

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

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### FILER

#### **CAPITAL WORLD GROWTH & INCOME FUND INC**

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[The American Funds Group/r/]

Capital World Growth and Income Fund

[photograph of balance scales superimposed with flags from various nations]

2001 Semi-Annual Report  
for the six months ended May 31

CAPITAL WORLD GROWTH AND INCOME FUND/SM/ IS ONE OF THE 29 AMERICAN FUNDS,/SM/  
THE NATION'S THIRD-LARGEST MUTUAL FUND FAMILY. FOR SEVEN DECADES, CAPITAL  
RESEARCH AND MANAGEMENT COMPANY, THE AMERICAN FUNDS ADVISER, HAS INVESTED WITH  
A LONG-TERM FOCUS BASED ON THOROUGH RESEARCH AND ATTENTION TO RISK.

Capital World Growth and Income Fund seeks long-term capital growth while  
providing current income. It invests on a global basis in a diversified  
portfolio consisting primarily of common stocks and other equity securities.

RESULTS AT A GLANCE  
(as of 5/31/01, with all distributions reinvested)

	Total Returns		Average Annual Compound Returns	
	6 Months	1 Year	5 Years	Lifetime since 3/26/93
CAPITAL WORLD GROWTH AND INCOME FUND	+ 6.77%	+ 3.28%	+15.21%	+15.72%
Morgan Stanley Capital International (MSCI/r/) World Index /1/	- 5.96	-14.64	+ 9.36	+11.58
Lipper Global Funds Average/2/	- 6.28	-13.41	+ 9.00	+10.71

/1/ The MSCI World Index is unmanaged and does not reflect the effects of sales  
charges, commissions or expenses. It measures major stock markets in 22  
countries, including the United States.

/2/ The Lipper Global Funds Average consists of funds that invest at least 25%  
of their portfolios in securities traded outside of the U.S. Lipper  
averages do not reflect the effects of sales charges.

Fund results in this report were calculated for Class A shares at net asset  
value (without a sales charge) unless otherwise indicated. Results for other  
share classes can be found on the inside back cover. Here are the average  
annual compound returns on a \$1,000 investment with all distributions  
reinvested for periods ended June 30, 2001 (the most recent calendar quarter):

	1 Year	5 Years	Lifetime
CLASS A SHARES	-7.40%	+13.45%	+14.42%
Reflecting 5.75% maximum sales charge			

The fund's 30-day yield for Class A shares as of June 30, 2001, calculated in  
accordance with the Securities and Exchange Commission formula, was 1.80%.

Please see the back cover for important information about other share classes.

FIGURES SHOWN ARE PAST RESULTS AND ARE NOT PREDICTIVE OF FUTURE RESULTS. SHARE  
PRICE AND RETURN WILL VARY, SO YOU MAY LOSE MONEY. INVESTING FOR SHORT PERIODS  
MAKES LOSSES MORE LIKELY. INVESTMENTS ARE NOT FDIC-INSURED, NOR ARE THEY  
DEPOSITS OR GUARANTEED BY A BANK OR ANY OTHER ENTITY. INVESTING OUTSIDE THE  
UNITED STATES IS SUBJECT TO ADDITIONAL RISKS, SUCH AS CURRENCY FLUCTUATIONS,  
POLITICAL INSTABILITY, DIFFERING SECURITIES REGULATIONS AND PERIODS OF  
ILLIQUIDITY, WHICH ARE DETAILED IN THE FUND'S PROSPECTUS.

FELLOW SHAREHOLDERS:

The U.S. economic slowdown entrenched itself during the past six months, further dampening stock markets around the world. As growth prospects dimmed for many companies, investors turned to traditional, value-oriented stocks for security. This shift proved beneficial for Capital World Growth and Income Fund, which invests in well-established companies, many of which pay attractive dividends.

For the six months ended May 31, the fund posted a total return of 6.8% for those shareholders who reinvested dividends and capital gain distributions totaling \$3.37 a share. This positive return is especially gratifying given the losses many investors suffered during these weak market conditions. Over the same period, the MSCI World Index, a measure of the world's major stock markets, fell 6.0%, and the average return of all global funds measured by Lipper Inc. was -6.3%. Looking back over longer periods, the fund's advantage remains apparent, as evidenced by the returns in the table, at left.

#### THE SIX MONTHS IN REVIEW

The health of the U.S. economy has declined notably since last year. During the fund's reporting period, the Federal Reserve administered five interest rate cuts in order to revive growth, followed by a sixth cut in June. Corporate America scrambled to improve earnings by means of cost cutting, layoffs and accelerated restructuring. Stock prices generally sagged throughout the winter months. Although the markets abruptly lifted off their lows in April, they stalled again in May, and investors remain acutely sensitive to stock valuations and earnings forecasts.

Not all U.S. companies experienced lower stock prices during the period, however. A few industry sectors, such as energy, banking and consumer staples, fared reasonably well. These businesses tend to be mature and somewhat predictable, and many view them as less vulnerable to hard times. They also account for a significant portion of your fund's holdings and thus contributed to the positive results.

As listed on page 4, four of the fund's 10 largest holdings are U.S.-based companies. Bucking the broader market trend, they each posted positive returns for the period. Altogether, U.S. investments constitute the largest country concentration in your fund's portfolio, totaling some 30% of net assets.

#### A GLOBAL MALAISE

Major European stock markets generally posted negative results for the period, with the MSCI Europe Index off 5.9% in local currency terms. The continued strength of the dollar, however, magnified the loss for U.S. investors, pushing the decline to 7.8%.

[Begin Sidebar]

Where the Fund's Assets Were Invested  
Percent by country as of 5/31/2001

[begin pie chart]

The Americas	37.2%
United States	30.5
Canada	4.7
Mexico	1.5
Other Americas	0.5
Europe	22.6%
United Kingdom	9.1
Netherlands	2.6
Ireland	1.8
France	1.7
Sweden	1.3
Norway	1.2
Germany	1.0
Denmark	0.9
Other Europe	3.0
Asia/Pacific	21.4%
Japan	7.7

Hong Kong	3.6
Australia	3.2
Other Asia/Pacific	6.9
Other	1.2%
South Africa	1.1
Polynational	0.1
Bonds, Cash	
& Equivalents	17.6%
	100.0%

[end pie chart]

[End Sidebar]

Earlier this year, Europe's two largest economies, France and Germany, began to exhibit sluggish growth, dispelling hopes that Europe might escape the effects of a U.S. slowdown. These countries recorded stock market declines of 8.8% and 6.9%, respectively. Italy, Finland and Sweden fared worse, each posting double-digit market losses. In most instances, negative returns were sparked by sharply lower prices for technology, Internet and telecom stocks, which also led the decline in the U.S. Among the fund's European holdings, Ericsson and Telecom Italia both posted weak results for the period, offsetting gains in other holdings.

In the United Kingdom, home to some 9% of your fund's assets, the market decline was somewhat less severe - a slump of 3.7% for the period. AstraZeneca, a U.K.-based pharmaceutical company that has been a key holding of the fund, was affected by the downturn and its shares declined moderately.

A few bright spots in Europe did emerge - notably Ireland, Norway, Spain and Austria. All recorded positive market returns for the six-month period, despite a weaker Euro. Ireland's Elan Corp., a pharmaceutical concern, bolstered fund results with its double-digit return.

The Japanese economy, the second largest in the world, contracted during the first quarter of 2001, taking stocks lower. In April, stocks recovered somewhat when a new prime minister assumed leadership, pledging to implement radical changes to spur the economy. Nonetheless, Japan recorded a negative 8.3% return for the six-month period, largely due to a decline in the value of the yen versus the dollar. In Hong Kong, stocks finished slightly weaker, dropping 2.1%. By contrast, Australia managed to post a positive return (up 3.7%) for the period, despite a significantly weaker currency and its own economic slump late last year. South Korea, however, bested most of the region, recording a 20.9% market rise. Two South Korean holdings, Samsung SDI and Samsung Electronics, rose sharply in value, enhancing the fund's results.

Nearer to home, our two largest trading partners produced vastly different returns: The Canadian market declined 10.6%, with much of the drop attributed to the plunge in technology shares. Mexico, on the other hand, enjoyed a positive 20.3% market return, fueled by stronger ties with the U.S., a promising new government, and a rising peso.

#### A NOTE ON DIVIDENDS

As many shareholders in the fund already know, companies outside North America typically pay dividends annually or semi-annually, as opposed to quarterly, which is customary in the United States. As a result, dividends paid by the fund may vary from quarter to quarter, depending upon the investment mix. For the six months ended May 31, Capital World Growth and Income Fund paid dividends totaling 24.5 cents a share on Class A shares, an increase of 2.5 cents over the same period last year. Information on dividends paid to other share classes can be found on the inside back cover.

#### NEW OPPORTUNITIES IN SHIFTING MARKETS

Flagging growth in the U.S. may have cast a long shadow on global markets, but it has not dimmed our enthusiasm for uncovering long-term values for our shareholders. If anything, retreating share prices have, in many instances, relieved some of the excesses that previously distorted many markets. Moreover, this retrenchment has produced fresh investment opportunities for the

fund. It is precisely in unsettled markets such as these that our research efforts can lend enduring value.

Over the past 12 months, your fund's portfolio counselors have been gradually divesting shares of companies - notably, European telecommunications businesses - that they viewed as overvalued. As a result, the cash position of the fund has increased to 16.9% compared to 7.7% this time last year. This higher cash balance helps to cushion against further market declines over the near term, and it also allows your fund managers to take full advantage of new opportunities uncovered by our research analysts.

Capital World Growth and Income Fund has fared well in these difficult times by investing in companies that have the financial strength, market position and management savvy to weather economic downdrafts. In the eight years since its inception, Capital World Growth and Income Fund has produced a cumulative return of 230.1%, averaging 15.7% annually. We believe these results attest to the benefits of maintaining a long-term investment strategy that combines both growth and income objectives.

We look forward to reporting to you again in six months.

Cordially,

/s/ Paul G. Haaga, Jr.  
Paul G. Haaga, Jr.  
Chairman of the Board

/s/ Gina H. Despres  
Gina H. Despres  
President

July 17, 2001

/1/ Country returns are based on MSCI indexes for the six months ended May 31, 2001, are expressed in dollar terms, and assume reinvestment of dividends.

LARGEST INDIVIDUAL EQUITY HOLDINGS	COUNTRY	PERCENT OF NET ASSETS
Philip Morris	USA	4.1%
Elan	Ireland	1.8
AstraZeneca	United Kingdom	1.6
Shell Canada	Canada	1.4
Williams Companies	USA	1.2
ING Groep	Netherlands	1.1
R.J. Reynolds Tobacco Holdings	USA	1.0
Samsung SDI	Korea	1.0
Vodafone Group	United Kingdom	.9
Bergen Brunswig	USA	.9

Investment Portfolio, May 31, 2001

(Unaudited)

[begin pie chart]

Investment Mix

Largest Industry Holdings

Equity Securities	82.39%
Banks	7.89
Tobacco	6.78
Pharmaceuticals	5.94
Diversified Telecommunications Services	3.40
Media	3.36
Other Industries	55.02
Bonds & Notes	.74%
Cash & Equivalents	16.87%

[end pie chart]

<s>	<c>	<c>	<c>	<c>
	Shares or Principal Amount	Market Value (Millions)	Percent of Net Assets	
Equity Securities (common and preferred stocks and convertible debentures)				
BANKS - 7.89%				
Washington Mutual, Inc. (USA)	2,850,000	\$101.517	.89%	
Lloyds TSB Group PLC (United Kingdom)	7,781,000	77.229	.67	
Bank of America Corp. (USA)	1,190,000	70.508	.62	
ABN AMRO Holding NV (Netherlands)	2,675,602	51.043	.45	
Westpac Banking Corp. (Australia)	7,217,400	50.663	.44	
Hang Seng Bank Ltd. (Hong Kong)	4,450,000	49.351	.43	
Royal Bank of Canada (Canada)	1,518,400	48.057	.42	
Toronto-Dominion Bank (Canada)	1,802,100	46.559	.41	
Australia and New Zealand Banking Group Ltd. (Australia)	5,819,698	44.878	.39	
Bank Hapoalim Ltd. (Israel)	17,000,000	41.379	.36	
Wells Fargo & Co. (USA)	800,000	37.664	.33	
National Australia Bank Ltd. (Australia)	2,164,884	35.476	.31	
Bank of Nova Scotia (Canada)	1,128,400	32.364	.28	
Mizuho Holdings, Inc. (Japan)	5,479	27.872	.24	
Bank of Scotland (United Kingdom)	2,241,371	25.424	.22	
First Union Corp. (USA)	724,000	23.349	.20	
Siam Commercial Bank PCL 5.25% noncumulative convertible preferred (Thailand) /2/	38,600,000	18.509		
Siam Commercial Bank PCL, warrants, expire 2002 /2/	41,000,000	3.344	.19	
Sumitomo Mitsui Banking Corp. Inc. (Japan)	2,486,000	21.133	.19	
Bank of the Philippine Islands (Philippines)	13,240,400	19.966	.17	
IndyMac Bancorp., Inc. (USA) /2/	800,000	18.600	.16	
Unibanco-Uniao de Bancos Brasileiros SA, units (GDR) (Brazil)	600,000	15.330	.13	
UFJ Holdings, Inc. (Japan) /2/	1,380	7.832		
Sanwa International Finance (Bermuda) Trust 1.25% preferred units 2005 (Japan) /1/	849,000,000	6.246	.12	
Asahi Bank, Ltd. (Japan)	4,100,000	10.480	.09	
Commonwealth Bank of Australia (Australia)	590,000	9.296	.08	
Skandinaviska Enskilda Banken AB, Class A (Sweden)	800,000	7.391	.07	
Grupo Financiero Galicia SA, Class B (ADR) (Argentina)	189,181	3.006	.03	
TOBACCO - 6.78%				
Philip Morris Companies Inc. (USA)	9,050,000	465.261	4.06	
R.J. Reynolds Tobacco Holdings, Inc. (USA)	1,975,000	117.473	1.03	
Imperial Tobacco Ltd. (United Kingdom)	8,670,295	94.169	.82	
Gallaher Group PLC (United Kingdom)	10,000,000	66.074	.58	
Swedish Match AB (Sweden)	6,000,000	27.744	.24	
UST Inc. (USA)	200,000	5.832	.05	
PHARMACEUTICALS - 5.94%				
Elan Corp., PLC (ADR) (Ireland) /2/	3,055,500	176.333		
Elan Finance Corp. 0% convertible debentures 2018	\$29,000,000	24.415	1.75	
AstraZeneca PLC (United Kingdom)	3,947,683	186.197	1.62	
Pfizer Inc (USA)	1,614,000	69.224	.60	
Forest Laboratories, Inc. (USA) /2/	797,200	59.041	.52	
Pharmacia Corp. (USA)	1,004,100	48.759	.43	
Shionogi & Co., Ltd. (Japan)	2,176,000	48.394	.42	
Novo Nordisk AS, Class B (Denmark)	875,000	35.159	.31	
Eli Lilly and Co. (USA)	200,000	16.940	.15	

PLIVA DD (GDR) (Croatia) /1/	1,500,000	15.975	.14
DIVERSIFIED TELECOMMUNICATION			
SERVICES - 3.40%			
TDC A/S (formerly Tele Danmark AS) (Denmark)	759,800	31.910	
TDC A/S, Class B (ADR)	1,480,200	30.936	.55
Telefonos de Mexico, SA de CV, Class L (ADR) (Mexico)	1,474,600	50.859	
Telefonos de Mexico, SA de CV 4.25% convertible debentures 2004	\$9,220,000	11.754	.55
SBC Communications Inc. (USA)	800,000	34.440	.30
Qwest Communications International Inc. (USA)	754,848	27.733	.24
Williams Communications Group, Inc. (USA) /2/	6,208,352	26.075	.23
Philippine Long Distance Telephone Co. (ADR) (Philippines)	1,650,000	21.615	.19
AT&T Corp. (USA)	1,000,000	21.170	.18
Telecom Italia SpA, nonconvertible savings shares (Italy)	3,492,100	18.358	.16
Telecom Argentina STET-France Telecom SA, Class B (ADR) (Argentina)	1,000,000	15.610	.14
Telecom Corp. of New Zealand Ltd. (New Zealand)	4,834,100	10.727	
Telecom Corp. of New Zealand Ltd. (ADR)	120,700	2.161	
Telecom Corp. of New Zealand Ltd. /1/	305,610	.678	.12
Nortel Inversora SA, preferred, Class B (ADR) (Argentina)	1,000,000	11.200	.10
BCE Inc. (Canada)	415,496	10.573	.09
Telefonica, SA (Spain) /2/	700,000	10.287	.09
Sprint FON Group (USA)	500,000	10.155	.09
TELUS Corp. (Canada)	456,234	9.737	.08
Korea Telecom Corp. (South Korea)	170,730	7.679	
Korea Telecom Corp. (ADR)	87,800	2.046	.08
WorldCom, Inc. (USA) /2/	500,000	8.920	.08
Telstra Corp. Ltd. (Australia)	2,150,000	6.981	.06
Bell Atlantic Financial Services, Inc. 4.25% convertible debentures 2005 (USA) /1/	\$5,000,000	4.944	.04
Nippon Telegraph and Telephone Corp. (Japan)	336	2.079	.02
Portugal Telecom, SA (Portugal)	173,300	1.371	.01
MEDIA - 3.36%			
AOL Time Warner Inc. (formerly America Online, Inc. and Time Warner Inc.) (USA) /2/	1,860,000	97.148	.85
Viacom Inc., Class B (USA) /2/	1,035,000	59.657	.52
KirchPayTV GmbH & Co. KGaA, non-voting (Germany) /1/ /2/ /7/	1,438,728	39.758	.35
Telewest Communications PLC (United Kingdom) /2/	19,000,000	32.530	.28
Mediaset SpA (Italy)	3,000,000	28.179	.25
Clear Channel Communications, Inc. (USA) /2/	431,445	26.305	.23
Vivendi Universal (formed by merger of Seagram Co. Ltd. And CANAL+) (France)	237,424	15.125	
Vivendi Universal (ADR)	97,120	6.196	.19
Walt Disney Co. (USA)	600,000	18.972	.16
Omnicom Group Inc. (USA)	200,000	18.616	.16
News Corp. Ltd., preferred (Australia)	2,407,851	18.418	.16
United Pan-Europe Communications NV, convertible preferred (Netherlands) /1/ /2/ /7/	100	7.418	
United Pan-Europe Communications NV /2/	1,320,000	6.254	
United Pan-Europe Communications NV, warrants, expire 2007 /2/ /7/	48,556	.000	.12
Radio One, Inc. 6.50% TIDES convertible preferred 2005 (USA) /1/ /2/	3,600	4.248	.04

Village Roadshow Ltd., Class A, 5.50% preferred (Australia)	2,967,813	1.754	
Village Roadshow Ltd., Class A, 5.50% preferred /1/	2,623,574	1.550	
Village Roadshow Ltd.	600,000	.445	.03
UnitedGlobalCom, Inc., Class A (USA) /2/	200,000	2.418	.02
REAL ESTATE - 3.35%			
New World Development Co. Ltd. (Hong Kong)	41,750,000	53.528	.47
Amoy Properties Ltd. (Hong Kong)	47,950,000	52.255	.46
Hongkong Land Holdings Ltd. (Singapore)	25,698,700	51.140	.45
Sun Hung Kai Properties Ltd. (Hong Kong)	4,610,000	42.999	.38
Hysan Development Co. Ltd. (Hong Kong)	31,482,553	41.575	.36
AMB Property Corp. (USA)	1,400,000	34.580	.30
Unibail (France)	141,300	22.533	
Unibail, warrants, expire 2004 /2/	116,300	1.242	.21
Kerry Properties Ltd. (Hong Kong)	18,422,500	22.202	.19
Great Eagle Holdings Ltd. (Hong Kong)	10,135,000	14.293	.12
Brookfield Properties Corp. (Canada)	733,900	12.933	.11
New World China Land Ltd. (China-Incorporated in the Cayman Islands) /2/	20,800,000	10.800	.09
Security Capital Global Realty (Luxembourg) /1/ /2/ /7/	450,000	8.280	.07
Henderson Investment Ltd. (Hong Kong)	10,000,000	6.923	.06
SM Prime Holdings, Inc. (Philippines)	52,885,000	6.716	.06
HKR International Ltd. (Hong Kong)	4,824,800	1.949	.02
DIVERSIFIED FINANCIALS - 3.32%			
ING Groep NV (Netherlands)	1,855,506	120.871	1.05
Household International, Inc. (USA)	600,000	39.396	.34
Housing Development Finance Corp. Ltd. (India)	2,011,015	28.326	
Housing Development Finance Corp. Ltd. /2/	470,000	6.620	.31
Freddie Mac (USA)	470,000	31.114	.27
Shohkoh Fund & Co., Ltd. (Japan)	187,380	28.360	.25
OM AB (formerly OM Gruppen AB) (Sweden)	1,390,000	24.844	.22
Wharf (Holdings) Ltd. (Hong Kong)	10,500,000	23.693	.21
Citigroup Inc. (USA)	440,040	22.552	.20
Swire Pacific Ltd., Class A (Hong Kong)	4,000,000	21.847	.19
J.P. Morgan Chase & Co. (formerly Chase Manhattan Corp.) (USA)	300,000	14.745	.13
ICICI Ltd. (ADR) (India)	719,100	8.449	
ICICI Ltd.	2,000,000	3.472	.10
ORIX Corp. 0.375% convertible debentures 2005 (Japan)	Yen 400,000,000	4.238	
ORIX Corp. (ADR)	36,840	1.914	.05
OIL & GAS - 3.20%			
Shell Canada Ltd., Class A (Canada)	5,396,100	154.244	1.35
"Shell" Transport and Trading Co., PLC (New York registered) (United Kingdom)	400,000	20.952	
Royal Dutch Petroleum Co. (New York registered) (Netherlands)	300,000	18.294	
Royal Dutch Petroleum Co.	290,000	17.584	.50
China Petroleum & Chemical Corp. (China)	211,000,000	40.308	.35
Petro-Canada (Canada)	1,000,000	26.806	.23
Sasol Ltd. (South Africa)	2,189,100	21.585	.19
TOTAL FINA ELF SA, Class B (France)	100,687	14.643	.13
Pengrowth Energy Trust (Canada)	1,080,583	14.214	.12
Castrol India Ltd. (India)	2,800,000	13.967	.12
Unocal Corp. (USA)	320,000	12.368	.11
Petroleo Brasileiro SA - PETROBRAS, ordinary nominative (ADR) (Brazil)	397,000	11.235	.10
INSURANCE - 3.15%			
EULER (France) /2/	1,195,959	55.648	.49
Yasuda Fire and Marine Insurance Co., Ltd. (Japan)	6,000,000	36.778	.32
Berkshire Hathaway Inc., Class A	444	30.503	.27



(USA) /2/			
Mitsui Marine and Fire Insurance Co., Ltd. (Japan)	5,394,000	30.387	.26
Allstate Corp. (USA)	650,000	29.263	.25
Clarica Life Insurance Co.(Canada)	1,000,000	29.257	.25
Mercury General Corp. (USA)	650,000	23.790	.21
QBE Insurance Group Ltd. (Australia)	4,100,000	22.134	.19
Sumitomo Marine & Fire Insurance Co., Ltd. (Japan)	3,000,000	18.339	.16
fdai-tok (formerly Dai-Tokyo Fire and Marine Insurance Co., Ltd.) (Japan)	5,561,000	18.002	.16
Nichido Fire and Marine Insurance Co., Ltd. (Japan)	2,241,000	15.225	.13
NIPPONKOA Insurance Co. (formerly Nippon Fire and Marine Insurance Co., Ltd.) (Japan)	3,725,000	13.781	.12
Aon Corp. (USA)	320,000	11.200	.10
Zurich Financial Services (Switzerland)	30,000	10.055	.09
PartnerRe Holdings Ltd. (Multinational)	155,000	8.300	.07
Fairfax Financial Holdings Ltd.(Canada)/2/	35,300	4.863	
Fairfax Financial Holdings Ltd., subscription receipts /2/	11,000	1.515	.06
XL Capital Ltd., Class A (Bermuda)	30,600	2.433	.02
ELECTRIC UTILITIES - 2.92%			
Northeast Utilities (USA)	3,307,900	63.644	.56
PowerGen PLC (United Kingdom)	5,504,800	56.510	.49
Niagara Mowhawk Holdings, Inc.(USA)/2/	1,850,000	32.375	.28
Scottish Power PLC (United Kingdom)	4,350,000	31.518	.27
Edison International (USA)	2,597,900	28.135	.25
Duke Energy Corp. (USA)	600,000	27.432	.24
Dominion Resources, Inc. 9.50% PIES convertible preferred 2004 (USA)	365,400	23.046	.20
Korea Deposit Insurance Corp. 2.25% convertible debentures 2005(South Korea)	\$17,700,000	18.983	.17
Southern Co. (USA)	800,000	18.832	.16
Calpine Corp. (USA)/2/	235,000	11.586	.10
National Grid Group PLC (United Kingdom)	1,400,000	11.176	.10
Scottish and Southern Energy PLC (United Kingdom)	725,000	6.558	.06
TXU Corp. (USA)	89,900	4.436	.04
METALS & MINING - 2.78%			
Barrick Gold Corp. (Canada)	4,000,000	66.000	.58
Freeport-McMoRan Copper & Gold Inc., Class B (USA)/2/	3,569,800	55.939	.49
Gencor Ltd. (South Africa)	8,000,000	39.441	.35
Usinor (France)	2,000,000	25.532	
Usinor 3.875% convertible preferred 2005	410,000	6.833	.28
BHP Ltd. (Australia)	2,156,933	24.508	.21
Driefontein Consolidated Ltd. (South Africa)	5,498,849	22.923	.20
Homestake Mining Co. (USA)	3,000,000	19.410	.17
Billiton PLC (United Kingdom)	3,000,000	15.260	.13
Normandy Mining Ltd. (Australia)	30,000,000	15.150	.13
Newcrest Mining Ltd. (Australia)	6,000,000	12.423	.11
KGHM Polska Miedz (GDR) (Poland) /1/ /2/	899,000	10.114	.09
Corus Group PLC (United Kingdom)	4,550,600	4.646	.04
PAPER & FOREST PRODUCTS - 2.73%			
Georgia-Pacific Corp., Georgia-Pacific Group (USA)	1,461,000	51.792	
Georgia-Pacific Corp., Timber Group	750,000	24.150	.66
Sappi Ltd. (South Africa)	4,072,700	40.107	.35
Norske Skogindustrier ASA, Class A (Norway)	2,375,000	37.025	.32
Metsa-Serla Oy 4.375% convertible debentures 2002 (Finland)	\$30,000,000	28.425	
M-real Oyj, Class B (Finland)	568,600	4.137	.28
Kimberly-Clark de Mexico, SA de CV,	11,400,000	31.233	.27

Class A (Mexico)			
Stora Enso Oyj (ADR) (Finland)	2,715,750	30.416	.27
Bowater Inc. (USA)	500,000	24.100	.21
International Paper Co. (USA)	556,969	21.304	.19
Holmen AB, Class B (Sweden)	620,000	12.579	.11
UPM-Kymmene Corp. (Finland)	252,000	7.984	.07
SEMICONDUCTOR EQUIPMENT & PRODUCTS - 2.52%			
Samsung Electronics Co.,Ltd.(South Korea)	469,850	77.819	.68
Taiwan Semiconductor Manufacturing Co. Ltd. (Taiwan) /2/	20,332,000	53.758	.47
Micron Technology, Inc. (USA) /2/	800,000	30.000	.26
Advanced Micro Devices, Inc. (USA) /2/	678,400	19.165	.17
Texas Instruments Inc. (USA)	500,000	17.060	.15
Rohm Co., Ltd. (Japan)	90,000	16.096	.14
Pro Mos Technologies Inc. 0% convertible debentures 2006 (Taiwan)	\$13,000,000	12.610	
Pro Mos Technologies Inc. /2/	3,000,000	2.402	.13
ASM Lithography Holding NV (Netherlands)/2/	360,000	8.299	
ASM Lithography Holding NV (New York registered) /2/	250,000	5.815	.12
ASE Test Ltd. (Taiwan) /2/	948,300	12.233	.11
Altera Corp. (USA) /2/	481,600	11.558	.10
Macronix International Co., Ltd. 1.00% convertible bond 2005 (Taiwan)	\$7,000,000	7.875	.07
ASM Pacific Technology Ltd. (Hong Kong)	3,738,700	7.382	.06
Mosel Vitelic, Inc. 1.00% convertible debentures 2005 (Taiwan)	\$6,590,000	6.936	.06
WIRELESS TELECOMMUNICATION SERVICES - 2.45%			
Vodafone Group PLC (United Kingdom)	41,308,115	106.160	.93
NTT DoCoMo, Inc. (Japan)	3,813	73.099	.64
America Movil SA de CV (ADR)(Mexico) /2/	2,499,600	50.967	.44
China Mobile (Hong Kong) Ltd. (Hong Kong) /2/	2,299,000	11.142	
China Mobile (Hong Kong) Ltd. 2.25% convertible notes 2005	\$4,600,000	4.462	.14
Nextel Communications, Inc., Series D, 13.00% exchangeable preferred, redeemable 2009 (USA) /2/ /5/	22,408	15.237	.13
KDDI Corp. (formerly DDI Corp.) (Japan)	3,000	14.630	.13
TELECEL - Comunicacoes Pessoais, SA (Portugal) /2/	386,000	3.618	.03
Mobistar NV (Belgium) /2/	73,866	.875	.01
ELECTRONIC EQUIPMENT & INSTRUMENTS - 2.12%			
Samsung SDI Co., Ltd. (South Korea)	2,318,080	111.014	.97
Agere Systems Inc. (USA) /2/	6,465,156	45.256	.40
Hoya Corp. (Japan)	430,000	30.732	.27
Hitachi, Ltd. (Japan)	2,200,000	22.642	.20
Murata Manufacturing Co., Ltd. (Japan)	144,000	11.454	.10
Seikoh Giken Co., Ltd. (Japan)	89,300	10.437	.09
ERG Ltd. 7.50% convertible notes 2005 (Australia)	1,240,000	6.293	.05
Hon Hai Precision Industry Co., Ltd. 0% convertible debentures 2005 (Taiwan)/1/	\$5,000,000	4.975	.04
COMMUNICATIONS EQUIPMENT - 1.72%			
Telefonaktiebolaget LM Ericsson, Class B (Sweden)	11,300,000	71.871	
Telefonaktiebolaget LM Ericsson, Class B (ADR)	1,200,000	7.680	.70
Nokia Corp., Class A (Finland)	835,000	24.145	
Nokia Corp., Class A (ADR)	750,000	21.930	.40
Marconi PLC (United Kingdom)	6,000,000	30.074	.26
Crown Castle International Corp. 6.50% convertible preferred 2012 (USA)	254,100	8.671	
Crown Castle International Corp. 12.75% exchangeable preferred 2010 /2//5/	6,630	6.232	
Crown Castle International Corp. /2/	25,966	.431	.13

Corning Inc. (USA)	800,000	15.136	.13
Mitel Corp (Canada) /2/	600,000	5.258	.05
Research In Motion Ltd. (Canada) /2/	100,000	3.240	.03
Matsushita Communication Industrial Co., Ltd. (Japan)	50,000	2.850	.02
HEALTH CARE PROVIDERS & SERVICES - 1.51%			
Bergen Brunswig Corp., Class A (USA)	5,000,000	103.000	.90
Fresenius Medical Care AG preferred (Germany)	1,040,000	49.623	.43
Omnicare, Inc. (USA)	1,000,000	20.960	.18
FOOD PRODUCTS - 1.49%			
Nestle SA (Switzerland)	30,700	63.478	.55
Orkla AS, Class A (Norway)	2,985,714	53.240	.47
H.J. Heinz Co. (USA)	430,000	18.623	.16
Unilever PLC (United Kingdom)	2,100,000	15.975	.14
Groupe Danone (France)	80,000	10.423	.09
Sara Lee Corp. (USA)	500,000	9.420	.08
AEROSPACE & DEFENSE - 1.31%			
Lockheed Martin Corp. (USA)	2,200,000	84.238	.74
Bombardier Inc., Class B (Canada)	2,700,000	41.400	.36
Raytheon Co. 8.25% TRUST I convertible preferred units 2006 (USA) /2/	285,900	15.310	.13
Honeywell International Inc. (USA)	200,000	9.680	.08
INDUSTRIAL CONGLOMERATES - 1.30%			
General Electric Co. (USA)	950,000	46.550	.41
Norsk Hydro AS (Norway)	1,105,000	46.192	.40
JG Summit Holdings, Inc. 3.50% convertible debentures 2003 (Philippines)	\$26,000,000	21.840	.19
China Merchants Holdings (International) Co., Ltd. (Hong Kong)	28,198,000	21.149	.19
Hutchison Delta Finance Ltd. 7.00% convertible debentures 2002 (Hong Kong)	\$6,000,000	7.200	.06
Smiths Group PLC (formerly TI Group PLC) (United Kingdom)	491,280	5.928	.05
SPECIALTY RETAIL - 1.26%			
Lowe's Companies, Inc. (USA)	1,000,000	69.530	.61
Dixons Group PLC (United Kingdom) Limited Inc. (USA)	17,272,856	58.350	.51
	1,027,400	16.747	.14
MULTI-UTILITIES - 1.25%			
Williams Companies, Inc. (USA)	3,487,300	137.400	1.20
United Utilities PLC (United Kingdom)	630,000	5.940	.05
MACHINERY - 1.24%			
IHC Caland NV (Netherlands)	718,918	35.367	.31
THK Co., Ltd. (Japan)	1,440,000	33.842	.29
PACCAR Inc (USA)	455,000	21.849	.19
Asahi Diamond Industrial Co., Ltd. (Japan)	3,950,000	21.622	.19
AIDA Engineering, Ltd. (Japan)	4,065,000	15.791	.14
Fuji Machine Mfg. Co., Ltd. (Japan)	620,000	13.580	.12
ROAD & RAIL - 1.22%			
CSX Corp. (USA)	2,500,000	93.000	.81
Norfolk Southern Corp. (USA)	2,100,000	46.557	.41
BEVERAGES - 1.18%			
Foster's Brewing Group Ltd. (Australia)	27,253,069	73.769	.64
Lion Nathan Ltd. (New Zealand)	14,527,900	30.815	.27
Fomento Economico Mexicano, SA de CV (ADR) (Mexico)	500,000	21.425	.19
Coca-Cola West Japan Co. Ltd. (Japan)	220,000	5.180	.05
Coca-Cola HBC SA (formerly Hellenic Bottling Co. SA) (Greece)	211,196	2.737	.02
Coca-Cola Amatil Ltd. (Australia)	422,773	.972	.01

COMPUTERS & PERIPHERALS - 0.90%			
Dell Computer Corp. (USA) /2/	1,734,050	42.242	.37
Hewlett-Packard Co. (USA)	912,500	26.755	.23
Compaq Computer Corp. (USA)	1,000,000	15.990	.14
Sotec Co., Ltd. (Japan)/1/,/2/	2,950	10.071	.09
Compal Electronics, Inc. 0% SIZEs convertible debentures 2005 (Taiwan)	\$5,000,000	5.700	.05
Kyoden Co., Ltd. (Japan)	230,000	2.147	.02
BUILDING PRODUCTS - 0.85%			
TOTO Ltd. (Japan)	6,600,000	49.668	.43
TOSTEM CORP. (Japan)	1,350,000	23.497	.21
Asahi Glass Co., Ltd. (Japan)	1,977,000	16.241	.14
Nippon Sheet Glass Co., Ltd. (Japan)	880,000	7.422	.07
HOTELS, RESTAURANTS & LEISURE - 0.80%			
J D Wetherspoon PLC (United Kingdom)	4,700,000	24.136	.21
Millennium & Copthorne Hotels PLC (United Kingdom)	3,830,000	21.722	.19
Carnival Corp. (USA)	700,000	19.761	.17
Elior (France)	910,100	10.779	
Elior 1.00% convertible preferred units 2007 /2/	338,730	4.814	.14
Aristocrat Leisure Ltd. (Australia)	1,584,200	5.095	
Aristocrat Leisure Ltd. 5.00% convertible debenture 2006	\$2,000,000	1.985	.06
AMCV Capital Trust I 7.00% convertible preferred 2015 (USA)	199,500	2.893	.03
COMMERCIAL SERVICES & SUPPLIES - 0.78%			
Hays PLC (United Kingdom)	5,120,000	22.868	.20
Hong Kong Exchanges and Clearing Ltd. (Hong Kong)	11,750,000	21.241	.18
Chubb PLC (United Kingdom)	7,273,800	17.894	.16
Michael Page International PLC (United Kingdom) /2/	5,600,000	17.667	.15
Robert Half International Inc. (USA)/2/	360,000	10.152	.09
GAS UTILITIES - 0.78%			
Tokyo Gas Co., Ltd. (Japan)	15,050,000	44.544	.39
NiSource, Inc. (USA)	1,159,682	36.298	
NiSource, Inc. 0% convertible preferred 2004 /2/	418,231	1.175	.33
NICOR Inc. (USA)	175,000	6.788	.06
HOUSEHOLD DURABLES - 0.77%			
Nintendo Co., Ltd. (Japan)	220,000	42.546	.37
Sony Corp. (Japan)	435,400	33.571	.29
Newell Rubbermaid Inc. (USA)	500,000	12.635	.11
SOFTWARE - 0.70%			
Microsoft Corp. (USA) /2/	678,000	46.904	.41
Macromedia, Inc. (USA) /2/	900,000	20.052	.17
Gemplus International SA (France) /2/	3,688,000	13.291	.12
CONTAINERS & PACKAGING - 0.69%			
Sonoco Products Co. (USA)	1,200,000	30.420	.26
Smurfit-Stone Container Corp. (USA) /2/	1,974,200	29.554	.26
Crown Cork & Seal Co., Inc. (USA)	3,780,000	19.354	.17
AIRLINES - 0.63%			
British Airways PLC (United Kingdom)	6,700,000	34.817	.30
Qantas Airways Ltd. (Australia)	15,057,949	26.995	.24
Deutsche Lufthansa AG (Germany)	500,000	9.137	.08
Air New Zealand Ltd., Class B (New Zealand)	2,460,920	1.445	.01
OFFICE ELECTRONICS - 0.61%			
Xerox Corp. (USA)	7,030,500	69.672	.61

CHEMICALS - 0.51%			
DSM NV (Netherlands)	834,828	30.765	.27
Dow Chemical Co. (USA)	675,000	24.172	.21
Rhone-Poulenc-Rhodia 3.25% convertible preferred 2003 (France)	175,000	3.405	.03
FOOD & DRUG RETAILING - 0.51%			
Loblaw Companies Ltd. (Canada)	630,000	20.412	.18
Somerfield PLC (United Kingdom) /2/	10,000,000	16.838	.15
Woolworths Ltd. (Australia)	2,517,985	12.207	.11
George Weston Ltd. (Canada)	83,300	4.714	.04
Safeway PLC (United Kingdom)	750,000	4.078	.03
ELECTRICAL EQUIPMENT - 0.45%			
Hubbell Inc., Class B (USA)	1,000,000	28.850	.25
Kinden Corp. (Japan)	2,668,000	16.690	.15
Elektrim SA 3.75% convertible debentures 2004 (Poland)	\$7,286,000	6.149	.05
AUTOMOBILES - 0.44%			
Suzuki Motor Corp. (Japan)	2,100,000	25.586	.22
DaimlerChrysler AG (New York registered) (Germany)	310,000	14.272	.13
Honda Motor Co., Ltd. (Japan)	250,000	10.510	.09
HOUSEHOLD PRODUCTS - 0.31%			
Uni-Charm Corp. (Japan)	940,000	35.805	.31
MULTILINE RETAIL - 0.30%			
Dollar General Corp. (USA)	1,237,500	23.203	.20
Kingfisher PLC (United Kingdom)	1,728,743	10.908	.10
OTHER - 1.16%			
Dana Corp. (USA)	1,000,000	21.520	.19
United Parcel Service, Inc., Class B (USA)	300,000	17.835	.15
Fluor Corp. (USA)	257,900	15.041	.13
Infosys Technologies Ltd. (India)	185,000	14.864	.13
Zhejiang Expressway Co. Ltd., Class H (China)	55,864,000	13.322	.12
BPB PLC (United Kingdom)	3,607,900	12.994	.11
Schlumberger Ltd. (Netherlands Antilles)	165,000	10.400	.09
American Water Works Co., Inc. (USA)	300,000	9.210	.08
Marubeni Corp. (Japan) /2/	3,434,900	6.498	.06
Essilor (France)	22,733	6.135	.05
Applera Corp. - Applied Biosystems Group (USA)	100,000	3.076	.03
CMG PLC (United Kingdom)	300,000	1.829	.02
iXL Enterprises, Inc. (USA) /2/	152,200	.195	.00
MISCELLANEOUS - 1.81%			
Other equity securities in initial period of acquisition		206.948	1.81
TOTAL EQUITY SECURITIES:		9,440.759	82.39
(cost: \$7,825.067 million)			

Bonds & Notes	Principal Amount (Millions)		
Non-U.S. Government Obligations - 0.33%			
Argentina (Republic of), Series L, 5.5625% Eurobonds 2005 /3/	\$18.931	16.527	
Argentina (Republic of) 11.75% 2009	7.230	5.802	
Argentina (Republic of) 9.75% 2027	2.390	1.649	
Argentina (Republic of) 11.375% 2017	1.355	1.070	.22

Brazil (Federal Republic of), Bearer 8.00% 2014 /5/	16.445	12.170	.11
COMMUNICATIONS EQUIPMENT - 0.20%			
Crown Castle International Corp. 0%/10.375% 2011 /4/	30.000	20.550	.18
SBA Communications Corp. 0%/12.00% 2008 /4/	2.825	2.331	.02
MEDIA - 0.11%			
Charter Communications Holdings, LLC 0%/13.50% 2011 /4/	19.000	12.113	.11
HEALTH CARE PROVIDERS & SERVICES - 0.08%			
HCA - The Healthcare Co. 8.75% 2010	9.000	9.517	.08
OTHER - 0.02%			
Container Corp. of America 9.75% 2003	1.000	1.032	.01
Indah Kiat Finance Mauritius Ltd. 10.00% 2007 /6/	3.050	.679	
Indah Kiat Global BD 12.50% 2006 /6/	.550	.139	.01
APP International Finance Co. BV 11.75% 2005 /6/	1.150	.279	.00
Nextel Partners, Inc. 0%/14.00% 2009 /4/	.375	.227	.00
TOTAL BONDS & NOTES (cost: \$80.810 million)		84.085	.74

#### Short-Term Securities

Corporate Short-Term Notes - 8.95%			
Transamerica Finance Corp. 3.92%-4.24% due 7/5-8/9/2001	66.000	65.669	.57
Halifax Group PLC 4.67%-4.92% due 6/8-6/21/2001	63.500	63.413	.55
Asset Securitization Corp. 3.97%-4.04% due 6/20-7/10/2001 /1/	51.300	51.148	.45
J.P. Morgan Chase & Co. 3.94%-3.98% due 6/29-8/8/2001	50.000	49.762	.43
Abbey National North America 4.17%-4.22% due 7/25-7/27/2001	47.500	47.192	.41
CBA (Delaware) Finance Inc. 4.92% due 6/12/2001	45.000	44.929	.39
Societe Generale North America Inc. 3.93%-4.94% due 6/4-7/23/2001	45.000	44.761	.39
UBS Finance (Delaware) Inc. 4.92%-4.935% due 6/5/2001	42.200	42.172	.37
Electricite de France 4.02%-4.23% due 6/14-6/26/2001	41.500	41.407	.36
Westpac Trust Securities NZ Ltd. 4.15% due 8/27/2001	41.000	40.611	.35
Alcatel S.A. 4.20% due 7/26/2001 /1/	37.500	37.255	.33
Sony Capital Corp. 4.68%-3.98% due 6/19-6/22/2001 /1/	37.000	36.912	.32
Internationale Nederlanden (U.S.) Funding Corp. 4.93%-4.94% due 6/7-6/11/2001	35.750	35.707	.31
Diageo Capital PLC 4.70% due 6/18/2001 /1/	34.200	34.124	.30
Bank of Nova Scotia 3.87%-3.98% due 7/2-8/16/2001	33.500	33.236	.29
American Express Co. 4.00% due 7/13/2001	31.700	31.548	.27
American Honda Finance Corp. 4.20% due 7/12/2001	30.000	29.853	.26
Preferred Receivables Funding Corp. 3.93% due 8/20/2001 /1/	29.200	28.946	.25
Bayerische Hypo-und Vereinsbank AG 4.91% due 6/5/2001	25.000	24.984	.22
BNP Paribas 4.00% due 6/18/2001	25.000	24.950	.22

Den Danske Corp. Inc. 4.71% due 6/28/2001	25.000	24.908	.22
KfW International Finance Inc. 4.75% due 7/19/2001	25.000	24.838	.22
Rio Tinto America, Inc. 4.71% due 6/26/2001 /1/	25.000	24.923	.22
GlaxoSmithKline PLC 4.74% due 6/11/2001 /1/	23.800	23.765	.21
Svenska Handelsbanken Inc. 3.90%-3.98% due 6/29-9/5/2001	23.800	23.650	.21
Telstra Corp. Ltd. 4.30% due 7/10/2001	20.000	19.904	.17
Equilon Enterprises LLC 4.72% due 6/7/2001	17.500	17.484	.15
Lloyds TSB Bank PLC 4.21% due 7/23/2001	17.700	17.590	.15
ANZ (Delaware) Inc. 3.86% due 8/17/2001	15.000	14.873	.13
Spintab (Swedmortgage) AB 4.16% due 8/1/2001	11.800	11.720	.10
Merck & Co. Inc. 3.95% due 6/28/2001	10.200	10.169	.09
Chevron U.K. Investment PLC 4.27% due 6/21/2001	5.000	4.988	.04
Federal Agency Discount Notes - 6.54%			
Fannie Mae 3.78%-4.61% due 6/21-12/14/2001	365.000	360.882	3.15
Freddie Mac 3.83%-4.66% due 6/5-12/21/2001	225.000	222.923	1.95
Federal Home Loan Banks 3.79%-4.57% due 6/15-9/28/2001	115.000	114.317	1.00
International Bank of Reconstruction and Development 4.83% due 6/15/2001	50.000	49.903	.44
Certificates of Deposit - 1.79%			
Deutsche Bank AG 4.00% due 8/7/2001	45.000	45.008	.39
National Westminster Bank PLC 5.01% due 6/6/2001	33.000	33.001	.29
Toronto-Dominion Holdings USA Inc. 4.69% due 7/16/2001	28.000	28.000	.24
Commerzbank AG 3.95% due 8/21/2001	25.000	25.001	.22
Canadian Imperial Bank of Commerce 5.00% due 6/1/2001	25.000	25.000	.22
Danske Bank A/S 4.65% due 7/11/2001	25.000	25.000	.22
Dresdner Bank AG 5.03% due 6/4/2001	24.000	24.001	.21
Non-U.S. Currency - 0.05%			
New Taiwanese Dollar	NT\$179.993	5.317	.05
TOTAL SHORT-TERM SECURITIES: (cost: \$1,986.256 million)		1,985.744	17.33
TOTAL INVESTMENT SECURITIES: (cost: \$9,892.133 million)		11,510.588	100.46
Excess of payables over cash and receivables		52.470	.46
NET ASSETS		\$11,458.118	100.000

- /1/ Purchased in a private placement transaction; resale may be limited to qualified institutional buyers; resale to public may require registration.
- /2/ Non-income-producing security.
- /3/ Coupon rate may change periodically.
- /4/ Step bond; coupon rate will increase at a later date.
- /5/ Payment in kind; the issuer has the option of paying additional securities in lieu of cash.
- /6/ Company not making interest (or dividend) payments; bankruptcy proceedings pending.
- /7/ Valued under procedures approved by the Board of Directors.

ADR = American Depositary Receipts  
GDR = Global Depositary Receipts

See Notes to Financial Statements  
</TABLE>

Equity Securities Added to  
the Portfolio Since November 30, 2000

Agere Systems  
America Movil  
Aristocrat Leisure  
Asahi Glass  
ASM Pacific Technology  
Calpine  
China Petroleum & Chemical  
Chubb  
Citigroup  
Compaq Computer  
DaimlerChrysler  
Edison International  
Fluor  
Fomento Economico Mexicano  
Fresenius Medical Care  
Gemplus International  
H.J. Heinz  
Henderson Investment  
Holmen  
Hong Kong Exchanges and Clearing  
Housing Development Finance  
Infosys Technologies  
Kinden  
Macromedia  
Marconi  
Michael Page International  
Mitel  
M-real Oyj  
Nokia  
Norske Skogindustrier  
Novo Nordisk  
PACCAR  
Petroleo Brasileiro SA - PETROBRAS  
Pro Mos Technologies  
Raytheon  
Sappi  
Sumitomo Mitsui Banking  
Telewest Communications  
Telstra  
TXU  
UFJ Holdings  
Wharf (Holdings)  
Williams Communications Group  
Xerox  
Zurich Financial Services

Equity Securities Eliminated from  
the Portfolio Since November 30, 2000

Agilent Technologies  
Alcoa  
Associates First Capital  
Athena Neurosciences  
Australian Gas Light  
Bank Leumi le-Israel  
Brambles Industries



British Telecommunications  
Cendant  
China Development Industrial Bank  
Chiyoda Fire & Marine Insurance  
Cintas  
Dah Sing Financial Holdings  
De Beers Consolidated Mines  
Deutsche Telekom  
Devon Energy  
eircom  
El Paso Energy  
Electrabel  
Embratel Participacoes  
Empresa Nacional de Electricidad  
Esso SA Francaise  
Fannie Mae  
Federal-Mogul  
FMC  
Fujitsu  
Glaxo Wellcome  
H&CB  
Harsco  
HCA - The Healthcare  
Hilton Group  
Hyundai Electronics Industries  
Independent Insurance Group  
Infineon Technologies  
Innogy Holdings  
International Power  
Internet Capital Group  
Invensys  
Investor  
Keebler Foods  
Kimberly-Clark  
Kinder Morgan  
Koninklijke PTT Nederland  
Luxottica Group  
Meditrust  
Millennium Chemicals  
Morgan Crucible  
Motorola  
N.T.S. Steel Group  
Nabisco Group Holdings  
National Fuel Gas  
NatSteel Electronics  
Nichiei  
Nippon Broadcasting System  
ON Semiconductor  
OneSteel  
ONI Systems  
P&O Princess Cruises  
Palm  
Pechiney  
Peninsular and Oriental Steam Navigation  
Praxair  
Premier Farnell  
Publishing & Broadcasting  
Rakuten  
Reckitt Benckiser  
Sakura Bank  
Seagram  
Sherwin-Williams  
Shinhan Bank  
Stinnes  
Storage Networks  
Telecom Italia Mobile  
Telesp Celular Participacoes  
Tomkins  
Toyo Trust and Banking  
Tubos de Acero de Mexico

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Financial Statements

Statement of Assets and Liabilities  
at May 31, 2001

(Unaudited)  
(dollars in millions)

<b>Assets:</b>		
Investment securities at market (cost: \$9,892.133)		\$11,510.588
Cash		.720
Receivables for -		
Sales of investments	\$19.802	
Sales of fund's shares	19.001	
Dividends and interest	30.829	
Other	.167	69.799
		11,581.107
<b>Liabilities:</b>		
Payables for -		
Purchases of investments	102.662	
Repurchases of fund's shares	8.492	
Management services	4.065	
Other expenses	7.770	122.989
Net Assets at May 31, 2001:		\$11,458.118
Total authorized capital stock - 1,000,000,000 shares		
Class A shares, \$.01 par value:		
Net assets		\$11,337.308
Shares outstanding		424,486,858
Net asset value per share		\$26.71
Class B shares, \$.01 par value:		
Net assets		\$99.660
Shares outstanding		3,744,468
Net asset value per share		\$26.62
Class C shares, \$.01 par value:		
Net assets		\$14.321
Shares outstanding		538,598
Net asset value per share		\$26.59
Class F shares, \$.01 par value:		
Net assets		\$6.829
Shares outstanding		255,837
Net asset value per share		\$26.69

STATEMENT OF OPERATIONS  
for the six months ended May 31, 2001

(Unaudited)  
(dollars in millions)

<b>Investment Income:</b>		
Income:		
Dividends	\$115.133	
Interest	61.966	\$177.099
<b>Expenses:</b>		
Management services fee	23.333	
Distribution expenses - Class A	13.085	
Distribution expenses - Class B	.379	
Distribution expenses - Class C	.014	
Distribution expenses - Class F	.002	
Transfer agent fees - Class A	4.273	
Transfer agent fees - Class B	.038	
Administrative service fees - Class C	.010	
Administrative service fees - Class F	.003	
Reports to shareholders	.278	
Registration statement and prospectus	.436	
Postage, stationery and supplies	.725	
Directors' fees	.089	
Auditing and legal fees	.054	
Custodian fee	1.253	
Taxes other than federal income tax	.181	
Other expenses	.051	44.204

Net investment income	132.895
Realized Gain and Unrealized Appreciation on Investments:	
Net realized gain	316.865
Net unrealized appreciation on investments	278.628
Net realized gain and unrealized appreciation on investments	595.493
Net Increase in Net Assets Resulting from Operations	\$728.388

STATEMENT OF CHANGES IN NET ASSETS

(dollars in millions)

	Six Months ended May 31, 2001*	Year ended November 30, 2000
Operations:		
Net investment income	\$132.895	\$230.103
Net realized gain on investments	316.865	1,266.809
Net unrealized appreciation (depreciation) on investments	278.628	(868.723)
Net increase in net assets resulting from operations	728.388	628.189
Dividends and Distributions Paid to Shareholders:		
Dividends from net investment income:		
Class A	(100.238)	(212.305)
Class B	(.450)	(.277)
Distributions from net realized gain on investments:		
Class A	(1,187.842)	(688.963)
Class B	(6.412)	0
Total dividends and distributions	(1,294.942)	(901.545)
Capital Share Transactions:		
Proceeds from shares sold	830.122	1,447.182
Proceeds from shares issued in reinvestment of net investment income dividends and distributions of net realized gain on investments	1,229.483	855.874
Cost of shares repurchased	(805.683)	(1,280.594)
Net increase in net assets resulting from capital share transactions	1,253.922	1,022.462
Total Increase in Net Assets	687.368	749.106
Net Assets:		
Beginning of period	10,770.750	10,021.644
End of period (including undistributed net investment income: \$44.891 and \$32.684, respectively)	\$11,458.118	\$10,770.750

\*Unaudited.

See Notes to Financial Statements  
</TABLE>

NOTES TO FINANCIAL STATEMENTS

Unaudited

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION - Capital World Growth and Income Fund, Inc. (the "fund") is

registered under the Investment Company Act of 1940 as an open-end, diversified management investment company. The fund seeks long-term capital growth while providing current income.

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. 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.

**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 and original issue discounts on fixed-income securities are amortized daily over the expected life of the security. The fund does not amortize premiums on fixed-income securities.

On December 1, 2001, the fund will begin amortizing premium on fixed-income securities to conform with a recent change in generally accepted accounting principles for mutual funds. Adopting this change will not impact the fund's net asset value and will result in only immaterial changes to the classification of certain amounts between interest income and realized and unrealized gain/loss in the Statement of Operations.

**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 six months ended May 31, 2001, non-U.S. taxes paid were \$8,310,000.

Net realized gain of the fund derived in certain countries is subject to certain non-U.S. taxes. The fund provides for such non-U.S. taxes on investment income, net realized gain and net unrealized gain.

**CURRENCY GAINS AND LOSSES** - Net realized currency losses on dividends, interest, sales of non-U.S. bonds and notes, forward contracts, and other receivables and payables, on a book basis, were \$2,336,000 for the six months ended May 31, 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 determined on a tax basis and may differ from net investment income and net realized gains 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 May 31, 2001, the cost of investment securities for federal income tax reporting purposes was \$9,901,897,000. Net unrealized appreciation on investments aggregated \$1,608,691,000; \$2,318,206,000 related to appreciated securities and \$709,515,000 related to depreciated securities. For the six months ended May 31, 2001, the fund realized, on a tax basis, a net capital gain of \$326,832,000 on securities transactions. In addition, the fund has recognized, for tax purposes, losses relating to non-U.S. currency transactions totaling \$45,000 which were realized during the period November 1, 2000 through November 30, 2000. Net losses related to non-U.S. currency transactions and tax adjustments of \$3,571,000 were treated as an adjustment to ordinary income for federal income tax purposes. Other capital losses of \$6,396,000 were treated as deferred capital gains for federal income tax purposes.

#### 4. FEES AND TRANSACTIONS WITH RELATED PARTIES

**INVESTMENT ADVISORY FEE** - The fee of \$23,333,000 for management services was incurred pursuant to an agreement with Capital Research and Management Company ("CRMC") with which certain officers and 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 0.385% of such assets in excess of \$17 billion. For the six months ended May 31, 2001, the management services fee was equivalent to an annualized rate of 0.417% 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 0.30% for Class A shares, 1.00% for Class B and Class C shares, and up to 0.50% for Class F.

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 0.30% annual expense limit for Class A shares is not exceeded. For the six months ended May 31, 2001, aggregate distribution expenses were \$13,085,000, or 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 six months ended May 31, 2001, aggregate distribution expenses were \$379,000, or 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 six months ended May 31, 2001, aggregate distribution expenses were \$14,000, or 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 six months ended May 31, 2001, aggregate distribution expenses were \$2,000, or 0.25% of average daily net assets attributable to Class F shares.

As of May 31, 2001, aggregate distribution expenses payable to AFD for all share classes were \$6,122,000.

AFD received \$2,046,000 (after allowances to dealers) as its portion of the sales charges paid by purchasers of the fund's Class A shares for the six months ended May 31, 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 \$4,311,000 was incurred during the six months ended May 31, 2001, pursuant to an agreement with American Funds Service Company (AFS), the transfer agent for the fund. As of May 31, 2001, aggregate transfer agent fees payable to AFS for Class A and Class B shares were \$862,000.

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 six months ended May 31, 2001, total fees under the agreement were \$13,000. As of May 31, 2001, aggregate administrative services fees payable to CRMC for Class C and Class F shares were \$6,000.

DEFERRED DIRECTORS' FEES - Directors 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 May 31, 2001, the cumulative amount of these liabilities was \$377,000. Directors' fees during the six months ended May 31, 2001, were \$89,000, comprised of \$64,000 in current fees (either paid in cash or deferred), and \$25,000, representing the net increase in the value of deferred compensation.

AFFILIATED DIRECTORS AND OFFICERS - CRMC is owned by The Capital Group Companies, Inc. AFS and AFD are both wholly owned subsidiaries of CRMC. Officers of the fund and certain Directors 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 \$1,744,061,000 and \$2,279,986,000, respectively, during the six months ended May 31, 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 six months ended May 31, 2001, the custodian fee of \$1,253,000 includes \$80,000 that was paid by these credits rather than in cash.

For the six months ended May 31, 2001, the fund reclassified \$20,000,000 from undistributed net investment income to additional paid-in capital to reflect permanent differences between book and tax reporting.

As of May 31, 2001, net assets consisted of the following:

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(dollars in millions)

Capital paid in on shares of capital stock	\$9,479.428
Undistributed net investment income	44.891
Accumulated net realized gain	315.785
Net unrealized appreciation	1,618.014
Net assets	\$11,458.118

</TABLE>

Capital share transactions in the fund were as follows:

	<c> Six Months Ended May 31, 2001 Amount (millions)	<c> Six Months Ended May 31, 2001 Shares
Class A Shares:		
Sold	\$ 764.914	28,850,744
Reinvestment of dividends and distributions	1,222.756	47,069,580
Repurchased	(801.520)	(30,267,275)
Net increase in Class A	1,186.150	45,653,049
Class B Shares: /1/		
Sold	43.782	1,657,410
Reinvestment of dividends and distributions	6.727	259,521
Repurchased	(3.443)	(130,941)
Net increase in Class B	47.066	1,785,990
Class C Shares: /2/		
Sold	14.100	541,997
Reinvestment of dividends and distributions	-	-
Repurchased	(.091)	(3,399)
Net increase in Class C	14.009	538,598
Class F Shares: /2/		
Sold	7.326	279,558
Reinvestment of dividends and distributions	-	-
Repurchased	(.629)	(23,721)
Net increase in Class F	6.697	255,837
Total net increase in fund	\$1,253.922	48,233,474

	Year ended November 30, 2000 Amount (millions)	Year ended November 30, 2000 Shares
Class A Shares:		
Sold	\$ 1,387.809	46,706,642
Reinvestment of dividends and distributions	855.605	30,047,258
Repurchased	(1,279.509)	(43,089,031)
Net increase in Class A	963.905	33,664,869
Class B Shares: /1/		
Sold	59.373	1,986,461
Reinvestment of dividends and distributions	.269	9,009
Repurchased	(1.085)	(36,992)
Net increase in Class B	58.557	1,958,478
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	\$ 1,022.462	35,623,347

/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>



<TABLE>			
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Per-Share Data and Ratios			
	<c>	<c>	<c>
	Class A	Class A	Class A
	Six months	Year ended	Year ended
	ended	November 30,	November 30,
	May 31,	2000	1999
	2001 /1/,/2/		
Net Asset Value, Beginning of Period	\$28.29	\$29.03	\$27.15
Income from Investment Operations :			
Net investment income	.32 /3/	.62 /3/	.48
Net gains on securities (both realized and unrealized)	1.47 /3/	1.20 /3/	4.17
Total from investment operations	1.79	1.82	4.65
Less Distributions :			
Dividends (from net investment income)	(.25)	(.58)	(.48)
Distributions (from capital gains)	(3.12)	(1.98)	(2.29)
Total distributions	(3.37)	(2.56)	(2.77)
Net Asset Value, End of Period	\$26.71	\$28.29	\$29.03
Total Return /4/	6.77%	6.37%	19.08%
Ratios/Supplemental Data:			
Net assets, end of period (in millions)	\$11,337	\$10,716	\$10,022
Ratio of expenses to average net assets	.79% /5/	.79%	.79%
Ratio of net income to average net assets	2.38% /5/	2.08%	1.93%
	Class A	Class A	Class A
	Year ended	Year ended	Year ended
	November 30,	November 30,	November 30,
	1998	1997	1996
Net Asset Value, Beginning of Period	\$25.89	\$23.77	\$20.22
Income from Investment Operations :			
Net investment income	.59	.64	.70
Net gains on securities (both realized and unrealized)	3.12	3.04	3.91
Total from investment operations	3.71	3.68	4.61
Less Distributions :			
Dividends (from net investment income)	(.58)	(.65)	(.72)
Distributions (from capital gains)	(1.87)	(.91)	(.34)
Total distributions	(2.45)	(1.56)	(1.06)
Net Asset Value, End of Period	\$27.15	\$25.89	\$23.77
Total Return /4/	15.51%	16.36%	23.67%
Ratios/Supplemental Data:			

Net assets, end of period (in millions)	\$8,515	\$7,207	\$5,139
Ratio of expenses to average net assets	.78%	.82%	.85%
Ratio of net income to average net assets	2.25%	2.53%	3.28%

	Class B Six months ended May 31, 2001 /1/,/2/	Class B March 15 to November 30, 2000 /1/	Class C March 15 to May 31, 2001 /1/,/2/
Net Asset Value, Beginning of Period	\$28.21	\$29.57	\$25.35
Income from Investment Operations :			
Net investment income /3/	.22	.32	.06
Net gains (losses) on securities (both realized and unrealized) /3/	1.47	(1.41)	1.18
Total from investment operations	1.69	(1.09)	1.24
Less Distributions :			
Dividends (from net investment income)	(.16)	(.27)	-
Distributions (from capital gains)	(3.12)	-	-
Total distributions	(3.28)	(.27)	.00
Net Asset Value, End of Period	\$26.62	\$28.21	\$26.59
Total Return /4/	6.38%	(3.73)%	4.89%

Ratios/Supplemental Data:

Net assets, end of period (in millions)	\$100	\$55	\$14
Ratio of expenses to average net assets	1.57% /5/	1.55% /5/	.46%
Ratio of net income to average net assets	1.66% /5/	1.45% /5/	.23%

	Class F March 15 to May 31, 2001 /1/,/2/
Net Asset Value, Beginning of Period	\$25.40
Income from Investment Operations :	
Net investment income /3/	.11
Net gains (losses) on securities (both realized and unrealized) /3/	1.18
Total from investment operations	1.29
Less Distributions :	
Dividends (from net investment income)	-
Distributions (from capital gains)	-
Total distributions	.00
Net Asset Value, End of Period	\$26.69

Total Return /4/ 5.08%

Ratios/Supplemental Data:

Net assets, end of period (in millions)	\$7
Ratio of expenses to average net assets	.24%
Ratio of net income to average net assets	.43%

Supplemental Data - All Classes

	Six months ended May 31, 2001 /1/,/2/	Year ended November 30, 2000	Year ended November 30, 1999
Portfolio turnover rate	18.04%	41.14%	33.90%

Supplemental Data - All Classes

	Year ended November 30, 1998	Year ended November 30, 1997	Year ended November 30, 1996
Portfolio turnover rate	39.44%	32.41%	30.18%

/1/ Based on operations for the period shown and, accordingly, not representative of a full year.  
 /2/ Unaudited.  
 /3/ Based on average shares outstanding.  
 /4/ Total returns exclude all sales charges, including contingent deferred sales charges.  
 /5/ Annualized.  
 </TABLE>

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Share Results: Class B, Class C and Class F  
 Average annual compound returns for periods ended  
 June 30, 2001 (the most recent calendar quarter):

	1 Year	Life of Class*
Class B shares Reflecting applicable contingent deferred sales charge (CDSC), maximum of 5%, payable only if shares are sold	-6.77%	-2.60%
Not reflecting CDSC	-2.47%	0.12%

Class C and Class F shares

Results reflecting CDSC for these shares are not shown because of the brief time between their introduction on March 15, 2001, and the end of the period.

\*From March 15, 2000, when B shares first became available.

</TABLE>

[The American Funds Group/r/]  
 CAPITAL WORLD GROWTH AND INCOME FUND  
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Los Angeles, California 90071-2899

PRINCIPAL UNDERWRITER  
American Funds Distributors, Inc.  
333 South Hope Street  
Los Angeles, California 90071-1462

There are several ways to invest in Capital World Growth and Income Fund. Class A shares are subject to a 5.75% maximum up-front sales charge that declines for accounts of \$25,000 or more. Other share classes, which are generally not available for certain employer-sponsored retirement plans, have no up-front sales charges but are subject to additional annual expenses and fees. Annual expenses for Class B shares were 0.78% higher than for Class A shares; Class B shares convert to Class A shares after eight years of ownership. If redeemed within six years, Class B shares may also be subject to a contingent deferred sales charge (CDSC) of up to 5% that declines over time. Class C shares are subject to annual expenses about 0.82% higher than those for Class A shares and a 1% CDSC if redeemed within the first year after purchase. Class C shares convert to Class F shares after 10 years. Class F shares, which are available only through certain fee-based programs offered by broker-dealer firms and registered investment advisers, have higher expenses (about 0.06% a year) than do Class A shares, and an annual asset-based fee charged by the sponsoring firm. Because expenses are first deducted from income, dividends for each class will vary.

FOR INFORMATION ABOUT YOUR ACCOUNT OR ANY OF THE FUND'S SERVICES, OR FOR A PROSPECTUS FOR ANY OF THE AMERICAN FUNDS, PLEASE CONTACT YOUR FINANCIAL ADVISER. YOU MAY ALSO CALL AMERICAN FUNDS SERVICE COMPANY, TOLL-FREE, AT 800/421-0180, OR VISIT US AT AMERICANFUNDS.COM ON THE WORLD WIDE WEB. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST OR SEND MONEY.

This report is for the information of shareholders of Capital World Growth and Income Fund, but it may also be used as sales literature when preceded or accompanied by the current prospectus, which gives details about charges, expenses, investment objectives and operating policies of the fund. If used as sales material after September 30, 2001, this report must be accompanied by an American Funds Group Statistical Update for the most recently completed calendar quarter.

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