respective Funds in the manner described in their offering Prospectuses. This Agreement on your part runs to us and to the respective Funds and is for the benefit of and enforceable by each. The offering Prospectuses and this Agreement set forth the terms applicable to members of the Selling Group and all other representations or documents are subordinate. You understand that Class 529 shares of the Funds are available only as underlying investments through the Program.

#### 2. COMPENSATION ON SALES OF CLASS A SHARES AND CLASS 529-A SHARES

A. On sales of Class A shares and Class 529-A shares of Funds listed in Category 1 on the attached Schedule A that are accepted by us and for which you are responsible, you will be paid dealer concessions as follows:

Purchases	CONCESSION AS PERCENTAGE OF OFFERING PRICE	SALES CHARGE AS PERCENTAGE OF OFFERING PRICE
<s>	<c>	<c>
Less than \$25,000	5.00%	5.75%
\$25,000 but less than \$50,000	4.25%	5.00%
\$50,000 but less than \$100,000	3.75%	4.50%
\$100,000 but less than \$250,000	2.75%	3.50%
\$250,000 but less than \$500,000	2.00%	2.50%
\$500,000 but less than \$750,000	1.60%	2.00%
\$750,000 but less than \$1,000,000	1.20%	1.50%
\$1,000,000 or more	See below	None

B. On sales of Class A shares and Class 529-A shares of Funds listed in Category 2 on the attached Schedule A that are accepted by us and for which you are responsible, you will be paid the same dealer concessions indicated above except as follows:

PURCHASES	CONCESSION AS PERCENTAGE OF OFFERING PRICE	SALES CHARGE AS PERCENTAGE OF OFFERING PRICE
-----------	--	--

<s>	<c>	<c>
Less than \$100,000	3.00%	3.75%

</TABLE>

C. If you initiate and are responsible for sales of Class A shares and Class 529-A shares, a) amounting to \$1 million or more, b) made to employer-sponsored defined contribution-type retirement plans that qualify to invest at net asset value under the terms of the Fund Prospectuses, or c) made at net asset value to endowments and foundations with assets of \$50 million or more, you will be paid a dealer concession of 1.00% on sales to \$4 million, plus 0.50% on amounts over \$4 million up to \$10 million, plus 0.25% on amounts over \$10 million. No dealer concessions are paid on any other sales of shares at net asset value, except that concessions may be paid to dealers on their sales of fund shares to accounts managed by affiliates of The Capital Group Companies, Inc. as set forth in this Agreement. Sales of shares of Washington Mutual Investors Fund below \$1 million made in connection with certain accounts established before September 1, 1969 are subject to reduced concessions and sales charges as described in the Washington Mutual Investors Fund Prospectus. With respect to sales of shares of any tax-exempt fund, the concession schedule for sales of shares to endowments and foundations or retirement plans of organizations with assets of \$50 million or more is inapplicable. The schedules of sales charges above apply to single purchases, concurrent purchases of two or more of the Funds (except those listed in Category 3 on the attached Schedule A), and purchases made under a statement of intention and pursuant to the right of accumulation, both of which are described in the Prospectuses.

D. On sales of Class A shares and Class 529-A shares of Funds listed in Category 3 on the attached Schedule A, no dealer concessions will be paid.

### 3. COMPENSATION ON SALES OF CLASS B SHARES AND CLASS 529-B SHARES

A. On sales of Class B shares and Class 529-B shares of Funds listed in Category 1 and Category 2 on the attached Schedule A that are accepted by us and for which you are responsible, you will be paid:

- a dealer concession of 3.75% of the amount invested, plus
- an immediate service fee of 0.25% of the amount invested.

B. On sales of Class B shares and Class 529-B shares of Funds listed in Category 3 on the attached Schedule A, no dealer concessions will be paid.

### 4. ONGOING SERVICE FEES FOR CLASS A, CLASS 529-A, CLASS B AND CLASS 529-B SHARES

We are also authorized to pay you continuing service fees each quarter with respect to the Class A, Class 529-A, Class B and Class 529-B shares of all the Funds to promote selling efforts and to compensate you for providing certain services to your clients, subject to your compliance with the following terms, which may be revised by us from time to time. Your eligibility to continue receiving this compensation will be evaluated periodically, and your failure to comply with the terms below may result in our discontinuing service fee payments to you. Initial qualification does not assure continued participation, and this service fee program may be amended or terminated by us at any time as indicated below.

A. You agree to cooperate as requested with programs that we provide to enhance shareholder service. You also agree to assume an active role in providing shareholder services such as processing purchase and redemption transactions, establishing shareholder accounts, and providing certain information and assistance with respect to the Funds. Redemption levels of shareholder accounts assigned to you will be considered in evaluating your continued participation in this service fee program.

B. You agree to support our marketing efforts by granting reasonable requests for visits to your offices by our wholesalers and, to the extent applicable, by including all Funds covered by this Agreement on your "approved" list.

C. You agree to assign an individual to each shareholder account on your books and to reassign the account should that individual no longer be assigned to the account. You agree to instruct each such individual to regularly contact shareholders having accounts so assigned.



D. You agree to pass through either directly or indirectly to the individual(s) assigned to such accounts a share of the service fees paid to you pursuant to this Agreement. You recognize that the service fee is intended to compensate the individual for providing, and encourage the individual to continue to provide, service to the account holder.

E. You acknowledge that (i) all service fee payments are subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time, (ii) in order to receive a service fee for a particular quarter, the fee must amount to at least \$100, and (iii) no service fees will be paid on shares purchased under the net asset value purchase privilege as described in the Funds' statements of additional information.

F. On Class A, Class 529-A, Class B and Class 529-B shares of Funds listed in Category 1 and Category 2 on the attached Schedule A, we will pay you a quarterly service fee at the following annual rates, based on the average daily net asset value of Class A, Class 529-A, Class B and Class 529-B shares, respectively, that have been invested for 12 months and are held in an account assigned to you at the end of the quarter for which payment is made:

ANNUAL SERVICE FEE RATE

Shares with a first anniversary of purchase before 7-1-88*	0.15%
Shares with a first anniversary of purchase on or after 7-1-88	0.25%
Shares of state-specific tax-exempt funds	0.25%

G. On Class A, Class 529-A, Class B and Class 529-B shares of Funds listed in Category 3 on the attached Schedule A, we will pay you a quarterly service fee at the following annual rates, based on the average daily net asset value of Class A, Class 529-A, Class B and Class 529-B shares, respectively, that have been invested for 12 months and are held in an account assigned to you at the end of the quarter for which payment is made:

ANNUAL SERVICE FEE RATE

All Shares 0.15%

5. COMPENSATION ON SALES OF CLASS C SHARES AND CLASS 529-C SHARES

A. On sales of Class C shares and Class 529-C shares of Funds listed in Category 1 and Category 2 on the attached Schedule A that are accepted by us and for which you are responsible, we will pay you:

- a dealer concession of 0.75% of the amount invested, plus
- an immediate service fee of 0.25% of the amount invested.

B. In addition, we will pay you ongoing compensation on a quarterly basis at the annual rate of 1.00% of the average daily net asset value of Class C shares and Class 529-C shares of Funds listed in Category 1, Category 2 and Category 3 on the attached Schedule A that have been invested for 12 months and are held in an account assigned to you at the end of the quarter for which payment is made. The payment of this ongoing compensation is subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time.

6. COMPENSATION ON SALES OF CLASS 529-E SHARES

We will pay you ongoing compensation on a quarterly basis at the annual rate of 0.50% of the average daily net asset value of Class 529-E shares of Funds listed in Category 1, Category 2 and Category 3 on the attached Schedule A that are held in an account assigned to you at the end of the quarter for which payment is made. The payment of this ongoing compensation is subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time.

7. RETIREMENT PLAN SHARE CLASSES (R SHARES) AND ACCOUNT OPTIONS (FOR RETIREMENT PLANS ONLY)

A. We will pay you ongoing compensation on a quarterly basis, at the applicable annual rate set forth below, of the average daily net asset value of R shares of Funds listed in Category 1, Category 2 and Category 3 on the attached Schedule A that are held in a retirement plan (Plan) account assigned to you at the end of the quarter for which payment is made. The payment of this ongoing compensation is subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time. We expect that you

will maintain one account for each of your Plan customers on the books of the Funds.

<TABLE>  
<CAPTION>

R SHARE CLASS	ANNUAL COMPENSATION RATE
<s> Class R-1	<c> 1.00%
Class R-2	0.75%
Class R-3	0.50%
Class R-4	0.25%
Class R-5	No compensation paid

</TABLE>

B. IF YOU HOLD PLAN ACCOUNTS IN AN OMNIBUS ACCOUNT (I.E., MULTIPLE PLANS IN ONE ACCOUNT ON THE BOOKS OF THE FUNDS), PLANS THAT ARE ADDED TO THE OMNIBUS ACCOUNT AFTER MAY 15, 2002 MAY INVEST ONLY IN R SHARES, AND YOU MUST EXECUTE AN OMNIBUS ADDENDUM TO THE SELLING GROUP AGREEMENT, WHICH YOU CAN OBTAIN BY CALLING OUR DEALER SUPPORT DEPARTMENT, EXTENSION 34222.

#### 8. ORDER PROCESSING

ANY ORDER BY YOU FOR THE PURCHASE OF SHARES OF THE RESPECTIVE FUNDS THROUGH US SHALL BE ACCEPTED AT THE TIME WHEN IT IS RECEIVED BY US (OR ANY CLEARINGHOUSE AGENCY THAT WE MAY DESIGNATE FROM TIME TO TIME), AND AT THE OFFERING AND SALE PRICE NEXT DETERMINED, UNLESS REJECTED BY US OR THE RESPECTIVE FUNDS. IN ADDITION TO THE RIGHT TO REJECT ANY ORDER, THE FUNDS HAVE RESERVED THE RIGHT TO WITHHOLD SHARES FROM SALE TEMPORARILY OR PERMANENTLY. WE WILL NOT ACCEPT ANY ORDER FROM YOU THAT IS PLACED ON A CONDITIONAL BASIS OR SUBJECT TO ANY DELAY OR CONTINGENCY PRIOR TO EXECUTION. THE PROCEDURE RELATING TO THE HANDLING OF ORDERS SHALL BE SUBJECT TO INSTRUCTIONS THAT WE SHALL FORWARD FROM TIME TO TIME TO ALL MEMBERS OF THE SELLING GROUP. THE SHARES PURCHASED WILL BE ISSUED BY THE RESPECTIVE FUNDS ONLY AGAINST RECEIPT OF THE PURCHASE PRICE, IN COLLECTED NEW YORK OR LOS ANGELES CLEARING HOUSE FUNDS SUBJECT TO DEDUCTION OF ALL CONCESSIONS ON SUCH SALE (REALLOWANCE OF ANY CONCESSIONS TO WHICH YOU ARE ENTITLED ON PURCHASES AT NET ASSET VALUE WILL BE PAID THROUGH OUR DIRECT PURCHASE CONCESSION SYSTEM). IF PAYMENT FOR THE SHARES PURCHASED IS NOT RECEIVED WITHIN THREE DAYS AFTER THE DATE OF CONFIRMATION THE SALE MAY BE CANCELLED FORTHWITH, BY US OR BY THE RESPECTIVE FUNDS, WITHOUT ANY RESPONSIBILITY OR LIABILITY ON OUR PART OR ON THE PART OF THE FUNDS, AND WE AND/OR THE RESPECTIVE FUNDS MAY HOLD YOU RESPONSIBLE FOR ANY LOSS, EXPENSE, LIABILITY OR DAMAGE, INCLUDING LOSS OF PROFIT SUFFERED BY US AND/OR THE RESPECTIVE FUNDS RESULTING FROM YOUR DELAY OR FAILURE TO MAKE PAYMENT AS AFORESAID.

#### 9. TIMELINESS OF SUBMITTING ORDERS

YOU ARE OBLIGED TO DATE AND INDICATE THE TIME OF RECEIPT OF ALL ORDERS YOU RECEIVE FROM YOUR CUSTOMERS AND TO TRANSMIT PROMPTLY ALL ORDERS TO US IN TIME TO PROVIDE FOR PROCESSING AT THE PRICE NEXT DETERMINED AFTER RECEIPT BY YOU, IN ACCORDANCE WITH THE PROSPECTUSES. YOU ARE NOT TO WITHHOLD PLACING WITH US ORDERS RECEIVED FROM ANY CUSTOMERS FOR THE PURCHASE OF SHARES. YOU SHALL NOT PURCHASE SHARES THROUGH US EXCEPT FOR THE PURPOSE OF COVERING PURCHASE ORDERS ALREADY RECEIVED BY YOU, OR FOR YOUR BONA FIDE INVESTMENT.

#### 10. REPURCHASE OF SHARES

IF ANY SHARE IS REPURCHASED BY ANY OF THE FUNDS OR IS TENDERED THERETO FOR REDEMPTION WITHIN SEVEN BUSINESS DAYS AFTER CONFIRMATION BY US OF THE ORIGINAL PURCHASE ORDER FROM YOU FOR SUCH SECURITY, YOU SHALL FORTHWITH REFUND TO US THE FULL CONCESSIONS PAID TO YOU ON THE ORIGINAL SALE.

#### 11. PROCESSING REDEMPTION REQUESTS

YOU SHALL NOT PURCHASE ANY SHARE OF ANY OF THE FUNDS FROM A RECORD HOLDER AT A PRICE LOWER THAN THE NET ASSET VALUE NEXT DETERMINED BY OR FOR THE FUNDS' SHARES. YOU SHALL, HOWEVER, BE PERMITTED TO SELL ANY SHARES FOR THE ACCOUNT OF A SHAREHOLDER

OF THE FUNDS AT THE NET ASSET VALUE CURRENTLY QUOTED BY OR FOR THE FUNDS' SHARES, AND MAY CHARGE A FAIR SERVICE FEE FOR HANDLING THE TRANSACTION PROVIDED YOU DISCLOSE THE FEE TO THE RECORD OWNER.

#### 12. PROSPECTUSES AND MARKETING MATERIALS

WE SHALL FURNISH YOU WITHOUT CHARGE REASONABLE QUANTITIES OF OFFERING PROSPECTUSES (INCLUDING ANY SUPPLEMENTS CURRENTLY IN EFFECT), CURRENT SHAREHOLDER REPORTS OF THE FUNDS, AND SALES MATERIALS ISSUED BY US FROM TIME TO TIME. IN THE PURCHASE OF SHARES THROUGH US, YOU ARE ENTITLED TO RELY ONLY ON THE INFORMATION CONTAINED IN THE OFFERING PROSPECTUS(ES). YOU MAY NOT PUBLISH ANY ADVERTISEMENT OR DISTRIBUTE SALES LITERATURE OR OTHER WRITTEN MATERIAL TO THE PUBLIC THAT MAKES REFERENCE TO US OR ANY OF THE FUNDS (EXCEPT MATERIAL THAT WE FURNISHED TO YOU) WITHOUT OUR PRIOR WRITTEN APPROVAL.

#### 13. EFFECT OF PROSPECTUS

THIS AGREEMENT IS IN ALL RESPECTS SUBJECT TO STATEMENTS REGARDING THE SALE AND REPURCHASE OR REDEMPTION OF SHARES MADE IN OFFERING PROSPECTUSES OF THE FUNDS, AND TO THE APPLICABLE RULES OF THE NASD, WHICH SHALL CONTROL AND OVERRIDE ANY PROVISION TO THE CONTRARY IN THIS AGREEMENT.

#### 14. RELATIONSHIP OF PARTIES

YOU SHALL MAKE AVAILABLE SHARES OF THE FUNDS ONLY THROUGH US. IN NO TRANSACTION (WHETHER OF PURCHASE OR SALE) SHALL YOU HAVE ANY AUTHORITY TO ACT AS AGENT FOR, PARTNER OF, OR PARTICIPANT IN A JOINT VENTURE WITH US OR WITH THE FUNDS OR ANY OTHER ENTITY HAVING EITHER A SELLING GROUP AGREEMENT OR OTHER AGREEMENT WITH US.

#### 15. STATE SECURITIES QUALIFICATION

WE ACT SOLELY AS AGENT FOR THE FUNDS AND ARE NOT RESPONSIBLE FOR QUALIFYING THE FUNDS OR THEIR SHARES FOR SALE IN ANY JURISDICTION. UPON WRITTEN REQUEST WE WILL PROVIDE YOU WITH A LIST OF THE JURISDICTIONS IN WHICH THE FUNDS OR THEIR SHARES ARE QUALIFIED FOR SALE.

WE ALSO ARE NOT RESPONSIBLE FOR THE ISSUANCE, FORM, VALIDITY, ENFORCEABILITY OR VALUE OF FUND SHARES.

#### 16. REPRESENTATIONS

A. YOU REPRESENT THAT (A) YOU ARE A PROPERLY REGISTERED OR LICENSED BROKER OR DEALER UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS AND REGULATIONS AND ARE COMPLYING WITH AND WILL CONTINUE TO COMPLY WITH ALL APPLICABLE FEDERAL AND STATE LAWS, RULES AND REGULATIONS, (B) YOU ARE A MEMBER OF THE NASD, (C) YOUR MEMBERSHIP WITH THE NASD IS NOT CURRENTLY SUSPENDED OR TERMINATED AND (D) TO THE EXTENT YOU OFFER ANY CLASS 529 SHARES, YOU ARE PROPERLY REGISTERED TO OFFER SUCH SHARES. YOU AGREE TO NOTIFY US IMMEDIATELY IF ANY OF THE FOREGOING REPRESENTATIONS IS NO LONGER TRUE TO A MATERIAL EXTENT.

B. WE REPRESENT THAT (A) WE ARE ACTING AS AN UNDERWRITER WITHIN THE MEANING OF THE APPLICABLE RULES OF THE NASD AND ARE COMPLYING WITH AND WILL CONTINUE TO COMPLY WITH ALL APPLICABLE FEDERAL AND STATE LAWS, RULES AND REGULATIONS, (B) WE ARE A MEMBER OF THE NASD AND (C) OUR MEMBERSHIP WITH THE NASD IS NOT CURRENTLY SUSPENDED OR TERMINATED. WE AGREE TO NOTIFY YOU IMMEDIATELY IF ANY OF THE FOREGOING REPRESENTATIONS IS NO LONGER TRUE TO A MATERIAL EXTENT.

#### 17. CONFIDENTIALITY

EACH PARTY TO THIS AGREEMENT AGREES TO MAINTAIN ALL INFORMATION RECEIVED FROM THE OTHER PARTY PURSUANT TO THIS AGREEMENT IN CONFIDENCE, AND EACH PARTY AGREES NOT TO USE ANY SUCH INFORMATION FOR ANY PURPOSE, OR DISCLOSE ANY SUCH INFORMATION TO ANY PERSON, EXCEPT AS PERMITTED BY APPLICABLE LAWS, RULES AND REGULATIONS. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

#### 18. TERMINATION

EITHER OF US MAY CANCEL THIS AGREEMENT AT ANY TIME BY WRITTEN NOTICE TO THE OTHER.

#### 19. NOTICES

ALL COMMUNICATIONS TO US SHOULD BE SENT TO THE ABOVE ADDRESS. ANY NOTICE TO YOU SHALL BE DULY GIVEN IF MAILED OR SENT BY OVERNIGHT COURIER TO YOU AT THE

ADDRESS SPECIFIED BY YOU BELOW.

\* \* \* \* \*

EXECUTE THIS AGREEMENT IN DUPLICATE AND RETURN ONE OF THE DUPLICATE ORIGINALS TO US FOR OUR FILE. THIS AGREEMENT (I) MAY BE AMENDED BY NOTIFICATION FROM US AND ORDERS RECEIVED FOLLOWING SUCH NOTIFICATION SHALL BE DEEMED TO BE AN ACCEPTANCE OF ANY SUCH AMENDMENT AND (II) SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

VERY TRULY YOURS,

AMERICAN FUNDS DISTRIBUTORS, INC.

BY  
KEVIN G. CLIFFORD  
PRESIDENT  
ACCEPTED  
FIRM  
BY

PRINT NAME \_\_\_\_\_  
TITLE \_\_\_\_\_  
ADDRESS:  
DATE:

SCHEDULE A  
MAY 15, 2002  
(SUPERSEDES SCHEDULE A DATED JANUARY 1, 2002)

<TABLE>  
<CAPTION>

	A	B	C	529-A	529-B	529-C	529-E
<s>	<c>	<c>	<c>	<c>	<c>	<c>	<c>
CATEGORY 1							
AMCAP FUND	-	-	-	-	-	-	-
AMERICAN BALANCED FUND	-	-	-	-	-	-	-
AMERICAN MUTUAL FUND	-	-	-	-	-	-	-
CAPITAL INCOME BUILDER	-	-	-	-	-	-	-
CAPITAL WORLD GROWTH AND INCOME FUND	-	-	-	-	-	-	-
EUROPACIFIC GROWTH FUND	-	-	-	-	-	-	-
FUNDAMENTAL INVESTORS	-	-	-	-	-	-	-
GROWTH FUND OF AMERICA	-	-	-	-	-	-	-
INCOME FUND OF AMERICA	-	-	-	-	-	-	-
INVESTMENT COMPANY OF AMERICA	-	-	-	-	-	-	-
NEW ECONOMY FUND	-	-	-	-	-	-	-
NEW PERSPECTIVE FUND	-	-	-	-	-	-	-
NEW WORLD FUND	-	-	-	-	-	-	-
SMALLCAP WORLD FUND	-	-	-	-	-	-	-
WASHINGTON MUTUAL INVESTORS FUND	-	-	-	-	-	-	-
CATEGORY 2							
AMERICAN HIGH-INCOME TRUST	-	-	-	-	-	-	-
AMERICAN HIGH-INCOME MUNICIPAL BOND FUND	-	-	-	NA	NA	NA	NA
BOND FUND OF AMERICA	-	-	-	-	-	-	-

CAPITAL WORLD BOND FUND	-	-	-	-	-	-	-
INTERMEDIATE BOND FUND OF AMERICA	-	-	-	-	-	-	-
LIMITED TERM TAX-EXEMPT BOND FUND OF AMERICA	-	-	-	NA	NA	NA	NA
TAX-EXEMPT BOND FUND OF AMERICA	-	-	-	NA	NA	NA	NA
TAX-EXEMPT FUND OF CALIFORNIA	-	-	-	NA	NA	NA	NA
TAX-EXEMPT FUND OF MARYLAND	-	-	-	NA	NA	NA	NA
TAX-EXEMPT FUND OF VIRGINIA	-	-	-	NA	NA	NA	NA
U.S. GOVERNMENT SECURITIES FUND	-	-	-	-	-	-	-
CATEGORY 3							
CASH MANAGEMENT TRUST OF AMERICA	-	X	X	-	X	X	-
TAX-EXEMPT MONEY FUND OF AMERICA	-	NA	NA	NA	NA	NA	NA
U.S. TREASURY MONEY FUND OF AMERICA	-	NA	NA	NA	NA	NA	NA
	R-1	R-2	R-3	R-4	R-5		
CATEGORY 1							
AMCAP FUND	-	-	-	-	-		
AMERICAN BALANCED FUND	-	-	-	-	-		
AMERICAN MUTUAL FUND	-	-	-	-	-		
CAPITAL INCOME BUILDER	-	-	-	-	-		
CAPITAL WORLD GROWTH AND INCOME FUND	-	-	-	-	-		
EUROPACIFIC GROWTH FUND	-	-	-	-	-		
FUNDAMENTAL INVESTORS	-	-	-	-	-		
GROWTH FUND OF AMERICA	-	-	-	-	-		
INCOME FUND OF AMERICA	-	-	-	-	-		
INVESTMENT COMPANY OF AMERICA	-	-	-	-	-		
NEW ECONOMY FUND	-	-	-	-	-		
NEW PERSPECTIVE FUND	-	-	-	-	-		
NEW WORLD FUND	-	-	-	-	-		
SMALLCAP WORLD FUND	-	-	-	-	-		
WASHINGTON MUTUAL INVESTORS FUND	-	-	-	-	-		
CATEGORY 2							
AMERICAN HIGH-INCOME TRUST	-	-	-	-	-		
AMERICAN HIGH-INCOME MUNICIPAL BOND FUND	NA	NA	NA	NA	NA		
BOND FUND OF AMERICA	-	-	-	-	-		

CAPITAL WORLD BOND FUND	-	-	-	-	-
INTERMEDIATE BOND FUND OF AMERICA	-	-	-	-	-
LIMITED TERM TAX-EXEMPT BOND FUND OF AMERICA	NA	NA	NA	NA	NA
TAX-EXEMPT BOND FUND OF AMERICA	NA	NA	NA	NA	NA
TAX-EXEMPT FUND OF CALIFORNIA	NA	NA	NA	NA	NA
TAX-EXEMPT FUND OF MARYLAND	NA	NA	NA	NA	NA
TAX-EXEMPT FUND OF VIRGINIA	NA	NA	NA	NA	NA
U.S. GOVERNMENT SECURITIES FUND	-	-	-	-	-

CATEGORY 3

CASH MANAGEMENT TRUST OF AMERICA	-	-	-	-	-
TAX-EXEMPT MONEY FUND OF AMERICA	NA	NA	NA	NA	NA
U.S. TREASURY MONEY FUND OF AMERICA	-	-	-	-	-

</TABLE>

NOTES AND SYMBOLS

CLASS F AND CLASS 529-F SHARES ARE AVAILABLE PURSUANT TO A SEPARATE AGREEMENT.

- SHARE CLASS IS AVAILABLE.

X SHARE CLASS IS AVAILABLE FOR EXCHANGES ONLY.

NA SHARE CLASS IS NOT AVAILABLE.

[logo - American Funds (sm)]

AMERICAN FUNDS DISTRIBUTORS, INC.

333 South Hope Street

Los Angeles, California 90071

Telephone 800/421-9900, ext. 4

Form of bank selling group agreement

Ladies and Gentlemen:

We have entered into a principal underwriting agreement with each Fund in The American Funds Group (Funds) under which we are appointed exclusive agent for the sale of shares. You have indicated that you wish to act as agent for your customers in connection with the purchase, sale and redemption of shares of the Funds as are qualified for sale in your state. We agree to honor your request, subject to the terms set forth below. In addition, we are the distributor of CollegeAmerica (Program), a college savings program as described in Section 529 of the Internal Revenue Code.

1. AUTHORIZATION

In placing orders for the purchase and sale of shares of the Funds, you will be acting as agent for your customers. We shall execute transactions for each of your customers only upon your authorization, at the regular public price currently determined by the respective Funds in the manner described in their offering Prospectuses. The offering Prospectuses and this Agreement set forth the terms applicable to sales of shares of the Funds through you and all other representations or documents are subordinate. You understand that Class 529 shares of the Funds are available only as underlying investments through the Program.

2. COMPENSATION ON SALES OF CLASS A SHARES AND CLASS 529-A SHARES

a. On each purchase order for Class A shares and Class 529-A shares of Funds listed in Category 1 on the attached Schedule A that is accepted by us and for which you are responsible, you will be paid compensation as follows:

<TABLE> <CAPTION> PURCHASES	COMPENSATION AS PERCENTAGE OF OFFERING PRICE	SALES CHARGE AS PERCENTAGE OF OFFERING PRICE
<s> Less than \$25,000	<c> 5.00%	<c> 5.75%
\$25,000 but less than \$50,000	4.25%	5.00%
\$50,000 but less than \$100,000	3.75%	4.50%
\$100,000 but less than \$250,000	2.75%	3.50%
\$250,000 but less than \$500,000	2.00%	2.50%
\$500,000 but less than \$750,000	1.60%	2.00%
\$750,000 but less than \$1,000,000	1.20%	1.50%
\$1,000,000 or more	See below	None

</TABLE>

B. On each purchase order for Class A shares and Class 529-A shares of Funds listed in Category 2 on the attached Schedule A that is accepted by us and for which you are responsible, you will be paid the same compensation indicated above except as follows:

<TABLE> <CAPTION> PURCHASES	COMPENSATION AS PERCENTAGE OF OFFERING PRICE	SALES CHARGE AS PERCENTAGE OF OFFERING PRICE
<s> Less than \$100,000	<c> 3.00%	<c> 3.75%

</TABLE>

C. For purchase orders of Class A shares and Class 529-A shares for which you are responsible, a) amounting to \$1 million or more, b) made to employer-sponsored defined contribution-type retirement plans that qualify to invest at net asset value under the terms of the Fund Prospectuses, or c) made at net asset value to endowments and foundations with assets of \$50 million or more, you will be paid compensation of 1.00% on sales to \$4 million, plus 0.50% on amounts over \$4 million up to \$10 million, plus 0.25% on amounts over \$10 million. No compensation is paid on any other sales of shares at net asset value, except that compensation may be paid on sales of fund shares to accounts managed by affiliates of The Capital Group Companies, Inc. as set forth in this Agreement. Sales of shares of Washington Mutual Investors Fund below \$1 million made in connection with certain accounts established before September 1, 1969 are subject to reduced compensation and sales charges as described in the Washington Mutual Investors Fund Prospectus. With respect to sales of shares of any tax-exempt fund, the compensation schedule for sales of shares to endowments and foundations or retirement plans of organizations with assets of \$50 million or more is inapplicable. The schedules of sales charges above apply to single purchases, concurrent purchases of two or more of the Funds (except those listed in Category 3 on the attached Schedule A), and purchases made under a statement of intention and pursuant to the right of accumulation, both of which are described in the Prospectuses.

D. On each purchase order for Class A shares and Class 529-A shares of Funds listed in Category 3 on the attached Schedule A, no compensation will be paid.

### 3. COMPENSATION ON SALES OF CLASS B SHARES AND CLASS 529-B SHARES

A. On purchase orders for Class B shares and Class 529-B shares of Funds listed in Category 1 and Category 2 on the attached Schedule A that are accepted by us and for which you are responsible, you will be paid:

- compensation of 3.75% of the amount invested, plus
- an immediate service fee of 0.25% of the amount invested.

B. On purchase orders for Class B shares and Class 529-B shares of Funds listed in Category 3 on the attached Schedule A, no compensation will be paid.

#### 4. ONGOING SERVICE FEES FOR CLASS A, CLASS 529-A, CLASS B AND CLASS 529-B SHARES

We are also authorized to pay you continuing service fees each quarter with respect to the Class A, Class 529-A, Class B and Class 529-B shares of all the Funds to compensate you for providing certain services to your clients, subject to your compliance with the following terms, which may be revised by us from time to time. Your eligibility to continue receiving this compensation will be evaluated periodically, and your failure to comply with the terms below may result in our discontinuing service fee payments to you. Initial qualification does not assure continued participation, and this service fee program may be amended or terminated by us at any time as indicated below.

A. You agree to cooperate as requested with programs that we provide to enhance shareholder service. You also agree to assume an active role in providing shareholder services such as processing purchase and redemption transactions, establishing shareholder accounts, and providing certain information and assistance with respect to the Funds. Redemption levels of shareholder accounts assigned to you will be considered in evaluating your continued participation in this service fee program.

B. You agree to support our marketing efforts by granting reasonable requests for visits to your offices by our wholesalers and, to the extent applicable, by including all Funds covered by this Agreement on your "approved" list.

C. You agree to assign an individual to each shareholder account on your books and to reassign the account should that individual no longer be assigned to the account. You agree to instruct each such individual to regularly contact shareholders having accounts so assigned.

D. You agree to pass through either directly or indirectly to the individual(s) assigned to such accounts a share of the service fees paid to you pursuant to this Agreement. You recognize that the service fee is intended to compensate the individual for providing, and encourage the individual to continue to provide, service to the account holder.

E. You acknowledge that (i) all service fee payments are subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time, (ii) in order to receive a service fee for a particular quarter, the fee must amount to at least \$100, and (iii) no service fees will be paid on shares purchased under the net asset value purchase privilege as described in the Funds' statements of additional information.

F. On Class A, Class 529-A, Class B and Class 529-B shares of Funds listed in Category 1 and Category 2 on the attached Schedule A, we will pay you a quarterly service fee at the following annual rates, based on the average daily net asset value of Class A, Class 529-A, Class B and Class 529-B shares, respectively, that have been invested for 12 months and are held in an account assigned to you at the end of the quarter for which payment is made:

##### ANNUAL SERVICE FEE RATE

Shares with a first anniversary of purchase before 7-1-88*	0.15%
Shares with a first anniversary of purchase on or after 7-1-88	0.25%
Shares of state-specific tax-exempt funds	0.25%

G. On Class A, Class 529-A, Class B and Class 529-B shares of Funds listed in Category 3 on the attached Schedule A, we will pay you a quarterly service fee at the following annual rates, based on the average daily net asset value of Class A, Class 529-A, Class B and Class 529-B shares, respectively, that have been invested for 12 months and are held in an account assigned to you at the end of the quarter for which payment is made:

##### ANNUAL SERVICE FEE RATE

All Shares 0.15%

#### 5. COMPENSATION ON SALES OF CLASS C SHARES AND CLASS 529-C SHARES

A. On purchase orders for Class C shares and Class 529-C shares of Funds listed in Category 1 and Category 2 on the attached Schedule A that are accepted by us and for which you are responsible, we will pay you:

- compensation of 0.75% of the amount invested, plus



- an immediate service fee of 0.25% of the amount invested.

B. In addition, we will pay you ongoing compensation on a quarterly basis at the annual rate of 1.00% of the average daily net asset value of Class C shares and Class 529-C shares of Funds listed in Category 1, Category 2 and Category 3 on the attached Schedule A that have been invested for 12 months and are held in an account assigned to you at the end of the quarter for which payment is made. The payment of this ongoing compensation is subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time.

\*Except U.S. Government Securities Fund, which pays service fees at the 0.25% rate on all shares held at least 12 months

#### 6. COMPENSATION ON SALES OF CLASS 529-E SHARES

We will pay you ongoing compensation on a quarterly basis at the annual rate of 0.50% of the average daily net asset value of Class 529-E shares of Funds listed in Category 1, Category 2 and Category 3 on the attached Schedule A that are held in an account assigned to you at the end of the quarter for which payment is made. The payment of this ongoing compensation is subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time.

#### 7. RETIREMENT PLAN SHARE CLASSES (R SHARES) AND ACCOUNT OPTIONS (FOR RETIREMENT PLANS ONLY)

A. We will pay you ongoing compensation on a quarterly basis, at the applicable annual rate set forth below, of the average daily net asset value of R shares of Funds listed in Category 1, Category 2 and Category 3 on the attached Schedule A that are held in a retirement plan (Plan) account assigned to you at the end of the quarter for which payment is made. The payment of this ongoing compensation is subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time. We expect that you will maintain one account for each of your Plan customers on the books of the Funds.

<TABLE>

<CAPTION>

R SHARE CLASS	ANNUAL COMPENSATION RATE
<s> Class R-1	<c> 1.00%
Class R-2	0.75%
Class R-3	0.50%
Class R-4	0.25%
Class R-5	No compensation paid

</TABLE>

B. If you hold Plan accounts in an omnibus account (I.E., multiple Plans in one account on the books of the Funds), Plans that are added to the omnibus account after May 15, 2002 may invest only in R shares, and you must execute an Omnibus Addendum to the Selling Group Agreement, which you can obtain by calling our Dealer Support department, extension 34222.

#### 8. ORDER PROCESSING

Any order by you for the purchase of shares of the respective Funds through us shall be accepted at the time when it is received by us (or any clearinghouse agency that we may designate from time to time), and at the offering and sale price next determined, unless rejected by us or the respective Funds. In addition to the right to reject any order, the Funds have reserved the right to withhold shares from sale temporarily or permanently. We will not accept any order from you that is placed on a conditional basis or subject to any delay or contingency prior to execution. The procedure relating to the handling of orders shall be subject to instructions that we shall forward from time to time to all members of the Selling Group. The shares purchased will be issued by the respective Funds only against receipt of the purchase price, in collected New York or Los Angeles Clearing House funds subject to deduction of all compensation on such sale (reallowance of any compensation to which you are entitled on purchases at net asset value will be paid through our direct

purchase compensation system). If payment for the shares purchased is not received within three days after the date of confirmation the sale may be cancelled forthwith, by us or by the respective Funds, without any responsibility or liability on our part or on the part of the Funds, and we and/or the respective Funds may hold you responsible for any loss, expense, liability or damage, including loss of profit suffered by us and/or the respective Funds resulting from your delay or failure to make payment as aforesaid.

#### 9. TIMELINESS OF SUBMITTING ORDERS

You are obliged to date and indicate the time of receipt of all orders you receive from your customers and to transmit promptly all orders to us in time to provide for processing at the price next determined after receipt by you, in accordance with the Prospectuses. You are not to withhold placing with us orders received from any customers for the purchase of shares. You shall not purchase shares through us except for the purpose of covering purchase orders already received by you, or for your bona fide investment.

#### 10. REPURCHASE OF SHARES

If any share is repurchased by any of the Funds or is tendered thereto for redemption within seven business days after confirmation by us of the original purchase order from you for such security, you shall forthwith refund to us the full compensation paid to you on the original sale.

#### 11. PROCESSING REDEMPTION REQUESTS

You shall not purchase any share of any of the Funds from a record holder at a price lower than the net asset value next determined by or for the Funds' shares. You shall, however, be permitted to sell any shares for the account of a shareholder of the Funds at the net asset value currently quoted by or for the Funds' shares, and may charge a fair service fee for handling the transaction provided you disclose the fee to the record owner.

#### 12. PROSPECTUSES AND MARKETING MATERIALS

We shall furnish you without charge reasonable quantities of offering Prospectuses (including any supplements currently in effect) current shareholder reports of the Funds, and sales materials issued by us from time to time. In the purchase of shares through us, you are entitled to rely only on the information contained in the offering Prospectus(es). You may not publish any advertisement or distribute sales literature or other written material to the public that makes reference to us or any of the Funds (except material that we furnished to you) without our prior written approval.

#### 13. EFFECT OF PROSPECTUS

This Agreement is in all respects subject to statements regarding the sale and repurchase or redemption of shares made in offering Prospectuses of the Funds, which shall control and override any provision to the contrary in this Agreement.

#### 14. RELATIONSHIP OF PARTIES

You shall make available shares of the Funds only through us. In no transaction (whether of purchase or sale) shall you have any authority to act as agent for, partner of, or participant in a joint venture with us or with the Funds or any other entity having either a Bank Selling Group Agreement or other Agreement with us.

#### 15. STATE SECURITIES QUALIFICATION

We act solely as agent for the Funds and are not responsible for qualifying the Funds or their shares for sale in any jurisdiction. Upon written request we will provide you with a list of the jurisdictions in which the Funds or their shares are qualified for sale. We also are not responsible for the issuance, form, validity, enforceability or value of Fund shares.

#### 16. REPRESENTATIONS

A. You represent that (1) you are (a) a properly registered or licensed broker or dealer under applicable federal and state securities laws and regulations, a member of the National Association of Securities Dealers, Inc. (NASD), and your membership with the NASD is not currently suspended or terminated or (b) a "bank" as defined in Section 3(a)(6) of the Securities Exchange Act of 1934 (or

other financial institution) and not otherwise required to register as a broker or dealer under such Act or any state laws; (2) you are complying with and will continue to comply with all applicable federal and state laws, rules and regulations; and (3) to the extent you offer any Class 529 shares, you are permitted by applicable law to offer such shares. You agree to notify us immediately if any of the foregoing representations is no longer true to a material extent. You also agree that, if you are a bank or other financial institution as set forth above, you will comply with the applicable rules of the NASD, that you will maintain adequate records with respect to your customers and their transactions, and that such transactions will be without recourse against you by your customers. We recognize that, in addition to applicable provisions of state and federal securities laws, you may be subject to the provisions of other laws governing, among other things, the conduct of activities by federal and state-chartered and supervised financial institutions and their affiliated organizations. Because you will be the only entity having a direct relationship with the customer in connection with securities purchases hereunder, you will be responsible in that relationship for insuring compliance with all applicable federal and state laws, rules and regulations relating to securities purchases hereunder.

B. We represent that (a) we are acting as an underwriter within the meaning of the applicable rules of the NASD and are complying with and will continue to comply with all applicable federal and state laws, rules and regulations, (b) we are a member of the NASD and (c) our membership with the NASD is not currently suspended or terminated. We agree to notify you immediately if any of the foregoing representations is no longer true to a material extent.

#### 17. CONFIDENTIALITY

Each party to this Agreement agrees to maintain all information received from the other party pursuant to this Agreement in confidence, and each party agrees not to use any such information for any purpose, or disclose any such information to any person, except as permitted by applicable laws, rules and regulations. This provision shall survive the termination of this Agreement.

#### 18. TERMINATION

Either of us may cancel this Agreement at any time by written notice to the other.

#### 19. NOTICES

All communications to us should be sent to the above address. Any notice to you shall be duly given if mailed or sent by overnight courier to you at the address specified by you below.

\* \* \* \* \*

Execute this Agreement in duplicate and return one of the duplicate originals to us for our file. This Agreement (i) may be amended by notification from us and orders received following such notification shall be deemed to be an acceptance of any such amendment and (ii) shall be construed in accordance with the laws of the State of California.

Very truly yours,

American Funds Distributors, Inc.

By  
Kevin G. Clifford  
President  
Accepted  
Firm

By

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Address:

Date:  
Schedule A  
May 15, 2002

<TABLE> <CAPTION>	A	B	C	529-A	529-B	529-C	529-E
<s> CATEGORY 1	<c>	<c>	<c>	<c>	<c>	<c>	<c>
AMCAP Fund	-	-	-	-	-	-	-
American Balanced Fund	-	-	-	-	-	-	-
American Mutual Fund	-	-	-	-	-	-	-
Capital Income Builder	-	-	-	-	-	-	-
Capital World Growth and Income Fund	-	-	-	-	-	-	-
EuroPacific Growth Fund	-	-	-	-	-	-	-
Fundamental Investors	-	-	-	-	-	-	-
Growth Fund of America	-	-	-	-	-	-	-
Income Fund of America	-	-	-	-	-	-	-
Investment Company of America	-	-	-	-	-	-	-
New Economy Fund	-	-	-	-	-	-	-
New Perspective Fund	-	-	-	-	-	-	-
New World Fund	-	-	-	-	-	-	-
SMALLCAP World Fund	-	-	-	-	-	-	-
Washington Mutual Investors Fund	-	-	-	-	-	-	-
CATEGORY 2							
American High-Income Trust	-	-	-	-	-	-	-
American High-Income Municipal Bond Fund	-	-	-	na	na	na	na
Bond Fund of America	-	-	-	-	-	-	-
Capital World Bond Fund	-	-	-	-	-	-	-
Intermediate Bond Fund of America	-	-	-	-	-	-	-
Limited Term Tax-Exempt Bond Fund of America	-	-	-	na	na	na	na
Tax-Exempt Bond Fund of America	-	-	-	na	na	na	na
Tax-Exempt Fund of California	-	-	-	na	na	na	na
Tax-Exempt Fund of Maryland	-	-	-	na	na	na	na
Tax-Exempt Fund of Virginia	-	-	-	na	na	na	na
U.S. Government Securities Fund	-	-	-	-	-	-	-
CATEGORY 3							
Cash Management Trust of America	-	X	X	-	X	X	-

Tax-Exempt Money Fund of America	-	na	na	na	na	na	na
U.S. Treasury Money Fund of America	-	na	na	na	na	na	na

R-1 R-2 R-3 R-4 R-5

CATEGORY 1

AMCAP Fund	-	-	-	-	-
American Balanced Fund	-	-	-	-	-
American Mutual Fund	-	-	-	-	-
Capital Income Builder	-	-	-	-	-
Capital World Growth and Income Fund	-	-	-	-	-
EuroPacific Growth Fund	-	-	-	-	-
Fundamental Investors	-	-	-	-	-
Growth Fund of America	-	-	-	-	-
Income Fund of America	-	-	-	-	-
Investment Company of America	-	-	-	-	-
New Economy Fund	-	-	-	-	-
New Perspective Fund	-	-	-	-	-
New World Fund	-	-	-	-	-
SMALLCAP World Fund	-	-	-	-	-
Washington Mutual Investors Fund	-	-	-	-	-

CATEGORY 2

American High-Income Trust	-	-	-	-	-
American High-Income Municipal Bond Fund	na	na	na	na	na
Bond Fund of America	-	-	-	-	-
Capital World Bond Fund	-	-	-	-	-
Intermediate Bond Fund of America	-	-	-	-	-
Limited Term Tax-Exempt Bond Fund of America	na	na	na	na	na
Tax-Exempt Bond Fund of America	na	na	na	na	na
Tax-Exempt Fund of California	na	na	na	na	na
Tax-Exempt Fund of Maryland	na	na	na	na	na
Tax-Exempt Fund of Virginia	na	na	na	na	na
U.S. Government Securities Fund	-	-	-	-	-

CATEGORY 3

Cash Management Trust of America	-	-	-	-	-
Tax-Exempt Money Fund of America	na	na	na	na	na
U.S. Treasury Money Fund of America	-	-	-	-	-

</TABLE>

NOTES AND SYMBOLS

CLASS F AND CLASS 529-F SHARES ARE AVAILABLE PURSUANT TO A SEPARATE AGREEMENT.

- SHARE CLASS IS AVAILABLE.
- X SHARE CLASS IS AVAILABLE FOR EXCHANGES ONLY.
- na SHARE CLASS IS NOT AVAILABLE.

[LOGO - AMERICAN FUNDS (SM)]

AMERICAN FUNDS DISTRIBUTORS, INC.  
333 South Hope Street  
Los Angeles, California 90071  
Telephone 800/421-9900, ext. 4

Form of omnibus addendum to the  
Selling group agreement  
(for retirement plan share classes (R shares) only)

Ladies and Gentlemen:

This Omnibus Addendum (Addendum) to the Selling Group Agreement (Agreement/1/) into which we previously entered is made by and between you and American Funds Distributors, Inc. as of the date indicated below. This Addendum constitutes the agreement between you and us in respect of your holding retirement plan (Plan) accounts in an omnibus account on the books of the Funds. All terms of the Agreement and of addenda to the Agreement dated on or prior to the date of this Addendum continue in full force and effect. If any provision of the Agreement or any addenda to the Agreement is inconsistent with this Addendum, this Addendum shall supersede such other provisions.

REQUIREMENTS TO MAINTAIN RETIREMENT PLAN OMNIBUS ACCOUNTS

A. In order for you to hold Plan accounts in an omnibus account on the books of the Funds, you agree to provide us with the following information, current as of the end of each calendar month, and in a manner and format satisfactory to us, for each Plan account in the omnibus account within fifteen (15) calendar days following the end of such month:

1. Plan's name
2. Selling representative's name
3. Selling representative's number
4. Selling representative's street address, city, state and zip code
5. Selling representative's branch number
6. Name of selling representative's affiliated firm
7. Dollar amount of investments to American Funds during the month (Include investments from mapped takeover assets, participant contributions and employer contributions. Do not include participant-initiated transactions that result in (i) asset movement between American Funds or (ii) investments to American Funds from other mutual fund families.)
8. Dollar amount of redemptions from American Funds during the month (Include redemptions or distributions due to a participant's separation of service or the removal of an American Fund as an investment option within the Plan. Do not include participant-initiated transactions that result in (i) asset movement between American Funds or (ii) asset movement from American Funds to other mutual fund families.)

Please note that if you are an institution that conducts retirement plan business through only one branch and has no representatives (such as a bank), then you are required to provide only the information listed in items 1, 7 and 8 above.

/1/ Agreement means the Selling Group Agreement, Bank Selling Group Agreement, or Institutional Selling Group Agreement, as the case may be, into which we previously entered.

B. If you provide third parties with trading or clearing services, you may not give such third parties access to the Funds without our written consent. Should you hold Plan accounts in an omnibus account, failure to comply with the requirements set forth above will constitute a breach of the Agreement, thereby giving us the right to terminate the Agreement.

\* \* \* \* \*

Execute this Addendum in duplicate and return one of the duplicate originals to us for our file. This Addendum (i) may be amended by notification from us and orders received following such notification shall be deemed to be an acceptance of any such amendment and (ii) shall be construed in accordance with the laws of the State of California.

Very truly yours,

American Funds Distributors, Inc.

By  
Kevin G. Clifford  
President  
Accepted  
Firm  
By  
Officer or Partner  
Address:  
Date:

[logo - American Funds Distributors (r)]

AMERICAN FUNDS DISTRIBUTORS  
333 South Hope Street  
Los Angeles, California 90071  
Telephone 800/421-9900, ext. 4

#### INSTITUTIONAL SELLING GROUP AGREEMENT

Ladies and Gentlemen:

We have entered into a principal underwriting agreement with each Fund in The American Funds Group (Funds) under which we are appointed exclusive agent for the sale of shares. You have indicated that you wish to act as agent for your customers in connection with the purchase, sale and redemption of shares of the Funds as are qualified for sale in your state. We agree to honor your request, subject to the terms of this Selling Group Agreement (Agreement) set forth below.

#### 1. AUTHORIZATION

As a member of a group of firms authorized to make shares of the Funds available to institutional customers (Selling Group), you will make shares of the Funds available only to retirement plans of entities that have retirement plan assets of at least \$50 million (Plans). In placing orders for the purchase and sale of shares of the Funds, you will be acting as agent for your customers. We shall execute transactions for each of your customers only upon your authorization, at the regular public price currently determined by the respective Funds in the manner described in their offering prospectuses (Prospectuses). This Agreement on your part runs to us and to the respective Funds and is for the benefit of and enforceable by each. The offering Prospectuses and this Agreement set forth the terms applicable to sales of shares of the Funds through you and all other representations or documents are subordinate.

#### 2. COMPENSATION ON CLASS A SHARES

In consideration of your acting as agent for your customers in connection with

the purchase and redemption of Fund shares and to compensate you for providing certain services to your customers, we will pay you compensation as described below, subject to your compliance with the following terms. Your eligibility to continue receiving this compensation will be evaluated periodically, and your failure to comply with the terms below may result in our discontinuing ongoing payments to you. Initial qualification does not assure continued participation, and the payment of this compensation is subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued by us at any time.

a. You agree to cooperate as requested with programs that we provide to enhance shareholder service. You also agree to assume an active role in providing shareholder services such as processing purchase and redemption transactions, establishing shareholder accounts, and providing certain information and assistance with respect to the Funds.

May 2002

b. You agree to support our marketing efforts by granting reasonable requests for visits to your offices by our wholesalers and, to the extent applicable, by including all Funds covered by this Agreement on your "approved" list.

c. You agree to assign an individual to each Plan account on your books and to reassign the account should that individual no longer be assigned to the account. You agree to instruct each such individual to regularly contact shareholders having accounts so assigned.

d. You agree to pass through either directly or indirectly to the individual(s) assigned to such accounts a share of the compensation paid to you pursuant to this Agreement. You recognize that payments under this Agreement are intended to compensate the individual for providing, and encourage the individual to continue to provide, service to the account holder.

e. You acknowledge that (i) all compensation is subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time, (ii) in order to receive a payment for a particular month, the payment must amount to at least \$100, and (iii) no compensation will be paid on shares purchased under the net asset value purchase privilege as described in the Funds' statements of additional information.

f. You will be paid a monthly fee in respect of Class A shares of Funds held in accounts that are assigned to you. The fee shall be the product of the average daily net asset value of Class A shares of Funds in Category 1 and Category 2 on the attached Schedule A held in such accounts for the applicable month multiplied by one-twelfth of 0.25%. The rate for Class A shares of Funds in Category 3 on the attached Schedule A shall be one-twelfth of 0.15%.

### 3. RETIREMENT PLAN SHARE CLASSES (R SHARES) AND ACCOUNT OPTIONS (FOR RETIREMENT PLANS ONLY)

a. We will pay you ongoing compensation on a quarterly basis, at the applicable annual rate set forth below, of the average daily net asset value of R shares of Funds listed in Category 1, Category 2 and Category 3 on the attached Schedule A that are held in a Plan account assigned to you at the end of the quarter for which payment is made. The payment of this ongoing compensation is subject to the limitations contained in each Fund's Plan of Distribution and may be varied or discontinued at any time. We expect that you will maintain one account for each of your Plan customers on the books of the Funds.

<TABLE>

<CAPTION>

R SHARE CLASS	ANNUAL COMPENSATION RATE
---------------	--------------------------

<s>

Class R-1

<c>

1.00%

Class R-2

0.75%

Class R-3

0.50%

Class R-4

0.25%

Class R-5

No compensation paid

</TABLE>

b. If you hold Plan accounts in an omnibus account (I.E., multiple Plans in one account on the books of the Funds), Plans that are added to the omnibus account



after May 15, 2002 may invest only in R shares, and you must execute an Omnibus Addendum to the Selling Group Agreement, which you can obtain by calling our Dealer Support department, extension 34222.

#### 4. ORDER PROCESSING

Any order by you for the purchase of shares of the respective Funds through us shall be accepted at the time when it is received by us (or any clearinghouse agency that we may designate from time to time), and at the offering and sale price next determined, unless rejected by us or the respective Funds. In addition to the right to reject any order, the Funds have reserved the right to withhold shares from sale temporarily or permanently. We will not accept any order from you that is placed on a conditional basis or subject to any delay or contingency prior to execution. The procedure relating to the handling of orders shall be subject to instructions that we shall forward from time to time to all members of the Selling Group. The shares purchased will be issued by the respective Funds only against receipt of the purchase price, in collected New York or Los Angeles Clearing House funds. If payment for the shares purchased is not received within three days after the date of confirmation the sale may be cancelled forthwith, by us or by the respective Funds, without any responsibility or liability on our part or on the part of the Funds, and we and/or the respective Funds may hold you responsible for any loss, expense, liability or damage, including loss of profit suffered by us and/or the respective Funds, resulting from your delay or failure to make payment as aforesaid. If this section conflicts with provisions of any operational agreement you have with any of our affiliates, such operational agreement shall control.

#### 5. TIMELINESS OF SUBMITTING ORDERS

You are obliged to date and indicate the time of receipt of all orders you receive from your customers and to transmit promptly all orders to us in time to provide for processing at the price next determined after receipt by you, in accordance with the Prospectuses. You are not to withhold placing with us orders received from any customers for the purchase of shares. You shall not purchase shares through us except for the purpose of covering purchase orders already received by you, or for your bona fide investment.

#### 6. REPURCHASE OF SHARES

If any share is repurchased by any of the Funds or is tendered thereto for redemption within seven business days after confirmation by us of the original purchase order from you for such security, you shall forthwith refund to us the full compensation paid to you on the original sale.

#### 7. PROCESSING REDEMPTION REQUESTS

You shall not purchase any share of any of the Funds from a record holder at a price lower than the net asset value next determined by or for the Funds' shares. You shall, however, be permitted to sell any shares for the account of a shareholder of the Funds at the net asset value currently quoted by or for the Funds' shares, and may charge a fair service fee for handling the transaction provided you disclose the fee to the record owner.

#### 8. PROSPECTUSES AND MARKETING MATERIALS

We shall furnish you without charge reasonable quantities of offering Prospectuses (including any supplements currently in effect), current shareholder reports of the Funds, and sales materials issued by us from time to time. In the purchase of shares through us, you are entitled to rely only on the information contained in the offering Prospectus(es). You may not publish any advertisement or distribute sales literature or other written material to the public that makes reference to us or any of the Funds (except material that we furnished to you) without our prior written approval.

#### 9. EFFECT OF PROSPECTUS

This Agreement is in all respects subject to statements regarding the sale and repurchase or redemption of shares made in offering Prospectuses of the Funds, which shall control and override any provision to the contrary in this Agreement.

#### 10. RELATIONSHIP OF PARTIES

You shall make available shares of the Funds only through us. In no transaction (whether of purchase or sale) shall you have any authority to act

as agent for, partner of, or participant in a joint venture with us or with the Funds or any other entity having either a Selling Group Agreement or other agreement with us.

#### 11. STATE SECURITIES QUALIFICATION

We act solely as agent for the Funds and are not responsible for qualifying the Funds or their shares for sale in any jurisdiction. Upon written request we will provide you with a list of the jurisdictions in which the Funds or their shares are qualified for sale. We also are not responsible for the issuance, form, validity, enforceability or value of Fund shares.

#### 12. REPRESENTATIONS

a. You represent that you are (a) a properly registered or licensed broker or dealer under applicable federal and state securities laws and regulations and are complying with and will continue to comply with all applicable federal and state laws, rules and regulations; a member of the National Association of Securities Dealers, Inc. (NASD); and your membership with the NASD is not currently suspended or terminated; or (b) a "bank" as defined in Section 3(a)(6) of the Securities Exchange Act of 1934 (or other financial institution) and not otherwise required to register as a broker or dealer under such Act or any state laws. You agree to notify us immediately in writing if any of the foregoing representations ceases to be true to a material extent. You also agree that, if you are a bank or other financial institution as set forth above, you will comply with the applicable rules of the NASD, that you will maintain adequate records with respect to your customers and their transactions, and that such transactions will be without recourse against you by your customers. We recognize that, in addition to applicable provisions of state and federal securities laws, you may be subject to the provisions of other laws governing, among other things, the conduct of activities by federal- and state-chartered and supervised financial institutions and their affiliated organizations. Because you will be the only entity having a direct relationship with the customer in connection with securities purchases hereunder, you will be responsible in that relationship for ensuring compliance with all applicable federal and state laws, rules and regulations relating to securities purchases hereunder.

b. We represent that (a) we are acting as an underwriter within the meaning of the applicable rules of the NASD and are complying with and will continue to comply with all applicable federal and state laws, rules and regulations, (b) we are a member of the NASD and (c) our membership with the NASD is not currently suspended or terminated. We agree to notify you immediately in writing if any of the foregoing representations ceases to be true to a material extent.

#### 13. CONFIDENTIALITY

Each party to this Agreement agrees to maintain all information received from the other party pursuant to this Agreement in confidence, and each party agrees not to use any such information for any purpose, or disclose any such information to any person, except as permitted by applicable laws, rules and regulations. This provision shall survive the termination of this Agreement.

#### 14. TERMINATION

Either of us may cancel this Agreement at any time by written notice to the other.

#### 15. NOTICES

All communications to us should be sent to the above address. Any notice to you shall be duly given if mailed or sent by overnight courier to you at the address specified by you below.

\* \* \* \* \*

Execute this Agreement in duplicate and return one of the duplicate originals to us for our file. This Agreement (i) may be amended by notification from us and orders received following such notification shall be deemed to be an acceptance of any such amendment and (ii) shall be construed in accordance with the laws of the State of California.

Accepted:

Firm

By

Officer or Partner

Print Name

Title

Very truly yours,

AMERICAN FUNDS DISTRIBUTORS, INC.

By

Kevin G. Clifford

President

Address:

Date:

SCHEDULE A

January 15, 2001

(supersedes Schedule A dated

May 3, 1999)

<TABLE>

<CAPTION>

CATEGORY 1

CATEGORY 2

<s>

AMCAP FUND

<c>

AMCAP FUND

AMERICAN BALANCED FUND

BOND FUND OF AMERICA

AMERICAN MUTUAL FUND

CAPITAL WORLD BOND FUND

CAPITAL INCOME BUILDER

INTERMEDIATE BOND FUND OF AMERICA

CAPITAL WORLD GROWTH AND INCOME FUND

U.S. GOVERNMENT SECURITIES FUND

EUROPACIFIC GROWTH FUND

FUNDAMENTAL INVESTORS

GROWTH FUND OF AMERICA

INCOME FUND OF AMERICA

INVESTMENT COMPANY OF AMERICA

NEW ECONOMY FUND

NEW PERSPECTIVE FUND

NEW WORLD FUND

SMALLCAP WORLD FUND

WASHINGTON MUTUAL INVESTORS FUND

CATEGORY 3

Cash Management Trust of America

U.S. Treasury Money Fund of America

</TABLE>

## GLOBAL CUSTODY AGREEMENT

This AGREEMENT is effective as of June 29, 2001, and is between THE CHASE MANHATTAN BANK ("Bank") and each of the investment companies and other pooled investment vehicles (which may be organized as corporations, business or other trusts, limited liability companies, partnerships or other entities) managed by Capital Research and Management Company and listed on Appendix A hereto, as such Appendix may be amended from time to time (each a "Customer").

WHEREAS, each Customer is or may be organized with one or more series of shares, each of which shall represent an interest in a separate investment portfolio of cash, securities and other assets;

WHEREAS, each Customer desires to appoint, in accordance with the provisions of the Investment Company Act of 1940, as amended (the "1940 Act"), and the rules and regulations thereunder, Bank as custodian on behalf of itself or those of its existing or additional series of shares that are also listed on Appendix A hereto (each such listed investment portfolio being referred to hereinafter as a "Portfolio"), and Bank has agreed to act as custodian for the Portfolios under the terms and conditions hereinafter set forth;

WHEREAS, for administrative purposes only, each Customer wishes to evidence its individual agreement with Bank in a single instrument, notwithstanding each Customer's intention to be separately bound;

NOW THEREFORE, Bank and each Customer agree as follows:

### 1. APPOINTMENT OF CUSTODIAN; CUSTOMER ACCOUNTS.

Customer hereby appoints Bank as its custodian for each Portfolio. Bank hereby accepts such appointment. Bank, acting as "Securities Intermediary" (as defined in Section 2 hereof) shall establish and maintain the following accounts in the name of Customer on behalf of each Portfolio:

(a) a Custody Account for Securities and other Financial Assets (as such terms are defined in Section 2 hereof);

(b) an account ("Deposit Account") for any and all cash in any currency received by Bank or its Subcustodian for the account of the Portfolio, which cash shall not be subject to withdrawal by draft or check; and

(c) upon Instructions from Customer, an account ("Transaction Account") for a given Portfolio for U.S. dollar cash movements not related to Securities and other Financial Assets held in the Custody Account or the Deposit Account, with cash in such Account to be used by Chase to fund withdrawals by draft or check as determined by Customer.

Customer warrants its authority on behalf of each Portfolio to: (i) deposit the Financial Assets and cash (collectively, "Assets") received in the Custody Account or the Deposit Account, as the case may be (collectively, "Accounts") and (ii) give Instructions concerning the Accounts and such Instructions shall be clear as to which Portfolio they relate. Bank may deliver Financial Assets of the same class in place of those deposited in the Custody Account.

Bank shall be accountable under the terms of this agreement to the Customer for all Assets held in the Accounts and shall take prompt and appropriate action to remedy any discrepancies with respect to such Assets. Upon written

agreement between Bank and Customer, additional Accounts may be established and separately accounted for as additional Accounts hereunder.

## 2. DEFINITIONS.

As used herein, the following terms shall have the following respective meanings:

(a) "Affiliate" shall mean an entity controlling, controlled by, or under common control with, another entity.

(b) "Authorized Person" shall mean an employee or agent (including an investment manager) designated by prior written notice from Customer or its designated agent to act on behalf of Customer hereunder. Such persons shall continue to be Authorized Persons until such time as Bank receives Instructions from Customer or its designated agent that any such employee or agent is no longer an Authorized Person.

(c) "Certificated Security" shall mean a Security that is represented by a certificate.

(d) "Custody Account" shall mean each custody account on Bank's records to which Financial Assets are or may be credited pursuant hereto.

(e) "Eligible Foreign Custodian" shall have the meaning assigned thereto in Rule 17f-5 (and shall include any entity qualifying as such pursuant to an exemption, rule or other appropriate action of the U.S. Securities and Exchange Commission).

(f) "Eligible Securities Depository" shall have the meaning assigned thereto in Rule 17f-7 (and shall include any entity qualifying as such pursuant to an exemption, rule or other appropriate action of the U.S. Securities and Exchange Commission).

(g) "Eligible Contract" shall mean a currently effective written contract between Bank and a Subcustodian satisfying the requirements of paragraph (c) (2) of Rule 17f-5 (including any amendments thereto or successor provisions).

(h) "Entitlement Holder" shall mean the person on the records of a Securities Intermediary as the person having a Securities Entitlement against the Securities Intermediary.

(i) "Financial Asset" shall have the meaning assigned thereto in Article 8 of the Uniform Commercial Code, which, as of the date hereof, generally means:

(i) a Security;

(ii) an obligation of a person or a share, participation or other interest in a person or property or enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or

(iii) any property that is held by a Securities Intermediary for another person in a Securities account if the Securities Intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under Article 8 of the Uniform Commercial Code. As the context requires, the term means either the interest itself or the means by which a person's claim to it is evidenced, including a Certificated Security or an Uncertificated Security, a Security certificate, or a Security Entitlement.

Financial Asset shall in no event mean cash.

(j) "Foreign Assets" shall have the meaning assigned thereto under Rule 17f-5, which, as of the date hereof, means any investments (including foreign currencies) for which the primary market is outside the United States, and any cash and cash equivalents that are reasonably necessary to effect Customer's transactions in those investments.

(k) "Instructions" shall mean instructions of any Authorized Person received by Bank, via telephone, telex, facsimile transmission, bank wire or other teleprocess or electronic instruction or trade information system (which may include Internet-based systems involving appropriate testing and authentication) acceptable to Bank which Bank believes in good faith to have been given by, or under the direction of, Authorized Persons. The term "Instructions" includes, without limitation, instructions to sell, assign, transfer, deliver, purchase or receive for the Custody Account, any and all stocks, bonds and other Financial Assets or to transfer funds in the Deposit Account.

(l) "Local Practice" shall mean the customary securities trading or securities processing practices and procedures generally accepted by Institutional Investors in the jurisdiction or market in which the transaction occurs, including, without limitation:

(i) delivering Financial Assets to the purchaser thereof or to a dealer therefor (or an agent for such purchaser or dealer) with the expectation of receiving later payment for such securities from such purchaser or dealer;

(ii) delivering cash to a seller or a dealer (or an agent for such seller or dealer) against expectation of receiving later delivery of purchased Financial Assets; or

(iii) in the case of a purchase or sale effected through a securities system, in accordance with the rules governing the operation of such system.

(m) "Institutional Investor" shall mean a major commercial bank, corporation, insurance company, or substantially similar institution, which, as a substantial part of its business operations, purchases and sells Financial Assets and makes use of global custodial services.

(n) "Riders" shall have the meaning assigned thereto in Section 16(f) of this Agreement.

(o) "Rule 17f-5" shall mean rule 17f-5 under the 1940 Act, including any amendments thereto or successor rules.

(p) "Rule 17f-7" shall mean rule 17f-7 under the 1940 Act, including any amendments thereto or successor rules.

(q) "Security" shall have the meaning assigned thereto in Article 8 of the Uniform Commercial Code, which, as of the date hereof, generally means an obligation of an issuer or a share, participation, or other interest in an issuer or in property or an enterprise of an issuer:

(i) which is represented by a security certificate in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer;

(ii) which is one of a class or series or by its terms is divisible into a

class or series of shares, participations, interests, or obligations; and

(iii) which:

(A) is, or is of a type, dealt in or traded on securities exchanges or securities markets; or

(B) is a medium for investment and by its terms expressly provides that it is a security governed by Article 8 of the Uniform Commercial Code.

(r) "Securities Entitlement" shall mean the rights and property interest of an Entitlement Holder with respect to a Financial Asset as set forth in Part 5 of Article 8 of the Uniform Commercial Code.

(s) "Securities Intermediary" shall have the meaning assigned thereto in Article 8 of the Uniform Commercial Code, which, as of the date hereof, means Bank, a Subcustodian, a securities depository, clearing corporation or any other person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

(t) "Uncertificated Security" shall mean a Security that is not represented by a certificate.

(u) "Uniform Commercial Code" shall mean the Uniform Commercial Code of the State of New York, as amended from time to time.

### 3. MAINTENANCE OF FINANCIAL ASSETS AND CASH AT BANK AND SUBCUSTODIAN LOCATIONS.

Unless Instructions specifically require another location reasonably acceptable to Bank:

(a) Financial Assets shall be held in the country or other jurisdiction in which the principal trading market for such Financial Assets is located, where such Financial Assets are to be presented for payment or where such Financial Assets are acquired; and

(b) Cash shall be credited to an account in a country or other jurisdiction in which such cash may be legally deposited or is the legal currency for the payment of public or private debts.

Cash may be held pursuant to Instructions in either interest or non-interest bearing accounts as may be available for the particular currency. To the extent Instructions are issued and Bank can comply with such Instructions, Bank is authorized to maintain cash balances on deposit for Customer with itself (or its Affiliates, in accordance with applicable law and regulation), at such reasonable rates of interest as may from time to time be paid on such accounts, or in non-interest bearing accounts as Customer may direct, if acceptable to Bank.

If Customer wishes to have any Foreign Assets belonging to one or more Portfolios held in the custody of an institution other than the established Subcustodians as defined in Section 4 (or an Eligible Securities Depository listed on Schedule B hereto), such arrangement must be authorized by a written agreement, signed by Bank and Customer.

### 4. SUBCUSTODIANS.

(a) Bank may act under the Agreement through the subcustodians with which Bank

has entered into Eligible Contracts and which are listed on Schedule A attached hereto ("Subcustodians"). Bank reserves the right, exercising reasonable discretion, to amend Schedule A from time to time. Any such amendment shall be effective upon 45 calendar days' notice to Customer in accordance with the Agreement.

(b) Bank hereby represents to Customer that each Subcustodian is an Eligible Foreign Custodian. If Schedule A is amended to add one or more Subcustodians, this representation shall be effective as to the amended Schedule on the date of such amendment. Bank shall promptly advise Customer if any Subcustodian ceases to be an Eligible Foreign Custodian.

(c) Customer authorizes Bank to hold Assets belonging to each Portfolio in accounts that Bank has established with one or more of its branches or such Subcustodians, provided that, in the case of an Eligible Foreign Custodian, Customer's Foreign Custody Manager has made the determinations required by Rule 17f-5 with respect to the Portfolio's Foreign Assets to be held by such Subcustodian. If Bank is not acting as Foreign Custody Manager for the relevant Portfolio at such time, Customer shall give Bank appropriate notice of such determinations.

#### 5. APPOINTMENT AS FOREIGN CUSTODY MANAGER.

Customer hereby appoints Bank as its Foreign Custody Manager for each Portfolio in accordance with Rule 17f-5. Bank hereby accepts such appointment. Customer and Bank shall act in conformity with such rule (including any amendments thereto or successor provisions) for as long as Bank acts as Customer's Foreign Custody Manager. Bank's appointment as Foreign Custody Manager for a Portfolio (or for a particular country or other political or geographical jurisdiction) may be terminated at any time by Customer or Bank, regardless of whether Bank serves as custodian for such Portfolio hereunder. Any such termination as to one or more Portfolios (or jurisdictions) shall be effected in a manner consistent with the provisions for notice and termination set forth elsewhere in this Agreement. Bank shall not be obligated to serve in this capacity for a Portfolio if Bank no longer acts as Customer's custodian for such Portfolio. As of the date hereof, Rule 17f-5 provides that Customer may from time to time place or maintain in the care of an Eligible Foreign Custodian any of Customer's Foreign Assets, PROVIDED THAT:

(a) Customer's Foreign Custody Manager determines that Customer's assets will be subject to reasonable care, based on the standards applicable to custodians in the relevant market, if maintained with the Eligible Foreign Custodian, after considering all factors relevant to the safekeeping of such assets, including, without limitation:

(i) The Eligible Foreign Custodian's practices, procedures, and internal controls, including, but not limited to, the physical protections available for Certificated Securities (if applicable), the method of keeping custodial records, and the security and data protection practices;

(ii) Whether the Eligible Foreign Custodian has the requisite financial strength to provide reasonable care for Foreign Assets;

(iii) The Eligible Foreign Custodian's general reputation and standing; and

(iv) Whether Customer will have jurisdiction over and be able to enforce judgments against the Eligible Foreign Custodian, such as by virtue of the existence of any offices of the custodian in the United States or the custodian's consent to service of process in the United States.



(b) The arrangement with the Eligible Foreign Custodian is governed by a written contract that Customer's Foreign Custody Manager, has determined will provide reasonable care for Customer's assets based on the standards set forth in paragraph (a) above.

(i) Such contract must provide:

(A) For indemnification or insurance arrangements (or any combination of the foregoing) that will adequately protect Customer against the risk of loss of Foreign Assets held in accordance with such contract;

(B) That Foreign Assets will not be subject to any right, charge, security interest, lien or claim of any kind in favor of the Eligible Foreign Custodian or its creditors, except a claim of payment for their safe custody or administration or, in the case of cash deposits, liens or rights in favor of creditors of the custodian arising under bankruptcy, insolvency, or similar laws;

(C) That beneficial ownership of the Foreign Assets will be freely transferable without the payment of money or value other than for safe custody or administration;

(E) That adequate records will be maintained identifying the assets as belonging to Customer or as being held by a third party for the benefit of Customer;

(F) That Customer's independent public accountants will be given access to those records or confirmation of the contents of those records; and

(G) That Customer will receive periodic reports with respect to the safekeeping of Customer's assets, including, but not limited to, notification of any transfer to or from Customer's account or a third party account containing assets held for the benefit of Customer.

(ii) Such contract may contain, in lieu of any or all of the provisions specified in paragraph (b) (i) above, such other provisions that Customer's Foreign Custody Manager, determines will provide, in their entirety, the same or a greater level of care and protection for the Foreign Assets as the specified provisions, in their entirety.

(c) (i) Customer's Foreign Custody Manager, has established a system to monitor the appropriateness of maintaining Customer's assets with a particular custodian under paragraph (a) above, and to monitor performance of the contract under paragraph (b) above.

(ii) If an arrangement no longer meets these requirements, Customer must withdraw its assets from the Eligible Foreign Custodian as soon as reasonably practicable.

Customer's Foreign Custody Manager will provide written reports in a form reasonably acceptable to Customer (or an Authorized Person) notifying Customer's Board of Directors (or equivalent body; hereinafter, "Board") of the placement of Customer's Foreign Assets with a particular custodian and of any material change in Customer's non-U.S. custody arrangements, with the reports to be provided to the Board at such times as the Board deems reasonable and appropriate based on the circumstances of Customer's non-U.S. custody arrangements.

Customer hereby confirms that Customer will withdraw its Foreign Assets from any non-U.S. custodian as soon as reasonably practicable upon written notification from Customer's Foreign Custody Manager that custody arrangements with such custodian no longer meet the requirements of Rule 17f-5 (an "Adverse Notification"). Customer also confirms that, if Bank is acting as Customer's Foreign Custody Manager and has delivered an Adverse Notification to Customer, Bank, as Foreign Custody Manager, shall have no further responsibility under this Agreement in relation to Customer's Foreign Assets held under any custody arrangement covered by such Adverse Notification. (However, the existence of an Adverse Notification shall not affect the scope of responsibilities, or the standard of care, applicable to Bank in relation to such Assets under other provisions of this Agreement.)

## 6. SECURITIES DEPOSITORIES.

(a) Bank hereby represents to Customer that each securities depository listed on Schedule B is an Eligible Securities Depository. If Schedule B is amended, this representation shall be effective as to the amended Schedule on the date of such amendment. Bank shall promptly advise Customer if any securities depository listed on Schedule B ceases to be an Eligible Securities Depository.

(b) Bank shall provide Customer an analysis of the custody risks (which analyses may be provided to Customer electronically) associated with maintaining Customer's Foreign Assets with each Eligible Securities Depository used by Bank as of a date to be agreed upon between the parties, but which shall in no event be later than June 15, 2001, (or, in the case of an Eligible Securities Depository not used by Bank as of the agreed upon date, prior to the initial placement of Customer's Foreign Assets at such Depository after such date) and at which any Foreign Assets of Customer are held or are expected to be held. Bank shall monitor the custody risks associated with maintaining Customer's Foreign Assets at each such Eligible Securities Depository on a continuing basis, and shall promptly notify Customer or its investment adviser of any material changes in such risks.

(c) Bank shall, upon Customer's reasonable request from time to time, provide certain additional information ("Additional Information") to Customer beyond the scope of the information Bank is otherwise obligated to provide to Customer under this Agreement, or any other agreement between the parties relating to Customer's Foreign Assets. For example, Additional Information may relate to a country's financial infrastructure, prevailing custody and settlement practices, laws applicable to the safekeeping and recovery of Foreign Assets held in custody, and the likelihood of nationalization, currency controls and similar risks, but shall not include information required to be provided under this Agreement or any other agreement between the parties relating to Customer's Foreign Assets.

(d) Bank's obligation to provide Customer with Additional Information shall be limited to the extent Additional Information is (i) already in the possession of Bank, or (ii) available to Bank using commercially reasonable means. Customer hereby acknowledges that: (i) Additional Information is designed solely to inform Customer of certain market conditions and procedures and is not intended as a recommendation to invest or not invest in particular markets; and (ii) Bank has gathered the information from sources it considers reliable, but does not assume responsibility for inaccuracies or incomplete information attributable to actions or omissions of third parties. (For this purpose, "third parties" shall not include any of the Subcustodians listed on Schedule A, except to the extent that, in a given case, a Subcustodian accurately transmitted information it had itself received from a third party (such as from a regulator or securities depository) rather than information it had generated

itself.)

(e) Customer and Bank hereby acknowledge and agree that the decision to place Customer's Foreign Assets with an Eligible Securities Depository shall be made by Customer's investment adviser (subject to the Board's oversight) or the Customer, after consideration of the information provided by Bank and other information Customer deems relevant, and based on standards of care that are generally applicable to investment advisers and the Board. Further, the parties understand that the decision to place Customer's Foreign Assets with an Eligible Securities Depository does not have to be made separately, but may be made in the overall context of the decision to invest in a particular country.

#### 7. USE OF SUBCUSTODIANS AND SECURITIES DEPOSITORIES.

(a) Bank shall identify the Assets on its books as belonging to Customer and identify the Portfolio to which such Assets belong.

(b) A Subcustodian shall hold such Assets together with assets belonging to other customers of Bank in accounts identified on such Subcustodian's books as custody accounts for the exclusive benefit of customers of Bank.

(c) Any Financial Assets in the Accounts held by a Subcustodian shall be subject only to the instructions of Bank or its agent. Any Financial Assets held in a securities depository for the account of a Subcustodian shall be subject only to the instructions of such Subcustodian or its agent.

(d) Where Securities are deposited by a Subcustodian with a securities depository, Bank shall cause the Subcustodian to identify on its books as belonging to Bank, as agent, the Securities shown on the Subcustodian's account on the books of such securities depository.

(e) Bank shall supply periodically, as mutually agreed upon, a statement in respect of any Securities and cash, including identification of the foreign entities having custody of the Securities and cash and descriptions thereof.

#### 8. DEPOSIT ACCOUNT TRANSACTIONS.

(a) Bank (or the applicable Subcustodian) shall make payments from the Deposit Account upon receipt of Instructions which include all information required by Bank.

(b) In the event that any payment to be made under this Section 8 exceeds the funds available in the Deposit Account, Bank, in its discretion, may advance Customer such excess amount which shall be deemed a loan payable on demand, bearing interest at the rate customarily charged by Bank on similar loans.

(c) Bank shall, or shall cause the applicable Subcustodian to: (i) subject to the last sentence hereof, collect amounts due and payable to Customer with respect to Financial Assets and other assets held in the Accounts; (ii) promptly credit to the account of Customer all income and other payments relating to Financial Assets or other Assets held by Bank hereunder upon Bank's receipt (or the applicable Subcustodian's receipt) of such income or payments or as otherwise agreed in writing by Customer and Bank; and (iii) promptly endorse and deliver instruments required to effect such collections. If Bank credits the Deposit Account on a payable date, or at any time prior to actual collection and reconciliation to the Deposit Account, with interest, dividends, redemptions or any other amount due, Customer shall promptly return any such amount upon oral or written notification: (i) that such amount has not been received in the ordinary course of business or (ii) that such amount was

incorrectly credited. If Customer does not promptly return any amount upon such notification, Bank shall be entitled, upon oral or written notification to Customer, to reverse such credit by debiting the Deposit Account for the amount previously credited. Bank shall furnish regular overdue income reports to Customer in writing (or by any means by which Instructions may be transmitted hereunder, other than by telephone) of any amounts payable with respect to Financial Assets or other Assets of Customer if such amounts are not received by Bank (or the applicable Subcustodian) when due (or otherwise in accordance with Local Practice). Bank or its Subcustodian shall have no duty or obligation to institute legal proceedings, file a claim or a proof of claim in any insolvency proceeding or take any other action with respect to the collection of such amount, but may act for Customer upon Instructions after consultation with Customer.

#### 9. CUSTODY ACCOUNT TRANSACTIONS.

(a) Financial Assets shall be transferred, exchanged or delivered by Bank or its Subcustodian upon receipt by Bank of Instructions which include all information required by Bank. Settlement and payment for Financial Assets received for, and delivery of Financial Assets out of, the Custody Account shall be made in accordance with Local Practice. In connection with the foregoing, where Bank believes in good faith that use of a reasonably available alternative practice to Local Practice would be more protective of Financial Assets than Local Practice, Bank shall advise Customer of such practice and if Customer authorizes its use such practice shall then be deemed to be Local Practice.

(b) Bank, in its discretion, may credit or debit the Accounts on a contractual settlement date with cash or Financial Assets with respect to any sale, exchange or purchase of Financial Assets. Otherwise, such transactions shall be credited or debited to the Accounts on the date cash or Financial Assets are actually received by Bank (or the applicable Subcustodian) and reconciled to the Account.

(i) Bank may reverse credits or debits made to the Accounts in its discretion if the related transaction fails to settle within a reasonable period, determined by Bank in its discretion, after the contractual settlement date for the related transaction; provided however that prior to taking action, Bank will use every reasonable effort to give Customer written notice of any such reversal which may include back valuation.

(ii) If any Financial Assets delivered pursuant to this Section 9 are returned by the recipient thereof, Bank may reverse the credits and debits of the particular transaction at any time.

#### 10. ACTIONS OF BANK.

Bank shall follow Instructions received regarding Assets held in the Accounts. However, until it receives Instructions to the contrary, Bank shall:

(a) Present for payment any Financial Assets which are called, redeemed or retired or otherwise become payable and all coupons and other income items which call for payment upon presentation, to the extent that Bank or Subcustodian is actually aware of such opportunities.

(b) Execute in the name of Customer such ownership and other certificates as may be required to obtain payments in respect of Financial Assets.

(c) Exchange interim receipts or temporary Financial Assets for definitive

## Financial Assets.

(d) Appoint brokers and agents for any transaction involving the Financial Assets, including, without limitation, Affiliates of Bank or any Subcustodian.

(e) Issue statements to Customer, at times mutually agreed upon, identifying the Assets in the Accounts.

Bank shall send Customer an advice or notification of any transfers of Assets to or from the Accounts. Such statements, advices or notifications shall indicate the identity of the entity having custody of the Assets.

All collections of funds or other property paid or distributed in respect of Financial Assets in the Custody Account shall be made at the risk of Customer until such funds or other property have been received by Bank (or the applicable Subcustodian). Bank shall have no liability for any loss occasioned by delay (other than its own) in the actual receipt of notice by Bank or by its Subcustodians of any payment, redemption or other transaction regarding Financial Assets in the Custody Account in respect of which Bank has agreed to take any action hereunder.

## 11. CORPORATE ACTIONS; PROXIES; TAXES.

(a) Corporate Actions. Bank shall transmit promptly to Customer on behalf of each Portfolio summary notification of corporate action information received on a timely basis by Bank (including, without limitation, pendency of calls and maturities of Financial Assets and expirations of rights in connection therewith and notices of exercise of call and put options written by Customer on behalf of a Portfolio and the maturity of futures contracts (and options thereon) purchased or sold by Customer on behalf of a Portfolio) from issuers of the Financial Assets being held for a Portfolio. With respect to tender or exchange offers, Bank shall transmit promptly to Customer on behalf of each Portfolio notice of corporate action information received on a timely basis by Bank from issuers of the Financial Assets whose tender or exchange is sought and from the party (or its agents) making the tender or exchange offer. If Customer desires to take action with respect to any tender offer, exchange offer or any other similar transaction, Customer shall notify Bank within such period as will give Bank (including any Subcustodian) sufficient time to take such action. Bank shall inform Customer of pertinent deadlines in each case.

When a rights entitlement or a fractional interest resulting from a rights issue, stock dividend, stock split or similar corporate action is received which bears an expiration date, Bank shall use reasonable efforts to obtain Instructions from Customer or its Authorized Person, even if its own deadlines for receiving instructions have passed; however, if Instructions are not received in time for Bank to take timely action, or actual notice of such Corporate Action was received too late to seek Instructions, Bank shall take no action.

(b) Proxy Voting.

(i) Bank shall, with respect to Financial Assets that are not Foreign Assets, cause to be promptly executed by the registered holder of such Financial Assets, if the Financial Assets are registered otherwise than in the name of Customer on behalf of a Portfolio or a nominee thereof, all proxies, without indication of the manner in which such proxies are to be voted, and shall promptly deliver to Customer such proxies, all proxy soliciting materials and all notices relating to such Financial Assets.

(ii) Bank shall, with respect to Financial Assets that are Foreign Assets, use

commercially reasonable efforts to facilitate the exercise of voting and other shareholder proxy rights; it being understood and agreed that (A) proxy voting may not be available in all markets (it being understood that Bank shall make proxy voting services available to Customer in a given market where Bank offers such services to any other custody client), and (B) apart from voting, Bank will, upon request and in its discretion, assist customer in exercising other shareholder rights such as attending shareholder meetings, nominating directors and proposing agenda items. In particular, and without limiting the generality of the foregoing, Bank may provide written summaries of proxy materials in lieu of providing original materials (or copies thereof) and while Bank shall attempt to provide accurate summaries, whether or not translated, Bank shall not be liable for any losses or other consequences that may result from reliance by Customer upon the same where Bank prepared the same in good faith and with reasonable efforts. Customer acknowledges that local conditions, including lack of regulation, onerous procedural obligations, lack of notice, practical constraints and other facts, may have the effect of severely limiting the ability of Customer to exercise shareholder rights. In addition, Customer acknowledges that: (A) in certain countries Bank may be unable to vote individual proxies but shall only be able to vote proxies on a net basis (E.G., a net yes or no vote given the voting instructions received from all customers); and (B) proxy voting may be precluded or restricted in a variety of circumstances, including, without limitation, where the relevant Financial Assets are: (1) on loan; (2) at registrar for registration or reregistration;

(3) the subject of a conversion or other corporate action; (4) not held in a name subject to the control of Bank or its Subcustodian or are otherwise held in a manner which precludes voting; (5) held in a margin or collateral account; and (6) American Depository Receipts.

(iii) Customer and each Authorized Person shall respect the proprietary nature of information developed exclusively through the efforts of Bank (or Subcustodians or other parties acting under Bank's direction) in relation to proxy voting services.

(c) Taxes.

(i) Customer confirms that Bank is authorized to deduct from any cash received or credited to the Deposit Account any taxes or levies required to be deducted by any revenue or other governmental authority for whatever reason in respect of the Custody Account.

(ii) Customer shall provide Bank with all required tax-related documentation and other information relating to Assets held hereunder ("Tax Information"). Tax Information shall include, but shall not be limited to, information necessary for submission to revenue or other governmental authorities to establish taxable amounts or reduce tax burdens that would otherwise be borne by a Portfolio. Upon receipt of Instructions and all required Tax Information from Customer, Bank shall (A) execute ownership and other certificates and affidavits for all tax purposes (within and outside of the United States) in connection with receipt of income and other payments with respect to Assets held hereunder, or in connection with the purchase, sale or transfer of such Assets, and (B) where appropriate, file any certificates or other affidavits for the refund or reclaim of non-U.S. taxes paid with respect to such Assets. Customer warrants that, when given, Tax Information shall be true and correct in all material respects. Customer shall notify Bank promptly if any Tax Information requires updating or amendment to correct misleading information.

(iii) Bank shall have no responsibility or liability for any tax obligations (including both taxes and any and all penalties, interest or additions to tax)

now or hereafter imposed on Customer, its Portfolio, or Bank as Customer's custodian, by any revenue or governmental authority, or penalties or other costs or expenses arising out of the delivery of, or failure to deliver, Tax Information by Customer

(iv) Bank shall perform tax reclaim services only with respect to taxation levied by the revenue authorities of the countries notified to Customer from time to time and Bank may, by notification in writing, in Bank's absolute discretion, supplement or amend the markets in which tax reclaim services are offered; provided that, Bank shall make tax reclaim services available to Customer in a given country where Bank offers such services to any other custody client having the same tax status. Other than as expressly provided in this sub-clause, Bank shall have no responsibility with regard to Customer's tax position or status in any jurisdiction.

(v) Tax reclaim services may be provided by Bank or, in whole or in part, by one or more third parties appointed by Bank (which may be Bank's affiliates); provided that Bank shall be liable for the performance of any such third party to the same extent as Bank would have been if Bank had performed such services.

(vi) If Bank does not receive appropriate declarations, documentation and information then any applicable United States withholding tax shall be deducted from income received from Financial Assets.

## 12. NOMINEES.

Financial Assets which are ordinarily held in registered form may be registered in a nominee name of Bank, Subcustodian or Eligible Securities Depository, as the case may be. Bank may without notice to Customer cause any such Financial Assets to cease to be registered in the name of any such nominee and to be registered in the name of Customer. In the event that any Financial Assets registered in a nominee name are called for partial redemption by the issuer, Bank may allot the called portion to the respective beneficial holders of such class of security in any manner Bank deems to be fair and equitable. Customer shall hold Bank, Subcustodians, and their respective nominees harmless from any liability arising directly or indirectly from their status as a mere record holder of Financial Assets in the Custody Account. Financial Assets accepted by Custodian on behalf of a Portfolio under this Agreement shall be in a form and delivered in a manner consistent with Local Practice.

## 13. INSTRUCTIONS.

Unless otherwise expressly provided, all Instructions shall continue in full force and effect until canceled or superseded. Any Instructions delivered to Bank by telephone shall promptly thereafter be confirmed in writing by an Authorized Person (which confirmation may bear the facsimile signature of such Person), but Customer shall hold Bank harmless for the failure of an Authorized Person to send such confirmation in writing, the failure of such confirmation to conform to the telephone instructions received or Bank's failure to produce such confirmation at any subsequent time. Bank may electronically record any Instructions given by telephone, and any other telephone discussions with respect to the Custody Account. Customer shall be responsible for safeguarding any testkeys, identification codes or other security devices which Bank shall make available to Customer or its Authorized Persons.

## 14. STANDARD OF CARE; LIABILITIES.

(a) Bank shall exercise reasonable care and diligence in carrying out all of its duties and obligations under this Agreement, and shall be liable to

Customer for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and reasonable attorneys' fees ("Losses") suffered or incurred by Customer resulting from failure of Bank (including any branch thereof, regardless of location) to exercise such reasonable care and diligence. Bank shall be liable to Customer in respect of such Losses to the same extent that Bank would be liable to Customer if Bank were holding the affected Assets in New York City, but only to the extent of Customer's direct damages, to be determined based on the market value of the property which is the subject of the Loss at the date of discovery of such Loss by Customer and without reference to any special conditions or circumstances.

(b) Bank shall be liable to Customer for all Losses resulting from the action or inaction of any Subcustodian to the same extent that Bank would be liable to Customer if Bank were holding the affected Assets in New York City, and such action or inaction were that of the Bank.

(c) As long as and to the extent that it has exercised reasonable care and acted in good faith, Bank shall not be responsible for:

(i) the title, validity or genuineness of any property or evidence of title thereto received by it or delivered by it pursuant to this Agreement; it being understood that Bank shall be deemed to have exercised reasonable care in respect of this subparagraph (i) if Financial Assets are received by Bank in accordance with Local Practice for the particular Financial Asset in question;

(ii) any act, omission, default or for the solvency of any broker or agent which it or a Subcustodian appoints; it being understood that Bank or a Subcustodian shall be deemed to have exercised reasonable care in respect of this subparagraph (ii) if it exercised reasonable care in the selection of any such broker or agent; or

(iii) the insolvency of any Subcustodian which is not a branch or Affiliate of Bank; it being understood that Bank shall be deemed to have exercised reasonable care in respect of this subparagraph (iii) where Bank used reasonable care in the monitoring of a Subcustodian's financial condition as reflected in its most recently published financial statements and other publicly available financial information.

(d) Neither Bank nor any Subcustodian shall be liable for the acts or omissions of any Eligible Securities Depository (or, for purposes of clarity, any domestic securities depository).

(e) In no event shall Bank incur liability hereunder if Bank or any Subcustodian, or any nominee of Bank or any Subcustodian (each a "Person"), is prevented, forbidden or delayed from performing, or omits to perform, any act or thing which this Agreement provides shall be performed or omitted to be performed, by reason of:

(i) any provision of any present or future law or regulation or order of the United States of America, or any state thereof, or any other country, or political subdivision thereof or of any court of competent jurisdiction; or

(ii) events or circumstances beyond the reasonable control of the applicable Person, including, without limitation, the interruption, suspension or restriction of trading on or the closure of any securities market, power or other mechanical or technological failures or interruptions, computer viruses or communications disruptions, work stoppages, natural disasters, or other similar events or acts, unless, in each case, such delay or nonperformance is



caused by (A) the negligence, misfeasance or misconduct of the applicable Person, or (B) a malfunction or failure of equipment operated or utilized by the applicable Person other than a malfunction or failure beyond such Person's control and which could not be reasonably anticipated or prevented by such Person (each such provision, event or circumstance being a "Force Majeure Event").

(f) In no event shall Customer incur liability to Bank if it is prevented, forbidden or delayed from performing, or omits to perform, any act or thing which this Agreement provides shall be performed or omitted to be performed, by reason of a Force Majeure Event.

(g) Customer shall indemnify and hold Bank and its directors, officers, agents and employees (collectively the "Indemnitees") harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against, the Indemnitees or any of them for following any Instructions or other directions upon which Bank is authorized to rely pursuant to the terms of this Agreement, or for any action taken or omitted by it in good faith, provided that such action or omission is consistent with the standard of care applicable to Bank under this Agreement.

(h) In performing its obligations hereunder, Bank may rely on the genuineness of any document which it believes in good faith to have been validly executed, and shall be entitled to rely on and may act upon advice of counsel (which may be counsel for Customer) on all matters, and shall be without liability for action reasonably taken or omitted pursuant to such advice.

(i) Customer shall pay for and hold Bank harmless from any liability or loss resulting from the imposition or assessment of any taxes or other governmental charges, and any related expenses (including, without limitation, penalties, interest or additions to tax due), with respect to income from or Assets in the Accounts, provided that Bank has complied with the standard of care set forth in Section 14(a) of this Agreement (it being understood that while Bank's failure to comply with such standard of care shall constitute a breach of this Agreement, Bank shall have no liability for taxes or governmental charges and related expenses imposed or assessed with respect to such Assets prior to such breach or that would have been imposed or assessed even absent such breach).

(j) Bank need not maintain any insurance for the benefit of Customer.

(k) Without limiting the foregoing, Bank shall not be liable for any Loss which results from (i) the general risk of investing, or (ii) investing or holding Assets in a particular country including, but not limited to, losses resulting from nationalization, expropriation or other governmental actions; regulation of the banking or securities industry; currency restrictions, devaluations or fluctuations; and market conditions which prevent the orderly execution of securities transactions or affect the value of Assets.

(l) Consistent with and without limiting the application of the foregoing paragraphs of this Section 14, it is specifically acknowledged that Bank shall have no duty or responsibility to:

(i) question Instructions or make any suggestions to Customer or an Authorized Person regarding such Instructions;

(ii) supervise or make recommendations with respect to investments or the retention of Financial Assets;

(iii) advise Customer or an Authorized Person regarding any default in the

payment of principal or income of any security other than as provided in Section 8(c) hereof;

(iv) evaluate or report to Customer or an Authorized Person regarding the financial condition of any broker, agent or other party to which Financial Assets are delivered or payments are made pursuant hereto;

(v) review or reconcile trade confirmations received from brokers. Customer or its Authorized Persons issuing Instructions shall bear any responsibility to review such confirmations against Instructions issued to and statements issued by Bank;

(vi) advise Customer or an Authorized Person regarding information (i) held on a confidential basis by an officer, director or employee of Bank (or any Affiliate of Bank) and (ii) obtained by such person in connection with the provision of services or other activities unrelated to global custody; and

(vii) advise Customer or an Authorized Person promptly regarding corporate action information obtained by an officer, director or employee of Bank (or any Affiliate of Bank) who is not engaged directly in the provision of global custody services.

(m) Customer authorizes Bank to act hereunder notwithstanding that Bank or any of its divisions or Affiliates may have a material interest in a transaction, or circumstances are such that Bank may have a potential conflict of duty or interest including the fact that Bank or any of its Affiliates may provide brokerage services to other customers, act as financial advisor to the issuer of Financial Assets, act as a lender to the issuer of Financial Assets, act in the same transaction as agent for more than one customer, have a material interest in the issue of Financial Assets, or earn profits from any of the activities listed herein.

(n) Upon the occurrence of any event which causes or may cause any Loss to the other party, each of Customer and Bank shall (and Bank shall cause each applicable Subcustodian to) use all commercially reasonable efforts and take all reasonable steps under the circumstances to mitigate the effects of such event and to avoid continuing harm to the other party. For this purpose, the obligations of Customer and Bank to mitigate Losses (or potential Losses) hereunder shall include (but shall not be limited to) the periodic review and reconciliation by Bank and Customer (or Authorized Persons) of statements provided to Customer under Section 10 of this Agreement; provided, however, that Bank's obligations to Customer with respect to any transaction covered by a given statement shall be reduced to the extent that Bank's ability to mitigate damages related to such transaction has been compromised by Customer's failure to object to such statement within 180 days of Customer's receipt thereof.

## 15. BANK FEES AND EXPENSES.

Customer agrees to pay Bank for its services under this Agreement such amount as may be agreed upon in writing. Customer agrees to reimburse Bank for its reasonable out-of-pocket or incidental expenses (including, without limitation, legal fees) incurred on behalf of Customer, provided that, in respect of such expenses, Bank has acted in conformity with the standard of care set forth in Section 14 hereof. Bank shall obtain Customer's prior approval, which approval shall not be unreasonably withheld, of out-of-pocket or incidental expenses that Bank reasonably expects to exceed \$10,000 or that approaches \$10,000 during the process of incurring such expenses. In the latter case, Customer shall not withhold its approval on the ground that Bank had not obtained

Customer's approval prior to beginning to incur such expenses if Bank believed in good faith that the subject expenses would not exceed \$10,000. Subject to the foregoing, Bank shall have a lien on and is authorized to charge any Accounts of the Customer for any amount owing to the Bank under any provision of this Agreement.

#### 16. MISCELLANEOUS.

(a) Foreign Exchange Transactions Other Than as Principal. Upon receipt of Instructions, Bank shall settle foreign exchange contracts or options to purchase and sell foreign currencies for spot and future delivery on behalf of and for the account of a Portfolio with such currency brokers or banking institutions as Customer may determine and direct pursuant to Instructions. Bank shall be responsible for the transmission of cash and instructions to and from the currency broker or banking institution with which the contract or option is made, the safekeeping of all certificates and other documents and agreements evidencing or relating to such foreign exchange transactions and the maintenance of proper records in accordance with this Agreement. Bank shall have no duty with respect to the selection of currency brokers or banking institutions with which Customer deals on behalf of its Portfolio or, as long as Bank acts in accordance with Instructions, for the failure of such brokers or banking institutions to comply with the terms of any contract or option.

(b) Foreign Exchange Transactions as Principal. Bank shall not be obligated to enter into foreign exchange transactions as principal. However, if and to the extent that Bank makes available to Customer its services as principal in foreign exchange transactions, upon receipt of Instructions, Bank shall enter into foreign exchange contracts or options to purchase and sell foreign currencies for spot and future delivery on behalf of and for the account of Customer on behalf of its Portfolio with Bank as principal. Instructions may be issued with respect to such contracts but Bank may establish rules or limitations concerning any foreign exchange facility made available. Bank shall be responsible for the selection of currency brokers or banking institutions (which may include Affiliates of Bank and Subcustodians) and the failure of such currency brokers or banking institutions to comply with the terms of any contract or option.

(c) Certification of Residency, etc. Customer certifies that it is a resident of the United States and shall notify Bank of any changes in residency. Bank may rely upon this certification or the certification of such other facts as may be required to administer Bank's obligations hereunder. Customer shall indemnify Bank against all losses, liability, claims or demands arising directly or indirectly from any such certifications.

(d) Custodian's Records; Access to Records. Bank shall provide any assistance reasonably requested by Customer in the preparation of reports to Customer's shareholders and others, audits of accounts, and other ministerial matters of like nature. Bank shall maintain complete and accurate records with respect to Financial Assets and other Assets held for the account of Customer as required by the rules and regulations of the U.S. Securities and Exchange Commission applicable to investment companies registered under the 1940 Act. All such books and records maintained by Bank shall be made available to Customer upon request and shall, where required to be maintained by Rule 31a-1 under the 1940 Act, be preserved for the periods prescribed in Rule 31a-2 under the 1940 Act. Bank shall allow Customer's independent public accountant reasonable access to the records of Bank relating to Financial Assets as is required in connection with their examination of books and records pertaining to Customer's affairs. Subject to restrictions under applicable law, Bank shall also obtain an undertaking to permit Customer's independent public accountants reasonable

access to the records of any Subcustodian which has physical possession of any Financial Assets as may be required in connection with the examination of Customer's books and records. Bank shall not unreasonably refuse to furnish to Customer such reports (or portions thereof) of Bank's external auditors as they relate directly to the Bank's system of internal accounting controls applicable to Bank's duties under this Agreement (commonly referred to as a "SAS 70 report"). Bank shall endeavor to obtain and furnish Customer with such similar reports as Customer may reasonably request with respect to each Subcustodian holding Assets of Customer. Except as respects Bank's SAS Report, as to which there shall be no charge, the Customer shall pay expenses of the Bank and any Subcustodians under this provision.

(e) Confidential Information. The parties hereto agree that each shall treat confidentially all confidential information provided by each party to the other regarding its business and operations in accordance with this Agreement. All confidential information provided by a party hereto shall be used by the other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to a third party without the prior written consent of such providing party. Confidential information for purposes hereof shall include information traditionally recognized as confidential, such as financial information, strategies, security practices, product and business proposals, business plans, and the like. The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement, that is generally furnished to third parties by the providing party without confidentiality restriction, or that is required to be disclosed by any bank examiner of Bank or any Subcustodian, any auditor of the parties hereto, by judicial or administrative process or otherwise by applicable law or regulation. For this purpose, Customer and any Authorized Person shall be permitted to disclose any information provided by Bank hereunder to the U.S. Securities and Exchange Commission (or its staff) in connection with any inspection or examination or other action or proceeding.

(f) Governing Law; Successors and Assigns; Immunity; Captions. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN NEW YORK and shall not be assigned by either party, but shall bind the successors in interest of Customer and Bank. To the extent that in any jurisdiction Customer or Bank may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, Customer or Bank, as the case may be, irrevocably shall not claim, and it hereby waives, such immunity. The captions given to the sections and subsections of this Agreement are for convenience of reference only and are not to be used to interpret this Agreement.

(g) Entire Agreement. This Agreement consists exclusively of this document (including Appendix A and Schedules A-1 and A-2 hereof), together with the applicable riders for Russia and Taiwan (collectively "Riders") to the predecessor agreement to this Agreement. The Riders are hereby modified to apply to and amend the applicable sections of this Agreement in the same manner as they amended the equivalent sections of the predecessor agreement. There are no other provisions hereof and this Agreement supersedes any other agreements, whether written or oral, between the parties. Any amendment hereto must be in writing, executed by both parties.

(h) Severability. In the event that one or more provisions hereof are held invalid, illegal or unenforceable in any respect on the basis of any particular circumstances or in any jurisdiction, the validity, legality and enforceability

of such provision or provisions under other circumstances or in other jurisdictions and of the remaining provisions shall not in any way be affected or impaired.

(i) Waiver. Except as otherwise provided herein, no failure or delay on the part of either party in exercising any power or right hereunder operates as a waiver, nor does any single or partial exercise of any power or right preclude any other or further exercise, or the exercise of any other power or right. No waiver by a party of any provision hereof, or waiver of any breach or default, is effective unless in writing and signed by the party against whom the waiver is to be enforced.

(j) Representations and Warranties.

(i) Customer hereby represents and warrants to Bank that: (A) it has full power and authority to deposit and control the Financial Assets and cash deposited in the Accounts; (B) it has all necessary authority to use Bank as its custodian; (C) this Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms; (D) it has taken all necessary action to authorize the execution and delivery hereof.

(ii) Bank hereby represents and warrants to Customer that: (A) it has the full power and authority to perform its obligations hereunder, (B) this Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms; and (C) that it has taken all necessary action to authorize the execution and delivery hereof.

(k) Notices. All notices hereunder shall be effective when actually received. Any notices or other communications which may be required hereunder are to be sent to the parties at the following addresses or such other addresses as may subsequently be given to the other party in writing: (a) Bank: The Chase Manhattan Bank, 4 Chase MetroTech Center, Brooklyn, N.Y. 11245, Attention: Jerry E. Garcia, Vice President, Global Investor Services, Investment Management Group; and (b) Customer: [Name of Customer], c/o Capital Research and Management Company, Attention: Thomas M. Rowland, Senior Vice President, 135 South State College Boulevard, Brea, CA 92821-5804; with a copy to: Stuart R. Strachan, Vice President and Senior Counsel, Capital Research and Management Company, 333 S. Hope Street, 55th Floor, Los Angeles, CA 90071.

(l) Termination. This Agreement may be terminated as to one or more Portfolios by Customer or Bank by giving sixty (60) days' written notice to the other, provided that such notice to Bank shall specify the names of the persons to whom Bank shall deliver the Assets belonging to the affected Portfolios in the Accounts. If notice of termination is given by Bank, Customer shall, within sixty (60) days following receipt of the notice, deliver to Bank Instructions specifying the names of the persons to whom Bank shall deliver the Assets belonging to the affected Portfolios. In either case Bank shall deliver the Assets belonging to the affected Portfolios to the persons so specified, after deducting any amounts which Bank determines in good faith to be owed to it under Section 15. If within sixty (60) days following receipt of a notice of termination by Bank, Bank does not receive Instructions from Customer specifying the names of the persons to whom Bank shall deliver the Assets belonging to the affected Portfolios, Bank, at its election, may deliver such Assets to a bank or trust company doing business in the State of New York to be held and disposed of pursuant to the provisions hereof, or to Authorized Persons, or may continue to hold such Assets until Instructions are provided to Bank. For avoidance of doubt, each Customer, Portfolio or the Bank may terminate this Agreement pursuant to its provisions and the Agreement shall survive such termination in respect of the remaining Customers and Portfolios

that have not so terminated or been terminated.

(m) Representative Capacity; Non-recourse Obligations. A COPY OF THE DECLARATION OF TRUST OR OTHER ORGANIZATIONAL DOCUMENT OF EACH CUSTOMER IS ON FILE WITH THE SECRETARY OF STATE OF THE STATE OF THE CUSTOMER'S FORMATION, AND NOTICE IS HEREBY GIVEN THAT THIS AGREEMENT IS NOT EXECUTED ON BEHALF OF THE TRUSTEES OF ANY CUSTOMER AS INDIVIDUALS, AND THE OBLIGATIONS OF THIS AGREEMENT ARE NOT BINDING UPON ANY OF THE TRUSTEES, OFFICERS, SHAREHOLDERS OR PARTNERS OF ANY FUND INDIVIDUALLY, BUT ARE BINDING ONLY UPON THE ASSETS AND PROPERTY OF EACH CUSTOMER'S RESPECTIVE PORTFOLIOS. BANK AGREES THAT NO SHAREHOLDER, TRUSTEE, OFFICER OR PARTNER OF ANY FUND MAY BE HELD PERSONALLY LIABLE OR RESPONSIBLE FOR ANY OBLIGATIONS OF ANY CUSTOMER ARISING OUT OF THIS AGREEMENT.

(n) Several Obligations of each Customer and Portfolio. With respect to any obligations of a customer on behalf of any of its Portfolios arising OUT OF THIS AGREEMENT, Bank shall look for payment or satisfaction of any such obligation solely to THE ASSETS AND PROPERTY OF THE Portfolio TO WHICH SUCH obligation relates as though that CUSTOMER had separately contracted with Bank by separate written agreement with respect to EACH OF ITS PORTFOLIOS. The rights and benefits to which a given Portfolio is entitled hereunder shall be solely those of such Portfolio and no other Portfolio hereunder shall receive such benefits.

(o) Information Concerning Deposits at Bank. Bank's London Branch is a member of the United Kingdom Deposit Protection Scheme (the "Scheme") established under Banking Act 1987 (as amended). The Scheme provides that in the event of Bank's insolvency, payments may be made to certain customers of Bank's London Branch. Payments under the Scheme are limited to 90% of a depositor's total cash deposits subject to a maximum payment to any one depositor of 18,000 pounds(or euro 20,000 if greater). Most deposits denominated in sterling and other European Economic Area Currencies and euros made with Bank within the United Kingdom are covered. Further details of the Scheme are available on request. Any cash so deposited with Bank's London Branch will be payable exclusively by Bank's London Branch in the applicable currency, subject to compliance with applicable law, including, without limitation, any restrictions on transactions in the applicable currency imposed by the country of the applicable currency.

IN WITNESS WHEREOF, each of the Customers and Bank have executed this Agreement as of the date first-written above. Execution of this Agreement by more than one Customer shall not create a contractual or other obligation between or among such Customers (or between or among their respective Portfolios) and this Agreement shall constitute a separate agreement between Bank and each Customer on behalf of itself or each of its Portfolios.

EACH OF THE CUSTOMERS LISTED ON  
APPENDIX A ATTACHED HERETO, ON  
BEHALF OF ITSELF OR ITS LISTED PORTFOLIOS

By: CAPITAL RESEARCH AND MANAGEMENT  
COMPANY

By: \_\_\_\_\_

Name:

Title:

THE CHASE MANHATTAN BANK

By: \_\_\_\_\_

Name: Jerry E. Garcia

Title: Vice President

APPENDIX A  
CUSTOMERS AND PORTFOLIOS  
Dated as of June 29, 2001

The following is a list of Customers and their respective Portfolios for which Bank shall serve under this Agreement.

<TABLE>

<CAPTION>

CUSTOMER PORTFOLIO:	EFFECTIVE AS OF:	TAIWAN RIDER:RUSSIA RIDER
<s>	<c>	<c>
AMCAP Fund, Inc.	June 29, 2001	
EuroPacific Growth Fund	June 29, 2001	December 16, 1996
New Perspective Fund, Inc.	June 29, 2001	December 16, 1996
New World Fund, Inc.	June 29, 2001	April 13, 1999
American Funds Insurance Series - New World Fund	June 29, 2001	April 13, 1999
American Mutual Fund, Inc.	June 29, 2001	
Capital World Growth and Income Fund, Inc.	June 29, 2001	December 16, 1996
The Investment Company of America	June 29, 2001	March 15, 2001
Capital Income Builder, Inc.	June 29, 2001	
The Income Fund of America, Inc.	June 29, 2001	
American Balanced Fund, Inc.	June 29, 2001	
American High Income Trust	June 29, 2001	
The Bond Fund of America, Inc.	June 29, 2001	
Capital World Bond Fund, Inc.	June 29, 2001	
Intermediate Bond Fund of America	June 29, 2001	
U.S. Government Securities Fund	June 29, 2001	
American High-Income Municipal Bond Fund, Inc.	June 29, 2001	
Limited Term Tax-Exempt Bond Fund of America	June 29, 2001	
The Tax-Exempt Bond Fund of America, Inc.	June 29, 2001	

The Tax-Exempt Fund of California	June 29, 2001
The Cash Management Trust of America	June 29, 2001
The Tax-Exempt Money Fund of America	June 29, 2001
The U.S. Treasury Money Fund of America	June 29, 2001
Endowments - Equity Portfolio	June 29, 2001
Endowments - Fixed Income Portfolio	June 29, 2001

</TABLE>

IN WITNESS WHEREOF, each of the Customers and Bank have executed this Appendix A as of the date first-written above. Execution of this Appendix A by more than one Customer shall not create a contractual or other obligation between or among such Customers (or between or among their respective Portfolios) and this Appendix shall constitute a separate agreement between Bank and each Customer on behalf of itself or each of its Portfolios.

EACH OF THE CUSTOMERS LISTED ON  
APPENDIX A ATTACHED HERETO, ON  
BEHALF OF ITSELF OR ITS LISTED PORTFOLIOS  
By: CAPITAL RESEARCH AND MANAGEMENT  
COMPANY

By: \_\_\_\_\_

Name:

Title:

THE CHASE MANHATTAN BANK

By: \_\_\_\_\_

Name: Jerry E. Garcia

Title: Vice President



<TABLE>  
<CAPTION>  
<s>

	<c>	<c>
	O'MELVENY & MYERS LLP	
CENTURY CITY	400 South Hope Street	TYSONS CORNER
IRVINE SPECTRUM	Los Angeles, California	WASHINGTON, D.C.
MENLO PARK	90071-2899	HONG KONG
NEWPORT BEACH	Telephone (213) 430-6000	LONDON
NEW YORK	Facsimile (213) 430-6407	SHANGHAI
SAN FRANCISCO	Internet: www.omm.com	TOKYO

</TABLE>

May 10, 2002

New Perspective Fund, Inc.  
333 South Hope Street  
Los Angeles, California 90071

Dear Ladies and Gentlemen:

At your request we have examined your Registration Statement on Form N-1A and the related Post-Effective Amendment No. 56 filed by you with the Securities and Exchange Commission in connection with the registration under the Securities Act of 1933, as amended, of an indefinite number of shares of your common stock, \$0.001 par value per share, of the following Classes: R-1, R-2, R-3, R-4 and R-5 (collectively, the "CLASS R SHARES"). We are familiar with the proceedings you have taken in connection with the authorization, issuance and sale of the Class R Shares.

Based upon our examination and upon our knowledge of your activities, it is our opinion that, provided that an appropriate amendment to your Articles of Incorporation is duly effected before the issued and outstanding Class R Shares exceed the authorized number specified in the Articles of Incorporation, the Class R Shares upon issuance and sale in the manner described in the Registration Statement will constitute validly issued, fully paid and nonassessable shares of your common stock.

We consent to the filing of this opinion as an exhibit to the Registration Statement.

Respectfully submitted,

/s/ O'MELVENY & MYERS LLP

#### CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form N-1A of our report dated October 31, 2001, relating to the financial statements and per-share data and ratios of New Perspective Fund Inc., which appears in such Registration Statement. We also consent to the references to us under the

headings "Financial Highlights", "Independent Accountants", and "Prospectuses, Reports to Shareholders and Proxy Statements" in such Registration Statement.

PricewaterhouseCoopers LLP  
Los Angeles, California

May 9, 2002

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form N-1A of our report dated October 31, 2001, relating to the financial statements and per-share data and ratios of New Perspective Fund Inc., which appears in such Registration Statement. We also consent to the references to us under the headings "Financial Highlights", "Independent Accountants", and "Prospectuses, Reports to Shareholders and Proxy Statements" in such Registration Statement.

PricewaterhouseCoopers LLP  
Los Angeles, California

May 9, 2002

FORM OF PLAN OF DISTRIBUTION  
OF [NAME OF FUND]

RELATING TO ITS  
CLASS R-[ ] SHARES

WHEREAS, [name of fund] (the "Fund") is a [state][corporation][business trust] that offers fourteen classes of shares of [common stock][beneficial interest], designated as Class A shares, Class B shares, Class C shares, Class F shares, Class 529-A shares, Class 529-B shares, Class 529-C shares, Class 529-E shares, Class 529-F shares, Class R-1 shares, Class R-2 shares, Class R-3 shares, Class R-4 shares and Class R-5 shares;

WHEREAS, American Funds Distributors, Inc. ("AFD") or any successor entity designated by the Fund (AFD and any such successor collectively are referred to as "Distributor") will serve as distributor of the shares of common stock of the Fund, and the Fund and Distributor are parties to a principal underwriting agreement (the "Agreement");

WHEREAS, the purpose of this Plan of Distribution (the "Plan") is to authorize the Fund to bear expenses of distribution of its Class R- [ ] shares; and

WHEREAS, the Board of [Directors][Trustees] of the Fund has determined that there is a reasonable likelihood that this Plan will benefit the Fund and its shareholders;

NOW, THEREFORE, the Fund adopts this Plan as follows:

1. PAYMENTS TO DISTRIBUTOR. The Fund may expend pursuant to this Plan and as set forth below an aggregate amount not to exceed [ ]% per annum of the average net assets of the Fund's Class R-[ ] shares.

The categories of expenses permitted under this Plan include service fees ("Service Fees") in an amount not to exceed .25%, and distribution fees ("Distribution Fees") in an amount not to exceed [ ]%, each such percentage being per annum of the average net assets of the Fund's Class R-[ ] shares. The actual amounts paid shall be determined by the Board of [Directors][Trustees]. The Service Fee compensates the Distributor for service-related expenses, including paying Service Fees to others in respect of Class R-[ ] shares of the Fund. The Distribution Fee compensates the Distributor for providing distribution services in respect of Class R-[ ] shares of the Fund.

2. APPROVAL BY THE BOARD. This Plan shall not take effect until it has been approved, together with any related agreement, by votes of the majority of both (i) the Board of [Directors][Trustees] of the Fund and (ii) those [Directors][Trustees] of the Fund who are not "interested persons" of the Fund (as defined in the Investment Company Act of 1940) and have no direct or indirect financial interest in the operation of this Plan or any agreement

related to it (the "Independent [Directors][Trustees]"), cast in person at a meeting called for the purpose of voting on this Plan and/or such agreement.

3. REVIEW OF EXPENDITURES. At least quarterly, the Board of [Directors][Trustees] shall be provided by any person authorized to direct the disposition of monies paid or payable by the Fund pursuant to this Plan or any related agreement, and the Board shall review, a written report of the amounts expended pursuant to this Plan and the purposes for which such expenditures were made.

4. TERMINATION OF PLAN. This Plan may be terminated as to the Fund's Class R-[ ] shares at any time by vote of a majority of the Independent [Directors][Trustees], or by vote of a majority of the outstanding Class R-[ ] shares of the Fund. Unless sooner terminated in accordance with this provision, this Plan shall continue in effect until [date]. It may thereafter be continued from year to year in the manner provided for in paragraph 2 hereof.

5. REQUIREMENTS OF AGREEMENT. Any Agreement related to this Plan shall be in writing, and shall provide:

a. that such Agreement may be terminated as to the Fund at any time, without payment of any penalty by the vote of a majority of the Independent [Directors][Trustees] or by a vote of a majority of the outstanding Class R-[ ] shares of the Fund, on not more than sixty (60) days' written notice to any other party to the Agreement; and

b. that such Agreement shall terminate automatically in the event of its assignment.

6. AMENDMENT. This Plan may not be amended to increase materially the maximum amount of fees or other distribution expenses provided for in paragraph 1 hereof with respect to the Class R-[ ] shares of the Fund unless such amendment is approved by vote of a majority of the outstanding voting securities of the Class R-[ ] shares of the Fund and as provided in paragraph 2 hereof, and no other material amendment to this Plan shall be made unless approved in the manner provided for in paragraph 2 hereof.

7. NOMINATION OF [DIRECTORS][TRUSTEES]. While this Plan is in effect, the selection and nomination of Independent [Directors][Trustees] shall be committed to the discretion of the Independent [Directors][Trustees] of the Fund.

8. ISSUANCE OF SERIES OF SHARES. If the Fund shall at any time issue shares in more than one series, this Plan may be adopted, amended, continued or renewed with respect to a series as provided herein, notwithstanding that such adoption, amendment, continuance or renewal has not been effected with respect to any one or more other series of the Fund.

9. RECORD RETENTION. The Fund shall preserve copies of this Plan and any related agreement and all reports made pursuant to paragraph 3 hereof for not less than six (6) years from the date of this Plan, or such agreement or

reports, as the case may be, the first two (2) years of which such records shall be stored in an easily accessible place.

IN WITNESS WHEREOF, the Fund has caused this Plan to be executed by its officers thereunto duly authorized, as of May 1, 2002.

[NAME OF FUND]

By

[name] Chairman

By

[name] Secretary