

Capital International Portfolios

Audited Annual Report 2011

For the year ended 31 March 2011

Société d'Investissement à Capital Variable
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Report of the Board of Directors to the shareholders

For the year ended 31 March 2011

The following pages contain the audited financial reports for the year ended 31 March 2011 for the five funds that comprise Capital International Portfolios (CIP) — Capital International Emerging Markets Debt, Capital International Emerging Markets Local Currency Debt, Capital International Emerging Markets US Dollar Debt, Capital International Emerging Asia Equity and Capital International Emerging Markets Total Opportunities.

Emerging markets financial assets extended their rally over the past twelve months, with both developing markets stocks and bonds posting double-digit returns. Emerging economies' continued robust expansion bolstered markets, though concerns about the potential policy implications of higher inflation and steadily appreciating currencies tempered investor sentiment somewhat in the first quarter of 2011.

During the year, CIP's combined total net assets increased from \$692 million to \$1.4 billion. This increase resulted from net subscriptions of \$559 million into the two funds originally comprising CIP, positive investment returns and the launch of three new funds — Capital International Emerging Markets Local Currency Debt, Capital International Emerging Markets US Dollar Debt and Capital International Emerging Asia Equity. The 12-month returns, to the end of March 2011, for Capital International Emerging Markets Debt and Capital International Emerging Markets Total Opportunities were 10.2% and 11.5%, respectively.¹

The long-term outlook for both emerging markets equity and debt securities remains compelling. However, given the strong returns delivered by both asset classes in the past two years, near-term investment results may be more muted. Furthermore, as emerging markets navigate the near-term challenges facing the global economy — including rising inflation, Europe's continuing sovereign debt crisis and escalating political risks in some parts of the developing world — market volatility may increase. Capital International believes that the research-intensive approach taken by all of the funds within the CIP umbrella should be well suited to such an environment.

Significant corporate activity during the year included:

Fund launches

Three new funds were launched within CIP during the year. As mentioned in the Semi-Annual Report, Capital International Emerging Markets Local Currency Debt and Capital International Emerging Markets US Dollar Debt were launched on 10 August 2010 and 7 October 2010, respectively. Capital International Emerging Asia Equity was launched on 29 March 2011.

Fund name changes

Capital International Portfolios Emerging Markets Debt Fund and Capital International Portfolios Emerging Markets Total Opportunities were renamed Capital International Emerging Markets Debt and Capital International Emerging Markets Total Opportunities on 10 August 2010. The fund name changes have no impact on the investment objectives or approach of the funds.

Share class launches

As well as the new share classes created as part of the launch of the new funds, new share classes were added for Capital International Emerging Markets Debt and Capital International Emerging Markets Total Opportunities:

- Share class T was launched on 10 June 2010.
- Dividend-distributing Bd and Xd share classes for both funds were launched on 10 November 2010.

¹ Returns in USD, share class C, 31 March 2010 – 31 March 2011.

- Capital International Emerging Markets Total Opportunities share class R7 was launched on 27 January 2011.
- Euro and sterling hedged share classes for Capital International Emerging Markets Total Opportunities were created: share class Xh-EUR was launched on 5 January 2011 and Xdh-GBP was launched on 10 January 2011.

Dividends

With the exception of Capital International Emerging Asia Equity, the CIP funds paid dividends on a quarterly basis throughout the period. Dividends relating to the fiscal year ending 31 March 2011 were declared for these funds on 31 March 2011, with a pay date of 15 April 2011. Capital International Emerging Asia Equity will pay an annual dividend, with the first distribution occurring at the end of the next fiscal year in March 2012. Full details are available in note 4 to the financial statements.

Thank you for your investment and we look forward to reporting to you again in our Semi-Annual Report at the end of September.

The Board of Directors
Capital International Portfolios
Luxembourg, 14 June 2011

Summary information

As at 31 March 2011

	Capital International Emerging Markets Debt ¹		Capital International Emerging Markets US Dollar Debt ²		Capital International Emerging Markets Local Currency Debt ³	
Fund objective	Long-term total return, of which a large component is current income, through investment primarily in sovereign and corporate bonds of emerging markets issuers, denominated in various currencies.		Long-term total return, of which a large component is current income, through investment primarily in sovereign and corporate bonds of emerging markets issuers, denominated in USD.		Long-term total return, of which a large component is current income, through investment primarily in sovereign and corporate bonds of emerging markets issuers, denominated in the local currencies of these issuers.	
Key facts						
Launch date	24 July 2007		7 October 2010		10 August 2010	
Size	\$794.2m		\$24.8m		\$26.4m	
Index⁴	50% JPM EMBI Global & 50% JPM GBI-EM Global Diversified		JPM EMBI Global		JPM GBI-EM Global Diversified	
Turnover⁵	41%		n/a		n/a	
Income yield⁶	Gross	6.05%	Gross	n/a	Gross	n/a
	Net	5.92%	Net	n/a	Net	n/a
Total expense ratio by share class⁷	A	1.15%	B	1.89%	B	1.89%
	B	1.74%	Bd	1.89%	Bd	1.89%
	Bd ⁸	1.71%	C	0.15%	C	0.15%
	C	0.15%	X	1.39%	X	1.39%
	Cd	0.15%	Xd	1.39%	Xd	1.39%
	T ⁸	1.98%				
	X	1.24%				
	Xd ⁸	1.22%				
Portfolio managers (years at Capital Group)	David Barclay	23	David Barclay	23	Laurentius Harrer	17
	Laurentius Harrer	17	Laurentius Harrer	17	Robert Neithart	23
	Robert Neithart	23	Robert Neithart	23		

Footnotes are on page 5.

	Capital International Emerging Markets Total Opportunities ¹		Capital International Emerging Asia Equity ⁹	
Fund objective	Long-term capital growth with relatively low volatility of returns and preservation of capital by investing primarily in equity, hybrid securities and bonds of emerging markets issuers (both corporate and sovereign).		Long-term capital growth by investing primarily in equity of emerging markets in Asia.	
Key facts				
Launch date	1 February 2008		29 March 2011	
Size	\$550.6m		\$15.4m	
Index ⁴	JPM GBI-EM Global Diversified JPM EMBI Global MSCI Emerging Markets IMI		MSCI Emerging Markets Asia	
Turnover ⁵	55%		n/a	
Income yield ⁶	Gross	4.53%	Gross	n/a
	Net	4.26%	Net	n/a
Total expense ratio by share class ⁷	A	1.40%	B	2.14%
	B	2.03%	Bd	2.14%
	Bd ⁸	2.01%	C	0.20%
	C	0.15%	X	1.64%
	Cd	0.15%	Xd	1.64%
	R7	1.00%		
	T ⁸	2.27%		
	X	1.53%		
	Xd ⁸	1.50%		
	Xh-EUR	1.50%		
	Xdh-GBP	1.50%		
Portfolio managers (years at Capital Group)	Laurentius Harrer	17	Christopher Choe	21
	Luis Oliveira	17	Claire Cui	15
	Shaw Wagener	29		

¹ CIP Emerging Markets Debt Fund was renamed Capital International Emerging Markets Debt and CIP Emerging Markets Total Opportunities was renamed Capital International Emerging Markets Total Opportunities on 10 August 2010.

² This fund was launched on 7 October 2010.

³ This fund was launched on 10 August 2010.

⁴ These indices are shown on an indicative basis only in order to provide a reference point for the investment results.

⁵ Turnover is calculated over the last 12 months as the lesser of monthly purchases or sales divided by average net assets. Turnover calculated in accordance with the CSSF Circular 03/122 (the last 12 months' aggregated sales and purchases less aggregated subscriptions and redemptions, divided by average net assets) is 74% for Capital International Emerging Markets Debt and 89% for Capital International Emerging Markets Total Opportunities. Turnover is not disclosed for Capital International Emerging Markets US Dollar Debt, Capital International Emerging Markets Local Currency Debt and Capital International Emerging Asia Equity, as the funds are less than 12 months old.

⁶ Yield is calculated over the last 12 months as income earned by the fund before (gross) and after (net) withholding taxes, divided by the average net assets. Income yield is not disclosed for Capital International Emerging Markets US Dollar Debt, Capital International Emerging Markets Local Currency Debt and Capital International Emerging Asia Equity, as it is only calculated once a fund has been in operation for 12 months or if there is sufficient data to provide an annualised figure.

⁷ The total expense ratio is made up of the management fee, fund administration fee, custody fees and other costs such as legal and audit fees, foreign registration costs, printing and mailing costs and the Luxembourg "taxe d'abonnement". The total expense ratio is annualised for periods of less than 12 months. The total expense ratio does not include other investment-related expenses, notably (but not limited to) taxes paid on investments and brokerage expenses.

⁸ This share class was launched during the year.

⁹ This fund was launched on 29 March 2011.

Results

As at 31 March 2011

Fund and share class	Launch date ²	Total returns % ¹					Annualised returns % ¹	
		12 months	YTD	Calendar			3 years	Lifetime
				2010	2009	2008		
Capital International Emerging Markets Debt	24 Jul 2007							
A	24 Jul 2007	9.1	1.3	12.2	27.8	(10.5)	8.5	7.7
B	8 Jun 2009	8.5	1.2	11.6	27.0	(11.1)	7.9	7.0
Bd ³	10 Nov 2010	8.5	1.2	11.6	27.0	(11.1)	7.9	7.0
C	28 Mar 2008	10.2	1.6	13.4	29.0	(9.6)	9.6	8.7
Cd	28 Oct 2008	10.1	1.6	13.3	29.0	(9.6)	9.6	8.7
T ³	10 Jun 2010	8.2	1.2	11.3	26.7	(11.3)	7.6	6.8
X	24 Jul 2007	8.9	1.2	12.2	27.6	(10.6)	8.4	7.5
Xd ³	10 Nov 2010	8.9	1.3	12.1	27.6	(10.6)	8.4	7.5
50% JPM EMBI Global Diversified / 50% JPM GBI-EM Global Diversified ^{4,5}		10.8	1.9	13.9	25.9	(8.6)	9.6	9.8
Capital International Emerging Markets US Dollar Debt ^{6,7}	7 Oct 2010							
B	7 Oct 2010	–	(0.2)	–	–	–	–	(1.1)
Bd	7 Oct 2010	–	(0.3)	–	–	–	–	(1.2)
C	7 Oct 2010	–	0.2	–	–	–	–	(0.3)
X	7 Oct 2010	–	(0.1)	–	–	–	–	(0.9)
Xd	7 Oct 2010	–	(0.1)	–	–	–	–	(0.9)
JPM EMBI Global in USD ⁵		–	1.0	–	–	–	–	(1.9)
Capital International Emerging Markets Local Currency Debt ^{7,8}	10 Aug 2010							
B	10 Aug 2010	–	0.1	–	–	–	–	5.1
Bd	10 Aug 2010	–	0.2	–	–	–	–	5.2
C	10 Aug 2010	–	0.6	–	–	–	–	6.3
X	10 Aug 2010	–	0.3	–	–	–	–	5.5
Xd	10 Aug 2010	–	0.2	–	–	–	–	5.5
JPM EM Global Diversified ⁵								
JPMorgan family in USD ⁵		–	2.9	–	–	–	–	7.9

Footnotes are on page 7.

Fund and share class	Launch date ²	Total returns % ¹					Annualised returns % ¹	
		12 months	YTD	Calendar			3 years	Lifetime
				2010	2009	2008		
Capital International								
Emerging Markets								
Total Opportunities								
	1 Feb 2008							
A	14 Sep 2009	10.2	1.4	10.9	40.4	–	6.7	6.2
B	8 Jun 2009	9.5	1.3	10.2	39.7	–	6.1	5.6
Bd ³	10 Nov 2010	9.5	1.2	10.3	39.6	–	6.1	5.6
C	1 Feb 2008	11.5	1.6	12.3	42.2	–	8.1	7.5
Cd	30 Jan 2009	11.6	1.7	12.3	42.2	–	8.1	7.5
R7 ^{3,7}	27 Jan 2011	10.7	1.5	11.3	41.0	–	7.1	6.6
T ^{3,7}	10 Jun 2010	9.2	1.2	9.9	39.3	–	5.8	5.3
X	1 Feb 2008	10.1	1.3	10.8	40.4	–	6.7	6.1
Xd ³	10 Nov 2010	10.0	1.3	10.8	40.4	–	6.6	6.1
Xh-EUR ^{3,7}	5 Jan 2011	–	–	–	–	–	–	4.7
Xdh-GBP ^{3,7}	10 Jan 2011	–	–	–	–	–	–	3.6
JPM GBI-EM Global Diversified ⁵		12.9	2.9	15.7	22.0	–	7.4	9.9
JPM EMBI Global ⁵		8.7	1.0	12.0	28.2	–	8.7	8.1
MSCI Emerging Markets IMI ⁵		18.4	1.5	19.9	82.4	–	5.0	4.4
Capital International								
Emerging Asia Equity^{7,9}								
	29 Mar 2011							
B	29 Mar 2011	–	–	–	–	–	–	2.4
Bd	29 Mar 2011	–	–	–	–	–	–	2.4
C	29 Mar 2011	–	–	–	–	–	–	2.4
X	29 Mar 2011	–	–	–	–	–	–	2.4
Xd	29 Mar 2011	–	–	–	–	–	–	2.4
MSCI EM Asia with net dividends reinvested ⁵		–	–	–	–	–	–	2.3

¹ Results are shown in USD with income reinvested. JPM Indices are shown on a total return basis. Source: JPMorgan. MSCI Indices are shown with net dividends reinvested. Source: MSCI.

² Launch date is the date as of which shares are first issued by a fund, and hence the date on which the fund or share class was first priced. Prior results back to the launch of the fund relate to the older share classes, adjusted where necessary to reflect the management fee of the recipient share class.

³ This share class was launched during the year.

⁴ 50% JPM EMBI Global/ 50% JPM GBI-EM Global Diversified Total Return Index, rebalanced monthly, from 31 October 2009, with 50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified Total Return Index, rebalanced monthly for earlier periods. Source: JPMorgan.

⁵ These indices are shown on an indicative basis only in order to provide a reference point for the investment results.

⁶ This fund was launched on 7 October 2010.

⁷ Lifetime returns relate to a period of less than a year and are not annualised.

⁸ This fund was launched on 10 August 2010.

⁹ This fund was launched on 29 March 2011.

Why do different share classes have different returns?

Each share class is designed to support the needs of different investor types and has a different total expense ratio which affects the investment returns for that share class. For example:

- Class A, C, R7 shares and their equivalent classes, where available, are only available to institutional investors who qualify for the reduced Luxembourg tax of 0.01% (rather than 0.05%).
- Class B, T and X shares and their equivalent classes, where available, are primarily designed for distribution to individual investors. The management fee for class B shares is higher than for the other share classes to allow for compensation to distributors and other intermediaries for day-to-day services to investors or similar services in relation to investments made with their assistance.
- The management fee for class C shares and its equivalent classes, where available, is charged to shareholders outside the fund by specific separate agreement. Actual returns to shareholders of class C and its equivalent classes, where available, will be lower than those published.
- In addition, the returns of hedged equivalent classes and dividend distributing hedged equivalent classes are impacted by the passive currency-hedging overlay programme (see note 8 to the financial statements).

Realised daily volatility ¹	12 months	Calendar			Lifetime
		YTD	2010	2009	
Capital International Emerging Markets					
Total Opportunities²	8.2	6.9	8.4	10.3	11.4
JPM GBI-EM Global Diversified ³	9.8	6.8	10.0	13.1	13.5
JPM EMBI Global ³	4.8	3.4	4.8	5.6	9.4
MSCI Emerging Markets IMI ³	16.9	13.5	17.5	25.4	27.8

¹ Realised daily volatility (annualised standard deviation) is based on daily observations in USD and is annualised on a 252 day factor.

² Based on share class X returns.

³ Indices shown are for indicative purposes only.

Historical data

Net asset value per share and total net assets

	as at 31 March 2011	as at 31 March 2010	as at 31 March 2009
Capital International Emerging Markets Debt			
Class A	\$13.12	\$12.03	\$9.12
Class B	12.95	11.94	–
Class Bd ¹	12.86	–	–
Class C	13.52	12.27	9.22
Class Cd	11.83	11.92	9.22
Class T ¹	12.93	–	–
Class X	13.06	11.99	9.10
Class Xd ¹	12.96	–	–
Total net assets (000s)	\$794,193	\$441,640	\$220,330
Capital International Emerging Markets US Dollar Debt²			
Class B	\$9.89	–	–
Class Bd	9.83	–	–
Class C	9.97	–	–
Class X	9.91	–	–
Class Xd	9.85	–	–
Total net assets (000s)	\$24,779	–	–
Capital International Emerging Markets Local Currency Debt³			
Class B	\$10.51	–	–
Class Bd	10.38	–	–
Class C	10.63	–	–
Class X	10.55	–	–
Class Xd	10.39	–	–
Total net assets (000s)	\$26,368	–	–
Capital International Emerging Markets Total Opportunities			
Class A	\$12.08	\$10.96	–
Class B	11.95	10.91	–
Class Bd ¹	11.90	–	–
Class C	12.58	11.28	\$8.18
Class Cd	11.66	11.20	8.18
Class R7 ¹	12.09	–	–
Class T ¹	11.92	–	–
Class X	12.06	10.95	8.05
Class Xd ¹	11.99	–	–
Class Xh-EUR ¹	12.53	–	–
Class Xdh-GBP ¹	12.24	–	–
Total net assets (000s)	\$550,637	\$250,695	\$171,314
Capital International Emerging Asia Equity⁴			
Class B	\$10.24	–	–
Class Bd	10.24	–	–
Class C	10.24	–	–
Class X	10.24	–	–
Class Xd	10.24	–	–
Total net assets (000s)	\$15,364	–	–

¹ This share class was launched during the year.

² This fund was launched on 7 October 2010.

³ This fund was launched on 10 August 2010.

⁴ This fund was launched on 29 March 2011.

Portfolio breakdown

As at 31 March 2011

Capital International Emerging Markets Debt

Sector diversification	%
Government	89.4
Energy	2.8
Financials	2.6
Utilities	1.4
Telecommunication services	0.7
Materials	0.6
Consumer staples	0.4
Industrials	0.3
Cash and equivalents	1.8

Asset type diversification	%
Local currency debt	60.8
Dollar-denominated debt	37.4
Cash and equivalents	1.8

Currency diversification after portfolio hedging	%
US dollar	38.5
Brazilian real	10.0
Turkish lira	8.7
Mexican peso	6.4
Indonesian rupiah	6.3
Uruguayan peso	4.2
Malaysian ringitt	4.2
Philipine peso	4.2
Colombian peso	4.0
Polish zloty	3.3
South Korean won	3.1
Hungarian forint	2.0
South African rand	1.8
Egyptian pound	1.3
Russian rouble	1.3
Others	0.7

Capital International Emerging Markets US Dollar Debt

Sector diversification	%
Government	83.3
Telecommunication services	4.3
Energy	3.7
Utilities	3.5
Consumer staples	2.0
Financials	1.4
Cash and equivalents	1.8

Asset type diversification	%
Dollar-denominated debt	69.2
Local currency debt	29.0
Cash and equivalents	1.8

Currency diversification after portfolio hedging	%
US dollar	70.8
Indonesian rupiah	5.1
Mexican peso	4.7
Philipine peso	4.4
Brazilian real	3.7
Turkish lira	2.9
Argentine peso	2.7
Colombian peso	2.6
Malaysian ringitt	2.4
Others	0.7

Capital International Emerging Markets Local Currency Debt

Sector diversification	%
Government	93.2
Telecommunication services	1.0
Consumer staples	0.9
Financials	0.6
Cash and equivalents	4.3

Asset type diversification	%
Local currency debt	81.4
Dollar-denominated debt	14.3
Cash and equivalents	4.3

Currency diversification after portfolio hedging	%
US dollar	18.1
Indonesian rupiah	12.5
Turkish lira	12.2
Mexican peso	11.0
Brazilian real	9.3
Colombian peso	7.6
Philippine peso	5.5
Uruguayan peso	5.1
Thai baht	4.9
Malaysian ringgit	3.4
South Korean won	3.0
Hungarian forint	2.1
Polish zloty	2.0
South African rand	1.9
Russian rouble	1.4

Capital International Emerging Markets Total Opportunities

Sector diversification	%
Government	38.1
Telecommunication services	11.4
Financials	10.9
Materials	9.5
Energy	9.3
Information technology	8.1
consumer staples	3.7
Consumer discretionary	2.7
Industrials	1.9
Utilities	1.6
Health care	0.1
Cash and equivalents	2.7

Asset type diversification	%
Equity	45.1
Local currency debt	30.0
Dollar-denominated debt	22.2
Cash and equivalents	2.7

Currency diversification after portfolio hedging	%
US dollar	44.3
South Korean won	7.5
Indonesian rupiah	6.5
Taiwan dollar	5.1
Hong Kong dollar	5.1
Mexican peso	5.0
Brazilian real	4.1
Malaysian ringgit	3.2
Turkish lira	2.9
Indian rupees	2.7
Philippine peso	2.7
Uruguayan peso	2.5
Thailand baht	1.8
British pound	1.8
Polish zloty	1.4
Czech koruna	1.3
Colombian peso	1.1
Russian rouble	1.0

Capital International Emerging Asia Equity

Sector diversification	%
Information technology	24.4
Financials	22.5
Consumer discretionary	10.7
Industrials	10.4
Materials	10.1
Energy	8.2
Consumer staples	5.6
Telecommunication services	3.1
Utilities	1.7
Health care	0.8
Cash and equivalents	2.5

Asset type diversification	%
Equity	97.5
Cash and equivalents	2.5

Currency diversification after portfolio hedging	%
Hong Kong dollar	28.5
South Korean won	21.1
Indian rupee	12.7
Taiwan dollar	10.2
Thailand baht	6.5
US dollar	6.2
Malaysian ringitt	5.8
Indonesian rupiah	5.2
Singapore dollar	1.7
Australian dollar	1.3
Others	0.8

Statement of investments

Capital International Emerging Markets Debt as at 31 March 2011

Country	Description	Market value \$000s	% total net assets
Transferable securities admitted to an official exchange listing or dealt in on another regulated market			
Shares and convertible bonds			
Kazakhstan	BTA Bank	25	0.00
Total shares and convertible bonds		25	0.00
Government bonds			
Argentina	Argentinean Government 0.467% 2012 ¹	1,802	0.23
	Argentinean Government 5.83% 2033 ¹	3,487	0.44
	Argentinean Government 7.00% 2015	7,092	0.89
	Argentinean Government 8.28% 2033	25,180	3.17
	Argentinean Government GDP-Linked 2035 ¹	6,370	0.80
	Provincia de Buenos Aires 10.875% 2021 ²	4,631	0.58
		48,562	6.11
Brazil	Brazilian Government 4.875% 2021	436	0.05
	Brazilian Government 6.00% 2017	1,894	0.24
	Brazilian Government 8.00% 2018	3,387	0.43
	Brazilian Government 10.25% 2028	3,228	0.41
	Brazilian Government 10.50% 2014	571	0.07
	Brazilian Government 12.50% 2016	823	0.10
	Brazilian Government 12.50% 2022	2,005	0.25
	Brazilian Government Treasury Bill 0% 1/7/2011	1,397	0.18
	Brazilian Government Treasury Bill 6.00% 2014	6,914	0.87
	Brazilian Government Treasury Bill 6.00% 2015	20,431	2.57
	Brazilian Government Treasury Bill 6.00% 2017	21,938	2.76
	Brazilian Government Treasury Bill 6.00% 2045	2,874	0.36
	Brazilian Government Treasury Bill 10.00% 2014	6,955	0.88
	Brazilian Government Treasury Bill 10.00% 2017	9,766	1.23
	Brazilian Government Treasury Bill 10.00% 2021	2,681	0.34
		85,300	10.74
Chile	Chilean Government 3.875% 2020	3,022	0.38
Colombia	Colombian Government 6.125% 2041	2,609	0.33
	Colombian Government 7.375% 2017	11,139	1.40
	Colombian Government 7.375% 2019	361	0.04
	Colombian Government 7.375% 2037	1,520	0.19
	Colombian Government 9.85% 2027	5,442	0.69
	Colombian Government 12.00% 2015	23,994	3.02
		45,065	5.67
Croatia	Croatian Government 6.625% 2020 ²	4,403	0.56
	Croatian Government 6.75% 2019 ²	5,742	0.72
		10,145	1.28
Dominican Republic	Dominican Republic Government 8.625% 2027 ²	423	0.06
	Dominican Republic Government 9.04% 2018 ²	1,289	0.16
	Dominican Republic Government 9.50% 27/9/2011 ²	3	0.00
		1,715	0.22

Capital International Emerging Markets Debt as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Egypt	Egyptian Government 6.875% 2040 ²	377	0.05
	Egyptian Government 11.50% 26/10/11	1,293	0.16
	Egyptian Government 11.55% 2013	8,477	1.07
		10,147	1.28
El Salvador	El Salvador Government 7.375% 2019 ²	762	0.10
Gabon	Gabonese Government 8.20% 2017 ²	1,312	0.17
Ghana	Ghanaian Government 8.50% 2017 ²	6,026	0.76
Hungary	Hungarian Government 6.25% 2020	8,230	1.04
	Hungarian Government 6.375% 2021	946	0.12
	Hungarian Government 7.625% 2041	5,433	0.68
	Hungarian Government Series 15/A 8.00% 2015	9,666	1.22
	Hungarian Government Series 17/A 6.75% 2017	1,762	0.22
	Hungarian Government Series 19/A 6.50% 2019	4,317	0.54
		30,354	3.82
Indonesia	Indonesian Government 5.875% 2020 ²	2,946	0.37
	Indonesian Government 6.625% 2037 ²	513	0.06
	Indonesian Government 6.875% 2017 ²	1,717	0.22
	Indonesian Government 6.875% 2018 ²	6,683	0.84
	Indonesian Government 7.75% 2038 ²	1,874	0.24
	Indonesian Government 7.95% 2013	6,142	0.77
	Indonesian Government Series FR20 14.275% 2013	403	0.05
	Indonesian Government Series FR23 11.00% 2012	711	0.09
	Indonesian Government Series FR26 11.00% 2014	268	0.03
	Indonesian Government Series FR27 9.50% 2015	17,075	2.15
	Indonesian Government Series FR30 10.75% 2016	5,291	0.67
	Indonesian Government Series FR33 12.50% 2013	4,669	0.59
	Indonesian Government Series FR34 12.80% 2021	493	0.06
	Indonesian Government Series FR36 11.50% 2019	10,731	1.35
	Indonesian Government Series FR47 10.00% 2028	1,656	0.21
	Indonesian Government Series FR51 11.25% 2014	2,120	0.27
		63,292	7.97
Iraq	Iraqi Government 5.80% 2028 ²	21,466	2.70
Ivory Coast	Ivory Coast Government 2.50% 2032 ²	1,836	0.23
Malaysia	Malaysian Government Series 0109 2.509% 2012	3,443	0.43
	Malaysian Government Series 0110 3.835% 2015	9,616	1.21
	Malaysian Government Series 0210 4.012% 2017	4,511	0.57
	Malaysian Government Series 0409 3.741% 2015	4,765	0.60
	Malaysian Government Series 2/04 5.094% 2014	4,967	0.63
	Malaysian Government Series 3/03 3.702% 2013	3,194	0.40
	Malaysian Government Series 4/05 3.756% 28/4/2011	2,496	0.31
		32,992	4.15
Mexico	Mexican Government 3.50% 2017	4,197	0.53
	Mexican Government 4.00% 2040	1,648	0.21
	Mexican Government 5.00% 2016	9,696	1.22
	Mexican Government 5.875% 2014	1,412	0.18
	Mexican Government 6.05% 2040	2,070	0.26
	Mexican Government Series M10 7.75% 2017	12,643	1.59

Capital International Emerging Markets Debt as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
	Mexican Government Series M10 9.50% 2014	14,829	1.87
	Mexican Government Series M20 10.00% 2024	6,759	0.85
	Mexican Government Series M10 9.00% 2012	445	0.05
		53,699	6.76
Nigeria	Nigerian Government 6.75% 2021 ²	6,179	0.78
Panama	Panamanian Government 6.70% 2036	1,268	0.16
Peru	Peruvian Government 7.125% 2019	6,731	0.85
	Peruvian Government 7.35% 2025	3,073	0.39
	Peruvian Government 8.75% 2033	492	0.06
		10,296	1.30
Philippines	Philippine Government 4.625% 2015	1,545	0.19
	Philippine Government 4.95% 2021	10,848	1.37
	Philippine Government 6.25% 2036	10,060	1.27
	Philippine Government 7.75% 2031	2,301	0.29
	Philippine Government 8.25% 2014	464	0.06
	Philippine Government 8.875% 2015	2,347	0.29
	Philippine Government Series 1050 7.75% 2020	9,042	1.14
	Philippine Government Series 1051 6.125% 2020	309	0.04
	Philippine Government Series 1052 5.875% 2020	1,306	0.16
		38,222	4.81
Poland	Polish Government 5.00% 2013	1,922	0.24
	Polish Government 5.25% 2013	6,952	0.88
	Polish Government 5.25% 2017	2,390	0.30
	Polish Government 5.25% 2020	3,746	0.47
	Polish Government 5.50% 2015	3,997	0.50
	Polish Government 5.75% 2014	5,946	0.75
	Polish Government 6.375% 2019	2,873	0.36
		27,826	3.50
Russian Federation	Russian Government 5.00% 2020 ²	2,536	0.32
	Russian Government 7.50% 2030 ^{1,2}	14,303	1.80
	Russian Government 7.85% 2018 ²	9,901	1.25
		26,740	3.37
South Africa	South African Government 5.50% 2020	2,048	0.26
	South African Government 6.50% 2014	2,652	0.33
	South African Government 7.25% 2020	3,524	0.44
	South African Government 8.25% 2017	10,596	1.34
		18,820	2.37
South Korea	South Korean Government 2.75% 2017	627	0.08
	South Korean Government 4.25% 2014	4,944	0.62
	South Korean Government 5.00% 2014	3,396	0.43
	South Korean Government 5.25% 2015	9,710	1.22
	South Korean Government 5.50% 2017	5,554	0.70
		24,231	3.05

Capital International Emerging Markets Debt as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Sri Lanka	Sri Lankan Government 6.25% 2020 ²	2,984	0.37
	Sri Lankan Government 7.40% 2015 ²	1,263	0.16
		4,247	0.53
Thailand	Thai Government 3.625% 2015	1,613	0.20
	Thai Government 5.25% 2014	1,063	0.14
		2,676	0.34
Turkey	Turkish Government 4.00% 2015	20,431	2.57
	Turkish Government 4.00% 2020	3,167	0.40
	Turkish Government 4.50% 2015	2,855	0.36
	Turkish Government 6.75% 2018	5,506	0.69
	Turkish Government 6.875% 2036	4,253	0.54
	Turkish Government 7.25% 2015	3,666	0.46
	Turkish Government 7.375% 2025	41	0.01
	Turkish Government 7.50% 2019	1,550	0.19
	Turkish Government 9.50% 2014	88	0.01
	Turkish Government 10.00% 2012	10,296	1.30
	Turkish Government 10.00% 2015	10,603	1.34
	Turkish Government 11.00% 2014	3,845	0.48
	Turkish Government 16.00% 2012	11,227	1.41
	Turkish Government 16.00% 2013	5,937	0.75
		83,465	10.51
Uruguay	Uruguayan Government 3.70% 2037	9,004	1.13
	Uruguayan Government 4.25% 2027	5,034	0.64
	Uruguayan Government 5.00% 2018	19,234	2.42
		33,272	4.19
Venezuela	Venezuelan Government 5.75% 2016 ²	466	0.06
	Venezuelan Government 7.00% 2038 ²	769	0.10
	Venezuelan Government 9.25% 2027	10,811	1.36
	Venezuelan Government 9.25% 2028 ²	5,272	0.66
		17,318	2.18
Total government bonds		710,255	89.43
Corporate bonds			
Argentina	Aeropuertos Argentina 10.75% 2020 ²	995	0.13
Brazil	Fibra Overseas Finance 6.75% 2021 ²	623	0.08
	Odebrecht Finance 6.00% 2023 ²	1,691	0.21
		2,314	0.29
Chile	Banco del Estado de Chile 4.125% 2020 ²	374	0.05
Colombia	Emgesa 8.75% 2021 ²	2,248	0.28
Kazakhstan	BTA Bank 7.20% 2025 ²	23	0.00
	BTA Bank 10.75% 2018 ^{1,2}	161	0.02
	Development Bank of Kazakhstan 5.50% 2015 ²	3,694	0.47
	Halyk Savings Bank of Kazakhstan 7.25% 2021 ²	5,136	0.65
		9,014	1.14
Mexico	Cemex 9.00% 2018 ²	1,607	0.20

Capital International Emerging Markets Debt as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Russian Federation	Gazprom 6.51% 2022 ²	1,254	0.16
	Gazprom 7.288% 2037 ²	3,934	0.49
	Gazprom 8.146% 2018 ²	413	0.05
	Gazprom 6.212% 2016 ²	1,958	0.25
	Sberbank 5.40% 2017	1,740	0.22
	Vnesheconombank 6.80% 2025 ²	1,918	0.24
	Vnesheconombank 6.902% 2020 ²	1,926	0.24
		13,143	1.65
South Africa	Eskom Holdings 5.75% 2021 ²	4,884	0.62
South Korea	Korea Development Bank 4.00% 2016	2,322	0.29
Thailand	PTTEP Canada International Finance 5.692% 2021 ²	5,363	0.68
	True Move 10.75% 2013 ²	248	0.03
		5,611	0.71
United Arab Emirates	Dubai Electricity & Water Authority 7.375% 2020 ²	3,354	0.42
United States of America	Morgan Stanley BRL-linked 10.09% 2017	147	0.02
Venezuela	Petróleos de Venezuela 4.90% 2014	277	0.04
	Petróleos de Venezuela 5.25% 2017	158	0.02
	Petróleos de Venezuela 8.00% 2013 ²	4,485	0.56
	Petróleos de Venezuela 8.50% 2017 ²	427	0.05
		5,347	0.67
Total corporate bonds		51,360	6.47
Total transferable securities admitted to an official exchange listing or dealt in on another regulated market		761,640	95.90
Recently issued securities			
Corporate bonds			
Brazil	Marfrig Overseas 9.50% 2020 ²	1,257	0.16
	Odebrecht Drilling Norbe VIII/IX 6.35% 2021 ²	1,191	0.15
	Votorantim 6.75% 2021 ²	506	0.06
		2,954	0.37
Mexico	BBVA Bancomer 6.50% 2021 ²	2,954	0.37
	Cemex España 9.25% 2020 ²	1,130	0.14
		4,084	0.51
United Kingdom	Afren 11.50% 2016 ²	2,591	0.33
United States of America	Trilogy International Partners 10.25% 2016 ²	2,834	0.36
Total corporate bonds		12,463	1.57
Total recently issued securities		12,463	1.57
Other transferable securities			
Corporate bonds			
Bermuda	Digicel Group 10.50% 2018 ²	380	0.05
Chile	Colbun 6.00% 2020 ²	514	0.06
Dominican Republic	Cervecería Nacional Dominicana C por A DOP-linked 16.00% 2012 ^{1,2}	857	0.11

Capital International Emerging Markets Debt as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Egypt	Orascom Telecom 7.875% 2014 ²	1,515	0.19
Mexico	Cemex 9.50% 2016 ²	974	0.12
Panama	AES Panama 6.35% 2016 ²	532	0.07
Poland	CEDC Finance Corporation International 9.125% 2016 ²	850	0.11
Thailand	True Move 10.375% 2014 ²	353	0.04
Total corporate bonds		5,975	0.75
Total other transferable securities		5,975	0.75
Total investments		780,078	98.22
Cash at bank and other net assets/(liabilities)		14,115	1.78
Total net assets		794,193	100.00

¹ Variable coupon rates are quoted as at 31 March 2011.

² Purchased in a private placement transaction. Resale may be limited to qualified institutional buyers.

Capital International Emerging Markets US Dollar Debt as at 31 March 2011

Country	Description	Market value \$000s	% total net assets
Transferable securities admitted to an official exchange listing or dealt in on another regulated market			
Government bonds			
Argentina	Argentinean Government 5.83% 2033 ¹	669	2.70
	Argentinean Government 8.28% 2033	1,483	5.99
	Argentinean Government GDP-Linked 2035 ¹	556	2.24
	Provincia de Buenos Aires 10.875% 2021 ²	468	1.89
		3,176	12.82
Brazil	Brazilian Government 12.50% 2016	911	3.68
Colombia	Colombian Government 12.00% 2015	475	1.92
Croatia	Croatian Government 6.625% 2020 ²	1,137	4.59
Dominican Republic	Dominican Republic Government 9.04% 2018 ²	882	3.56
Egypt	Egyptian Government 6.875% 2040 ²	207	0.84
Gabon	Gabonese Government 8.20% 2017 ²	498	2.01
Hungary	Hungarian Government 7.625% 2041	402	1.62
Indonesia	Indonesian Government 5.875% 2020 ²	1,071	4.32
	Indonesian Government Series FR27 9.50% 2015	863	3.48
	Indonesian Government Series FR33 12.50% 2013	381	1.54
		2,315	9.34
Iraq	Iraqi Government 5.80% 2028 ²	2,027	8.18
Malaysia	Malaysian Government Series 0409 3.741% 2015	583	2.35
Mexico	Mexican Government Series M10 7.75% 2017	652	2.63
	Mexican Government Series M20 10.00% 2024	497	2.01
		1,149	4.64
Nigeria	Nigerian Government 6.75% 2021 ²	308	1.24
Philippines	Philippine Government Series 1050 7.75% 2020	915	3.69
	Philippine Government Series 1051 6.125% 2020	167	0.67
		1,082	4.36
Russian Federation	Russian Government 7.85% 2018 ²	180	0.73
South Africa	South African Government 5.50% 2020	239	0.97
Turkey	Turkish Government 4.00% 2015	719	2.90
	Turkish Government 6.75% 2040	910	3.67
	Turkish Government 7.50% 2019	468	1.89
		2,097	8.46
Uruguay	Uruguayan Government 8.00% 2022	1,219	4.92
Venezuela	Venezuelan Government 7.00% 2038 ²	139	0.56
	Venezuelan Government 9.25% 2027	1,619	6.53
		1,758	7.09
Total government bonds		20,645	83.32

Capital International Emerging Markets US Dollar Debt as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Corporate bonds			
Colombia	Emgesa 8.75% 2021 ²	165	0.67
Kazakhstan	Halyk Savings Bank of Kazakhstan 7.25% 2021 ²	208	0.84
Thailand	PTTEP Canada International Finance 5.692% 2021 ²	425	1.71
	True Move 10.75% 2013 ²	215	0.87
		640	2.58
United Arab Emirates	Dubai Electricity & Water Authority 6.375% 2016 ²	354	1.43
	Dubai Electricity & Water Authority 7.375% 2020 ²	340	1.37
		694	2.80
Total corporate bonds		1,707	6.89
Total transferable securities admitted to an official exchange listing or dealt in on another regulated market		22,352	90.21
Recently issued securities			
Corporate bonds			
Brazil	Marfrig Overseas 9.50% 2020 ²	498	2.01
India	Reliance Holdings 4.50% 2020 ²	495	2.00
Mexico	BBVA Bancomer 6.50% 2021 ²	149	0.60
United States of America	Trilogy International Partners 10.25% 2016 ²	538	2.17
Total corporate bonds		1,680	6.78
Total recently issued securities		1,680	6.78
Other transferable securities			
Corporate bonds			
Thailand	True Move 10.375% 2014 ²	298	1.20
Total corporate bonds		298	1.20
Total other transferable securities		298	1.20
Total investments		24,330	98.19
Cash at bank and other net assets/(liabilities)		449	1.81
Total net assets		24,779	100.00

¹ Variable coupon rates are quoted as at 31 March 2011.

² Purchased in a private placement transaction. Resale may be limited to qualified institutional buyers.

Capital International Emerging Markets Local Currency Debt as at 31 March 2011

Country	Description	Market value \$000s	% total net assets
Transferable securities admitted to an official exchange listing or dealt in on another regulated market			
Government bonds			
Argentina	Argentinean Government 7.00% 2015	377	1.43
	Argentinean Government 8.28% 2033	785	2.97
	Argentinean Government GDP-Linked 2035 ¹	292	1.11
	Provincia de Buenos Aires 10.875% 2021 ²	234	0.89
		1,688	6.40
Brazil	Brazilian Government 12.50% 2022	269	1.02
	Brazilian Government Treasury Bill 6.00% 2017	845	3.20
	Brazilian Government Treasury Bill 10.00% 2017	1,344	5.10
		2,458	9.32
Colombia	Colombian Government 9.85% 2027	1,672	6.34
	Colombian Government 12.00% 2015	342	1.30
		2,014	7.64
Hungary	Hungarian Government 7.625% 2041	80	0.30
	Hungarian Government Series 15/A 8.00% 2015	558	2.12
		638	2.42
Indonesia	Indonesian Government 7.95% 2013	195	0.74
	Indonesian Government Series FR27 9.50% 2015	247	0.94
	Indonesian Government Series FR33 12.50% 2013	63	0.24
	Indonesian Government Series FR36 11.50% 2019	1,533	5.81
	Indonesian Government Series FR47 10.00% 2028	1,227	4.65
		3,265	12.38
Iraq	Iraqi Government 5.80% 2028 ²	1,013	3.84
Malaysia	Malaysian Government series 0110 3.835% 2015	901	3.42
Mexico	Mexican Government 4.00% 2019	202	0.77
	Mexican Government 5.00% 2016	379	1.44
	Mexican Government Series M10 7.75% 2017	782	2.96
	Mexican Government Series M20 10.00% 2024	1,492	5.66
		2,855	10.83
Philippines	Philippine Government 4.95% 2021	249	0.94
	Philippine Government 7.75% 2020	978	3.71
	Philippine Government Series 1050 6.25% 2036	219	0.83
		1,446	5.48
Poland	Polish Government 5.25% 2017	509	1.93
Russian Federation	Russian Government 7.85% 2018 ²	360	1.37
South Africa	South African Government 8.25% 2017	514	1.95
South Korea	South Korean Government 5.25% 2015	514	1.95
	South Korean Government 5.50% 2017	269	1.02
		783	2.97
Sri Lanka	Sri Lankan Government 6.25% 2020 ²	98	0.37
Thailand	Thai Government 3.625% 2015	1,269	4.81

Capital International Emerging Markets Local Currency Debt as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Turkey	Turkish Government 4.00% 2015	360	1.37
	Turkish Government 4.00% 2020	415	1.57
	Turkish Government 4.50% 2015	113	0.43
	Turkish Government 10.00% 2012	236	0.90
	Turkish Government 16.00% 2013	2,042	7.74
		3,166	12.01
Uruguay	Uruguayan Government 5.00% 2018	1,341	5.08
Venezuela	Venezuelan Government 9.25% 2027	260	0.99
Total government bonds		24,578	93.21
Total transferable securities admitted to an official exchange listing or dealt in on another regulated market		24,578	93.21
Recently issued securities			
Corporate bonds			
Mexico	BBVA Bancomer 6.50% 2021 ²	149	0.56
United States of America	Trilogy International Partners 10.25% 2016 ²	260	0.99
Total corporate bonds		409	1.55
Total recently issued securities		409	1.55
Other transferable securities			
Corporate bonds			
Dominican Republic	Cervecería Nacional Dominicana C por A DOP-linked 16.00% 2012 ^{1,2}	235	0.89
Total corporate bonds		235	0.89
Total other transferable securities		235	0.89
Total investments		25,222	95.65
Cash at bank and other net assets/(liabilities)		1,146	4.35
Total net assets		26,368	100.00

¹ Variable coupon rates are quoted as at 31 March 2011.

² Purchased in a private placement transaction. Resale may be limited to qualified institutional buyers.

Capital International Emerging Markets Total Opportunities as at 31 March 2011

Country	Description	Market value \$000s	% total net assets
Transferable securities admitted to an official exchange listing or dealt in on another regulated market			
Shares and convertible bonds			
Argentina	YPF ADR	5,376	0.98
Australia	Oil Search	2,440	0.44
	Paladin Energy	1,650	0.30
		4,090	0.74
Austria	Vienna Insurance Group	1,302	0.24
Brazil	CCR	274	0.05
	Cía. Paranaense de Energia ADR	272	0.05
	Cielo ordinary nominative	1,639	0.30
	Gerdau ADR	1,505	0.27
	Hypermarcas ordinary nominative	511	0.09
	Redecard ordinary nominative	1,121	0.20
	Tele Norte Leste Participações preferred nominative ADR	2,226	0.41
		7,548	1.37
Canada	First Quantum Minerals	1,650	0.30
	Ivanhoe Mines	2,099	0.38
	Platmin	415	0.08
		4,164	0.76
Chile	Enersis ADR	327	0.06
China	Bank of China H Shares	3,350	0.61
	BaWang International Group Holding	981	0.18
	Beijing Enterprises Holdings	203	0.04
	China Construction Bank H Shares	323	0.06
	China Longyuan Power Group H Shares	3,799	0.69
	China Overseas Land & Investment	875	0.16
	China Railway Construction H Shares	1,062	0.19
	China Shenhua Energy H Shares	5,683	1.03
	Fu Ji Food and Catering Services Holdings ¹	0	0.00
	Honghua Group	1,829	0.33
	Huabao International Holdings	183	0.03
	Kingboard Laminates Holdings	256	0.05
	Longfor Properties	1,828	0.33
	Mindray Medical International Class A ADR	290	0.05
	Minth Group	2,350	0.43
	Zhongsheng Group Holdings	1,343	0.24
		24,355	4.42
Colombia	Bancolombia	1,908	0.35
	Bancolombia ADR	2,018	0.36
		3,926	0.71

Capital International Emerging Markets Total Opportunities as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Czech Republic	Telefónica 02 Czech Republic	7,323	1.33
Hong Kong	AIA Group	1,769	0.32
	Hopewell Holdings	1,942	0.35
	Wynn Macau	288	0.06
		3,999	0.73
Hungary	Magyar Telekom Telecommunications	1,475	0.27
India	Adani Enterprises	398	0.07
	Bharti Airtel	6,734	1.22
	DLF	1,988	0.36
	ICICI Bank	235	0.04
	Infosys Technologies	385	0.07
	Jain Irrigation Systems	1,087	0.20
	Reliance Industries	318	0.06
	United Spirits	3,948	0.72
		15,093	2.74
Indonesia	PT Astra International	3,564	0.65
	PT Indocement Tungal Prakarsa	722	0.13
	PT XL Axiata	2,151	0.39
	PT Semen Gresik	3,152	0.57
		9,589	1.74
Israel	"Bezeq" The Israel Telecommunication	1,226	0.22
	Partner Communications	716	0.13
	Partner Communications ADR	243	0.05
		2,185	0.40
Malaysia	CIMB Group Holdings	2,628	0.48
	Genting	2,423	0.44
	Malaysia Marine and Heavy Engineering Holdings	1,789	0.32
		6,840	1.24
Mexico	América Móvil Series L ADR	3,858	0.70
	Carso Infraestructura y Construcción Class B-1	486	0.09
	Cemex convertible 4.875% 2015 ²	741	0.14
	Cemex ordinary participation certificates ADR	923	0.17
	Grupo Continental	128	0.02
	Grupo Financiero Inbursa	278	0.05
	Impulsora del Desarrollo y el Empleo en America Latina Series B1	1,439	0.26
		7,853	1.43
Oman	BankMuscat GDR	1,501	0.27
Philippines	Philippine Long Distance Telephone	6,118	1.11
Poland	Telekomunikacja Polska	7,712	1.40
Portugal	Galp Energia convertible 5.25% 2017	5,406	0.98
	Portugal Telecom	1,640	0.30
		7,046	1.28

Capital International Emerging Markets Total Opportunities as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Russian Federation	Gazprom ADR	6,393	1.16
	Sberbank	5,591	1.02
		11,984	2.18
Singapore	Ascendas India Trust	1,105	0.20
	Hutchison Port Holdings Trust	327	0.06
		1,432	0.26
South Africa	AngloGold Ashanti	3,555	0.65
	AngloGold Ashanti ADR	758	0.14
	Barloworld	286	0.05
	Harmony Gold Mining	983	0.18
	Harmony Gold Mining ADR	2,987	0.54
	Royal Bafokeng Platinum	849	0.15
		9,418	1.71
South Korea	Hana Financial Holdings	264	0.05
	Hankook Tire	366	0.07
	Hynix Semiconductor	2,323	0.42
	Hyundai Mobis	388	0.07
	LG Chem	6,999	1.27
	LG Display	2,483	0.45
	Samsung Electronics	7,054	1.28
	Samsung Electronics non-voting preferred	3,151	0.57
	Shinhan Financial Group	3,030	0.55
		26,058	4.73
Taiwan	Advanced Semiconductor Engineering	2,430	0.44
	Compeq Manufacturing	1,914	0.35
	CTCI	1,744	0.32
	Delta Electronics	5,169	0.94
	Hon Hai Precision Industry	2,522	0.46
	Taiwan Mobile	2,892	0.52
	Taiwan Semiconductor Manufacturing	8,453	1.53
	Wintek	3,136	0.57
	Wintek GDR	807	0.15
		29,067	5.28
Thailand	Advanced Info Service	3,210	0.58
	Bangkok Bank NVDR	2,222	0.41
	Banpu	3,037	0.55
	Indorama Ventures	4,356	0.79
	Precious Shipping	1,473	0.27
		14,298	2.60
Turkey	Anadolu Efes Biracılık ve Malt Sanayii	2,206	0.40
	Türk Telekomünikasyon Class D	1,640	0.29
	Türkiye Garanti Bankası	2,401	0.44
		6,247	1.13

Capital International Emerging Markets Total Opportunities as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
United Kingdom	Anglo American	3,845	0.70
	Cairn Energy	2,775	0.50
	Mondi	4,108	0.75
	Tullow Oil	135	0.02
		10,863	1.97
United States of America	Freeport-McMoRan Copper & Gold	4,642	0.84
	MagnaChip Semiconductor	1,555	0.28
	Philip Morris International	5,395	0.98
		11,592	2.10
Total shares and convertible bonds		248,781	45.18
Government bonds			
Argentina	Argentinean Government 7.00% 2015	9,350	1.70
	Argentinean Government 8.28% 2033	6,524	1.18
	Argentinean Government GDP-Linked 2035 ³	1,881	0.34
	Provincia de Buenos Aires 10.875% 2021 ²	4,565	0.83
		22,320	4.05
Brazil	Brazilian Government 10.25% 2028	7,006	1.27
	Brazilian Government 10.50% 2014	1,751	0.32
	Brazilian Government Treasury Bill 6.00% 2015	9,672	1.76
	Brazilian Government Treasury Bill 6.00% 2045	20,067	3.64
	Brazilian Government Treasury Bill 10.00% 2014	1,771	0.32
	Brazilian Government Treasury Bill 10.00% 2017	560	0.10
		40,827	7.41
Colombia	Colombian Government 9.85% 2027	3,037	0.55
	Colombian Government 10.00% 2012	1,117	0.20
		4,154	0.75
Croatia	Croatian Government 6.625% 2020 ²	3,540	0.64
Egypt	Egyptian Government 11.55% 2013	2,925	0.53
Hungary	Hungarian Government 6.375% 2021	302	0.06
	Hungarian Government 7.625% 2041	4,074	0.74
	Hungarian Government Series 14/C 5.50% 2014	679	0.12
		5,055	0.92
Indonesia	Indonesian Government 7.95% 2013	7,723	1.40
	Indonesian Government Series FR22 12.00% 15/9/2011	1,287	0.24
	Indonesian Government Series FR23 11.00% 2012	5,969	1.08
	Indonesian Government Series FR30 10.75% 2016	10,260	1.86
	Indonesian Government Series FR33 12.50% 2013	662	0.12
		25,901	4.70
Malaysia	Malaysian Government 2.711% 14/2/2012	5,627	1.02
	Malaysian Government 7.50% 15/7/2011	1,730	0.32
	Malaysian Government series 0110 3.835% 2015	5,307	0.96
		12,664	2.30

Capital International Emerging Markets Total Opportunities as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Mexico	Mexican Government 4.00% 2040	8,514	1.55
	Mexican Government 6.375% 2013	2,130	0.39
	Mexican Government Series M10 7.75% 2017	7,238	1.31
	Mexican Government Series M10 9.50% 2014	6,457	1.17
	Mexican Government Series M20 10.00% 2024	2,758	0.50
		27,097	4.92
Peru	Peruvian Government 7.125% 2019	973	0.18
Philippines	Philippine Government 4.95% 2021	204	0.04
	Philippine Government 7.00% 2016	7,958	1.44
		8,162	1.48
Russian Federation	Russian Government 7.85% 2018 ²	5,581	1.01
South Korea	Korean Government Series 2006 2.75% 2020	1,976	0.36
	South Korean Government 2.75% 2017	4,027	0.73
	South Korean Government 4.25% 2014	2,376	0.43
	South Korean Government 5.00% 2014	1,434	0.26
	South Korean Government 5.00% 2016	5,043	0.92
		14,856	2.70
Sri Lanka	Sri Lankan Government 6.25% 2020 ²	3,322	0.60
	Sri Lankan Government 8.25% 2012 ²	148	0.03
		3,470	0.63
Turkey	Turkish Government 4.00% 2015	9,574	1.74
Uruguay	Uruguayan Government 5.00% 2018	14,346	2.61
Venezuela	Venezuelan Government 7.00% 2038 ²	865	0.16
	Venezuelan Government 9.25% 2027	7,629	1.39
		8,494	1.55
Total government bonds		209,939	38.12
Corporate bonds			
Brazil	Fibria Overseas Finance 6.75% 2021 ²	519	0.09
	Itaú Unibanco 0% 11/5/2011	1,648	0.30
	Itaú Unibanco 1.10% 18/5/2011	1,647	0.30
		3,814	0.69
Colombia	Emgesa 8.75% 2021 ²	1,269	0.23
Indonesia	PT Indosat 7.375% 2020 ²	773	0.14
Kazakhstan	Halyk Savings Bank of Kazakhstan 7.25% 2021 ²	3,253	0.59
Mexico	Cemex 9.00% 2018 ²	4,637	0.84
	Petroleos Mexicanos 5.5% 2021	3,060	0.56
		7,697	1.40

Capital International Emerging Markets Total Opportunities as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Russian Federation	Gazprom 5.092% 2015 ²	942	0.17
	Gazprom 8.125% 2014 ²	2,586	0.47
	Gazprom 8.146% 2018 ²	2,999	0.54
	MTS International Funding 8.625% 2020 ²	3,527	0.64
	Sberbank 5.499% 2015	4,447	0.80
		14,501	2.62
South Africa	PE Paper Escrow 11.75% 2014 ²	3,811	0.69
	Standard Bank 8.125% 2019	3,064	0.56
		6,875	1.25
South Korea	Korea Development Bank 8.00% 2014	3,027	0.55
Thailand	PTTEP Canada International Finance 5.692% 2021 ²	3,279	0.60
	True Move 10.75% 2013 ²	3,009	0.55
		6,288	1.15
United Arab Emirates	Dubai Electricity & Water Authority 7.375% 2020 ²	3,111	0.57
Total corporate bonds		50,608	9.19
Total transferable securities admitted to an official exchange listing or dealt in on another regulated market		509,328	92.49
Recently issued securities			
Corporate bonds			
Brazil	Odebrecht Drilling Norbe VIII/IX 6.35% 2021 ²	1,588	0.29
Mexico	BBVA Bancomer 7.25% 2020 ²	1,398	0.25
	Grupo Bimbo 4.875% 2020 ²	2,619	0.48
		4,017	0.73
United Kingdom	Afren 11.50% 2016 ²	1,639	0.30
United States of America	Trilogy International Partners 10.25% 2016 ²	308	0.05
	Trilogy International Partners 10.25% 2016 ²	2,184	0.40
		2,492	0.45
Total corporate bonds		9,736	1.77
Total recently issued securities		9,736	1.77
Other transferable securities			
Corporate bonds			
Bermuda	Digicel Group 12.00% 2014 ²	3,697	0.67
Brazil	Marfrig Overseas 9.625% 2016 ²	2,688	0.49
Chile	Banco del Estado de Chile 0.36% 18/04/2011	1,650	0.30
China	China Construction Bank 0.70% 24/6/2011	3,250	0.59
Mexico	Cemex 9.50% 2016 ²	3,350	0.61
	Grupo Financiero BBVA Bancomer 6.008% 2022 ^{2,3}	151	0.03
		3,501	0.64
Thailand	True Move 10.375% 2014 ²	326	0.06
Total corporate bonds		15,112	2.75

Capital International Emerging Markets Total Opportunities as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Participation notes			
Saudi Arabia	Almarai PALMS issued by HSBC Bank 7/11/2011	1,723	0.31
Total participation notes		1,723	0.31
Total other transferable securities		16,835	3.06
Total investments		535,899	97.32
Cash at bank and other net assets/(liabilities)		14,738	2.68
Total net assets		550,637	100.00

¹ Securities fair valued as per policies described in note 2b to the financial statements. As of 31 March 2011, such securities represented 0.00% of the fund's total net assets.

² Purchased in a private placement transaction. Resale may be limited to qualified institutional buyers.

³ Variable coupon rates are quoted as at 31 March 2011.

Abbreviations:

ADR – American Depositary Receipts

GDR – Global Depositary Receipts

NVDR – Non-Voting Depositary Receipts

PALMS – Participating Access Linked Middle Eastern Securities

Capital International Emerging Asia Equity as at 31 March 2011

Country	Description	Market value \$000s	% total net assets
Transferable securities admitted to an official exchange listing or dealt in on another regulated market			
Shares and convertible bonds			
Australia	Oil Search	197	1.28
Canada	Ivanhoe Mines	30	0.19
	SouthGobi Resources	47	0.31
		77	0.50
China	Agricultural Bank of China H Shares	185	1.21
	Bank of China H Shares	493	3.21
	Beijing Enterprises Holdings	60	0.39
	Byd H Shares	38	0.25
	China Construction Bank H Shares	287	1.87
	China High Speed Transmission Equipment Group	139	0.90
	China Life Insurance H Shares	106	0.69
	China Longyuan Power Group H Shares	83	0.54
	China Mengniu Dairy	52	0.34
	China National Offshore Oil	134	0.87
	China Petroleum & Chemical H Shares	76	0.49
	China Railway Construction H Shares	106	0.69
	China Railway Group H Shares	46	0.30
	China Resources Enterprise	50	0.32
	China Shenhua Energy H Shares	204	1.33
	China Yurun Food Group	112	0.73
	CSR H Shares	73	0.47
	ENN Energy Holdings	44	0.29
	Goodbaby International Holdings	44	0.29
	Harbin Power Equipment H Shares	51	0.33
	Hengan International Group	22	0.14
	Honghua Group	44	0.29
	Huabao International Holdings	132	0.86
	Industrial and Commercial Bank of China H Shares	385	2.51
	Kingboard Laminates Holdings	42	0.27
	Lenovo Group	150	0.98
	Li Ning	31	0.21
	Longfor Properties	110	0.72
	Mindray Medical International Class A ADR	43	0.28
	Minth Group	112	0.73
	New Oriental Education & Technology Group ADR	40	0.26
	Nine Dragons Paper Holdings	39	0.25
	Parkson Retail Group	55	0.36
	Ports Design	45	0.29
	Sany Heavy Equipment International Holdings	144	0.94
	Shanda Games Class A ADR	51	0.33
	Suntech Power Holdings ADR	62	0.40
	Tencent Holdings	25	0.16
	Tingyi (Cayman Islands) Holding	62	0.40
	Wumart Stores H Shares	54	0.35
	Zhongsheng Group Holdings	137	0.89
	Zhuzhou CSR Times Electric H Shares	104	0.68
		4,272	27.81

Capital International Emerging Asia Equity as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
Hong Kong	AIA Group	91	0.59
	ASM Pacific Technology	44	0.29
	First Pacific	54	0.35
	VTech Holdings	61	0.40
	Wynn Macau	32	0.21
		282	1.84
India	Adani Enterprises	143	0.93
	Bharat Electronics	36	0.23
	Bharti Airtel	299	1.95
	Cox & Kings	58	0.38
	DLF	124	0.81
	HCL Technologies	27	0.18
	HDFC Bank	50	0.32
	Housing Development Finance	48	0.31
	ICICI Bank	190	1.24
	Infosys Technologies	129	0.84
	Infrastructure Development Finance	32	0.21
	Jain Irrigation Systems	95	0.62
	Reliance Industries	300	1.95
	Sun Pharmaceutical Industries	75	0.49
	Tata Steel	203	1.32
	United Spirits	142	0.92
		1,951	12.70
Indonesia	Ace Hardware	27	0.17
	Astra International	160	1.04
	Indocement Tunggul Prakarsa	127	0.83
	PT Bank Mandiri Series B	154	1.01
	PT Bank Rakyat Indonesia	61	0.40
	PT Tower Bersama Infrastructure	42	0.27
	PT XL Axiata	126	0.82
	Semen Gresik	109	0.71
		806	5.25
Malaysia	CIMB Group Holdings	401	2.61
	IJM	252	1.64
	Malaysia Marine and Heavy Engineering Holdings	143	0.93
	UMW Holdings	106	0.69
		902	5.87
Philippines	Energy Development	134	0.87
Singapore	Global Logistic Properties	32	0.21
	Hutchison Port Holdings Trust	49	0.32
	Olam International	58	0.37
	Wilmar International	178	1.16
		317	2.06
South Korea	Cheil Worldwide	28	0.19
	Daum Communications	32	0.21
	Hana Financial Holdings	115	0.75
	Hankook Tire	186	1.21
	Hite Brewery	30	0.19

Capital International Emerging Asia Equity as at 31 March 2011 (continued)

Country	Description	Market value \$000s	% total net assets
	Hynix Semiconductor	182	1.18
	Hyundai Engineering & Construction	74	0.48
	Hyundai Mobis	269	1.75
	Korean Reinsurance	28	0.18
	LG Chem	620	4.03
	LG Display	233	1.52
	LG Fashion	50	0.32
	LG Household & Health Care	105	0.69
	OCI	73	0.47
	Samsung Electronics	1,041	6.78
	Shinhan Financial Group	195	1.27
		3,261	21.22
Taiwan	Advanced Semiconductor Engineering	80	0.52
	Compeq Manufacturing	87	0.57
	CTCI	42	0.27
	Delta Electronics	254	1.65
	Hon Hai Precision Industry	241	1.57
	HTC	155	1.01
	SinoPac Financial Holdings	63	0.41
	Synnex Technology International	103	0.67
	Taiwan Semiconductor Manufacturing	219	1.43
	Tripod Technology	97	0.63
	Wintek	227	1.48
		1,568	10.21
Thailand	Advanced Info Service	52	0.34
	Bangkok Bank NVDR	47	0.31
	Bank of Ayudhya NVDR	166	1.08
	Banpu	254	1.65
	Indorama Ventures	232	1.51
	Kasikornbank NVDR	39	0.25
	Siam Cement NVDR	222	1.44
		1,012	6.58
United States of America	Genpact	135	0.88
	Sohu.com	63	0.41
		198	1.29
Total shares and convertible bonds		14,977	97.48
Total transferable securities admitted to an official exchange listing or dealt in on another regulated market		14,977	97.48
Total investments		14,977	97.48
Cash at bank and other net assets/(liabilities)		387	2.52
Total net assets		15,364	100.00

Abbreviation:
ADR – American Depositary Receipts
NVDR – Non-Voting Depositary Receipts

Combined statement of net assets

As at 31 March 2011

	Capital International Emerging Markets Debt	Capital International Emerging Markets US Dollar Debt ¹
Assets		
Investments at market value (note 2b)	\$780,078,496	\$24,329,989
Cash at bank	12,368,075	537,484
Dividend and interest receivable (net of withholding taxes)	10,712,165	372,018
Receivable for investments sold	–	–
Prepaid expenses and other receivables	298,444	9,173
Receivable for fund shares subscribed	85,577	–
Organisation costs (note 2f)	23,332	–
Unrealised gain on hedged share class forward foreign exchange contracts (note 8)	–	–
Total assets	803,566,089	25,248,664
Liabilities		
Payable for investments purchased	8,825,263	425,000
Unrealised loss on forward foreign exchange contracts (note 7)	–	–
Accrued expenses and other payables	275,640	23,988
Management fee payable (note 3a)	272,426	20,764
Payable on closed forward foreign exchange contracts	–	–
Total liabilities	9,373,329	469,752
Total net assets	\$794,192,760	\$24,778,912
Investments at cost	\$735,628,100	\$25,013,298

The accompanying notes form an integral part of these financial statements.

¹ This fund was launched on 7 October 2010.

² This fund was launched on 10 August 2010.

³ This fund was launched on 29 March 2011.

Capital International Emerging Markets Local Currency Debt ²	Capital International Emerging Markets Total Opportunities	Capital International Emerging Asia Equity ³	Combined
\$25,221,847	\$535,899,271	\$14,976,673	\$1,380,506,276
844,688	17,456,609	4,127,625	35,334,481
341,964	4,638,841	–	16,064,988
–	5,343,956	–	5,343,956
8,257	433,019	639	749,532
–	17,100	–	102,677
–	32,954	–	56,286
–	26,370	–	26,370
26,416,756	563,848,120	19,104,937	1,438,184,566
–	11,599,520	3,739,669	24,589,452
–	1,233,696	–	1,233,696
27,192	198,973	604	526,397
21,994	162,928	1,035	479,147
–	15,902	–	15,902
49,186	13,211,019	3,741,308	26,844,594
\$26,367,570	\$550,637,101	\$15,363,629	\$1,411,339,972
\$24,646,077	\$492,141,099	\$14,567,731	\$1,291,996,305

Combined statement of operations and changes in net assets

For the year ended 31 March 2011

	Capital International Emerging Markets Debt	Capital International Emerging Markets US Dollar Debt ¹
Income (note 2d)		
Dividend income (net of withholding taxes)	–	–
Interest on bonds and convertible bonds (net of withholding taxes)	\$36,684,727	\$645,240
Interest on bank accounts and time deposits	8,893	378
	36,693,620	645,618
Expenses		
Management fees (note 3a)	2,897,529	118,730
Administrative Manager services	399,713	11,103
Custody	370,478	4,424
Professional services	295,582	28,254
Taxe d'abonnement (note 5a)	68,668	5,929
Other	30,104	1,134
Printing and publishing	19,431	1,236
Amortisation of organisation costs (note 2f)	16,673	–
	4,098,178	170,810
Reimbursement of expenses (note 3c)	269,127	5,812
Net investment income/(loss) (a)	32,864,569	480,620
Net realised gain/(loss) on:		
Sale of investments (note 2e)	9,475,763	(16,662)
Foreign currency transactions (note 2c)	(3,664,632)	(803)
Net realised profit/(loss) for the year (b)	5,811,131	(17,465)
Net change in unrealised appreciation/(depreciation) on:		
Investments (note 6)	15,494,353	(683,309)
Foreign currency transactions (note 2c)	95,553	(335)
Net change in unrealised appreciation/(depreciation) for the year (c)	15,589,906	(683,644)
Result of operations for the year (a+b+c)	54,265,606	(220,489)
Dividend distribution (note 4)	(2,503,929)	(599)
Net subscriptions/(redemptions) of shares for the year	300,791,241	25,000,000
Total net assets at the beginning of the year	441,639,842	–
Total net assets at the end of the year	\$794,192,760	\$24,778,912

The accompanying notes form an integral part of these financial statements.

¹ This fund was launched on 7 October 2010.

² This fund was launched on 10 August 2010.

³ This fund was launched on 29 March 2011.

Capital International Emerging Markets Local Currency Debt ²	Capital International Emerging Markets Total Opportunities	Capital International Emerging Asia Equity ³	Combined
–	\$4,477,263	–	\$4,477,263
\$908,134	11,615,404	–	49,853,505
131	11,134	–	20,536
908,265	16,103,801	–	54,351,304
165,605	975,675	1,035	4,158,574
15,482	330,904	77	757,279
12,403	235,975	50	623,330
29,288	204,747	377	558,248
9,765	55,500	41	139,903
1,144	24,970	–	57,352
2,039	13,342	60	36,108
–	17,870	–	34,543
235,726	1,858,983	1,640	6,365,337
5,589	271,488	271	552,287
678,128	14,516,306	(1,369)	48,538,254
139,486	9,938,756	–	19,537,343
(25,738)	(6,145,898)	(37,917)	(9,874,988)
113,748	3,792,858	(37,917)	9,662,355
575,770	25,359,089	408,942	41,154,845
1,397	(1,217,577)	(6,027)	(1,126,989)
577,167	24,141,512	402,915	40,027,856
1,369,043	42,450,676	363,629	98,228,465
(1,473)	(888,543)	–	(3,394,544)
25,000,000	258,379,914	15,000,000	624,171,155
–	250,695,054	–	692,334,896
\$26,367,570	\$550,637,101	\$15,363,629	\$1,411,339,972

Statement of changes in the number of shares outstanding

For the year ended 31 March 2011

	Capital International Emerging Markets Debt	Capital International Emerging Markets US Dollar Debt ¹
Class A		
Shares outstanding at the beginning of the year	20,504,436	—
Shares subscribed	4,934,357	—
Shares redeemed	(837,520)	—
Shares outstanding at the end of the year	24,601,273	—
Class B		
Shares outstanding at the beginning of the year	6,034	—
Shares subscribed	—	5,000
Shares redeemed	—	—
Shares outstanding at the end of the year	6,034	5,000
Class Bd		
Shares outstanding at the beginning of the year	—	—
Shares subscribed	3,646	5,000
Shares redeemed	—	—
Shares outstanding at the end of the year	3,646	5,000
Class C		
Shares outstanding at the beginning of the year	13,760,987	—
Shares subscribed	23,775,554	5,000
Shares redeemed	(4,030,207)	—
Shares outstanding at the end of the year	33,506,334	5,000
Class Cd		
Shares outstanding at the beginning of the year	2,066,906	—
Shares subscribed	443,145	—
Shares redeemed	(1,408,632)	—
Shares outstanding at the end of the year	1,101,419	—
Class R7		
Shares outstanding at the beginning of the year	—	—
Shares subscribed	—	—
Shares redeemed	—	—
Shares outstanding at the end of the year	—	—
Class T		
Shares outstanding at the beginning of the year	—	—
Shares subscribed	3,634	—
Shares redeemed	—	—
Shares outstanding at the end of the year	3,634	—

Footnotes are on page 40.

Capital International Emerging Markets Local Currency Debt ²	Capital International Emerging Markets Total Opportunities	Capital International Emerging Asia Equity ³
—	1,725,423	—
—	1,094,727	—
—	(530,989)	—
—	2,289,161	—
—	623,108	—
5,000	1,281,026	5,000
—	(147,599)	—
5,000	1,756,535	5,000
—	—	—
5,000	11,205	5,000
—	—	—
5,000	11,205	5,000
—	17,592,647	—
5,000	7,674,061	5,000
—	(684,694)	—
5,000	24,582,014	5,000
—	139,470	—
—	7,315,554	—
—	(2,642,358)	—
—	4,812,666	—
—	—	—
—	9,459,459	—
—	—	—
—	9,459,459	—
—	—	—
—	7,203	—
—	—	—
—	7,203	—

For the year ended 31 March 2011 (continued)

	Capital International Emerging Markets Debt	Capital International Emerging Markets US Dollar Debt ¹
Class X		
Shares outstanding at the beginning of the year	110,201	–
Shares subscribed	279,015	2,480,000
Shares redeemed	–	–
Shares outstanding at the end of the year	389,216	2,480,000
Class Xd		
Shares outstanding at the beginning of the year	–	–
Shares subscribed	4,970	5,000
Shares redeemed	–	–
Shares outstanding at the end of the year	4,970	5,000
Class Xh-EUR		
Shares outstanding at the beginning of the year	–	–
Shares subscribed	–	–
Shares redeemed	–	–
Shares outstanding at the end of the year	–	–
Class Xdh-GBP		
Shares outstanding at the beginning of the year	–	–
Shares subscribed	–	–
Shares redeemed	–	–
Shares outstanding at the end of the year	–	–
Shares outstanding at the end of the year	59,616,526	2,500,000

¹ This fund was launched on 7 October 2010.

² This fund was launched on 10 August 2010.

³ This fund was launched on 29 March 2011.

Capital International Emerging Markets Local Currency Debt ²	Capital International Emerging Markets Total Opportunities	Capital International Emerging Asia Equity ³
—	2,285,894	—
2,480,000	428,548	1,480,000
—	(1,571,022)	—
2,480,000	1,143,420	1,480,000
—	—	—
5,000	33,286	5,000
—	—	—
5,000	33,286	5,000
—	—	—
—	337,266	—
—	—	—
—	337,266	—
—	—	—
—	302,750	—
—	(7,395)	—
—	295,355	—
2,500,000	44,727,570	1,500,000

Notes to the financial statements

As at 31 March 2011

1) Capital International Portfolios (CIP)

a. Legal structure

CIP is an investment company organised as a self-managed Société d'Investissement à Capital Variable (SICAV) in the Grand Duchy of Luxembourg and is established as an undertaking for collective investment in transferable securities (UCITS) under Part I of the law of 20 December 2002. CIP was incorporated on 16 March 2007 for an indefinite period and commenced operations on 24 July 2007.

b. Funds

CIP has adopted a multiple-compartment (or “umbrella”) structure. CIP currently comprises five funds: Capital International Emerging Markets Debt, Capital International Emerging Markets US Dollar Debt (launched on 7 October 2010), Capital International Emerging Markets Local Currency Debt (launched on 10 August 2010), Capital International Emerging Markets Total Opportunities and Capital International Emerging Asia Equity (launched on 29 March 2011).

c. Share classes and currencies

CIP offers the following classes of shares: A, Ad, B, Bd, C, Cd, R4, R7, T, X, Xd, Y and Yd. In addition, hedged equivalent classes to class C are available in CHF, EUR and GBP in Capital International Emerging Markets Debt, Capital International Emerging Markets US Dollar Debt and Capital International Emerging Markets Total Opportunities as well as hedged equivalent and dividend distributing hedged equivalent classes to X in CHF, EUR and GBP. Capital International Emerging Markets US Dollar Debt also offers class Cd in JPY. While all of these classes of shares are available, not all are currently active. At the date hereof, the following classes are active:

- Capital International Emerging Markets Debt: A, B, Bd, C, Cd, T, X and Xd;
- Capital International Emerging Markets US Dollar Debt: B, Bd, C, X and Xd;
- Capital International Emerging Markets Local Currency Debt: B, Bd, C, X and Xd;
- Capital International Emerging Markets Total Opportunities: A, B, Bd, C, Cd, R7, T, X, Xd, Xh-EUR and Xdh-GBP;
- Capital International Emerging Asia Equity: B, Bd, C, X and Xd.

The funds offer dealing and provide net asset values (NAVs) in US dollars, euros, Swiss francs, pounds sterling and Japanese yen.

The base currency of the funds, i.e. the accounting currency in which the financial accounts are prepared, which may be different from the operating currency, is US dollars. The operating currency is the currency in which the funds hold cash for investment purposes.

d. Dividend policy

- Classes A, B, C, T, R4, R7, X and Y: it is not at present intended that dividends will be paid to shareholders of these classes in any fund.
- Dividend-distributing equivalent classes and dividend-distributing hedged equivalent classes: the Board of Directors intends to recommend that a substantial part of the net investment income (i.e. investment income net of withholding taxes less expenses) be distributed to shareholders of these share classes. A share class may not actually pay a dividend in any given accounting period if it has no or no significant net investment income. Certain share classes may however pay dividends on a regular basis and/or based on fixed amounts, in which case the amount paid out as dividends may exceed that of their net investment income. Details of actual distributions from this year can be found in note 4 to the financial statements.

e. Accounting period

The accounting year of CIP begins on 1 April and terminates on 31 March of the following year.

2) Significant accounting policies**a. General**

These financial statements are prepared in accordance with the terms of the Articles of Incorporation, the Prospectus, the Simplified Prospectus, written contractual agreements and Luxembourg laws, practices and regulatory requirements.

b. Valuation of investments

- i. Except as otherwise provided in (iv) below, securities that are listed on an official stock exchange or traded on any other regulated market are valued at the relevant valuation date's closing price on the principal market on which they are traded and/or as furnished by a pricing service approved by the Board of Directors; and other securities are valued at prices furnished by, or yield equivalents obtained from, one or more dealers or such pricing service.
- ii. Securities issued by UCITS or UCIs will be valued at their last available net asset value on the relevant valuation date; they may be valued in accordance with item (i), where such securities are listed.
- iii. Money market instruments will be valued at nominal value plus any accrued interest or using an amortised cost method, provided that this method of valuation ensures that such assets will be valued at their fair value as determined in good faith pursuant to the procedure established by the Board of Directors.
- iv. If a price cannot be obtained for a security or such price is not representative of the security's fair value, such security will be valued at the fair value at which it is expected that it may be resold, as determined by or under the direction of the Board of Directors.

c. Foreign currencies

Assets and liabilities in currencies other than US dollars have been translated into US dollars at the prevailing exchange rates as at 31 March 2011. Transactions during the year in currencies other than US dollars have been translated at rates prevailing at the time of the transaction. The variation of the net unrealised exchange gains or losses on open forward foreign exchange contracts and on other assets and liabilities between 31 March 2010 and 31 March 2011 is disclosed in "net change in unrealised appreciation/(depreciation) on foreign currency transactions". The net realised gains or losses on exchange, including on open forward foreign exchange contracts closed during the year, are disclosed in "net realised gain/(loss) on foreign currency transactions".

d. Income

Dividends are taken into income on the date upon which the relevant securities are first listed as ex-dividend. Interest income is accrued on a daily basis. Premiums and discounts are amortised on a straight-line basis.

e. Realised gain or loss on sale of investments

The realised gain or loss on sale of investment securities is determined on the average cost basis.

f. Organisation costs

Organisation costs may be amortised over a period of five years on a straight-line basis. Restructuring costs may be amortised over a period of three years on a straight-line basis.

3) Fees and expenses

a. Management fee

CIP pays the management fee at the annual rates specified below. The amount of management fee paid is used by CIP to compensate the Investment Adviser for its investment advisory services and may be used to compensate the distributors and other intermediaries for day-to-day services to investors or similar services in relation to investments made with their assistance.

	Class						
	A, X and equivalent classes	B and equivalent classes	C and equivalent classes ¹	R4	R7	T	Y and equivalent classes ¹
Capital International Emerging Markets Debt	1.00%	1.50%	–	60%	50%	1.75%	–
Capital International Emerging Markets US Dollar Debt ³	1.00%	1.50%	–	60%	50%	1.75%	–
Capital International Emerging Markets Local Currency Debt ⁴	1.00%	1.50%	–	60%	50%	1.75%	–
Capital International Emerging Markets Total Opportunities	1.25%	1.75%	–	90%	0.85%	2.00%	–
Capital International Emerging Asia Equity ⁵	1.25%	1.75%	–	90%	– ²	2.00%	–

¹ Investments in shares of class C, Y and equivalent classes may only be made by investors having entered into a separate agreement with respect to management fees.

² Share classes not available.

³ This fund was launched on 7 October 2010.

⁴ This fund was launched on 10 August 2010.

⁵ This fund was launched on 29 March 2011.

b. Related party transactions

CIP paid Capital International Sàrl a total fee of \$205,204 for administrative services rendered during the year ended 31 March 2011.

c. Reimbursement of expenses

Each share class is designed to support the needs of different investor types and has a different total expense ratio that affects the returns to shareholders. CIP's Prospectus and Simplified Prospectus, both available on our website, capitalinternationalfunds.com, explain further the differences between share classes.

Capital International Sàrl or one of its affiliates ("Capital International") established a reimbursement threshold so that the total expense ratio of each fund's open and active share classes (excluding management fees) did not exceed:

- 0.39% per annum for class B, T, X and equivalent classes;
- 0.34% per annum for class Y and equivalent classes;
- 0.20% per annum for class A, C, R4 and equivalent classes for Capital International Emerging Asia Equity.
- 0.15% per annum for class A, C, R4, R7 and equivalent classes for all funds except Capital International Emerging Asia Equity;

As a result, for the year ended 31 March 2011, the total amounts of the reimbursement accrued daily in the funds and to be paid by Capital International Sàrl were as indicated below.

This reimbursement policy may be changed or withdrawn at any time at the sole discretion of Capital International.

Capital International Emerging Markets Debt	\$269,127
Capital International Emerging Markets US Dollar Debt¹	5,812
Capital International Emerging Markets Local Currency Debt²	5,589
Capital International Emerging Markets Total Opportunities	271,488
Capital International Emerging Asia Equity³	271
	\$552,287

¹ This fund was launched on 7 October 2010.

² This fund was launched on 10 August 2010.

³ This fund was launched on 29 March 2011.

4) Dividend distribution

On 31 March 2010, CIP declared the following dividends:

	Ex-date	Pay-date	Dividend per share Class Cd
Capital International Emerging Markets Debt	1 Apr 10	15 Apr 10	\$0.7337
Capital International Emerging Markets Total Opportunities	1 Apr 10	15 Apr 10	0.4181

The majority of net investment income received by the above share classes during the fiscal year ended 31 March 2010 has been distributed by way of dividend to shareholders of these share classes in the proportion required to comply with the requirements for “distributor status” in the United Kingdom. This “distributor status” has been granted in relation to the fiscal year ended 31 March 2010.

In addition, the following dividends were distributed during the year ended 31 March 2011:

	Ex-date	Pay-date	Dividend per share			
			Class Bd	Class Cd	Class Xd	Class Xdh-GBP
Capital International Emerging Markets Debt	1 Jul 10	15 Jul 10	n/a	\$0.1643	n/a	n/a
Capital International Emerging Markets Total Opportunities	1 Jul 10	15 Jul 10	n/a	0.1191	n/a	n/a
Capital International Emerging Markets Debt	1 Oct 10	15 Oct 10	n/a	0.1369	n/a	n/a
Capital International Emerging Markets Local Currency Debt	1 Oct 10	15 Oct 10	\$0.0445	n/a	\$0.0509	n/a
Capital International Emerging Markets Total Opportunities	1 Oct 10	15 Oct 10	n/a	0.1252	n/a	n/a
Capital International Emerging Markets Debt	3 Jan 11	18 Jan 11	0.0898	0.1609	0.0985	n/a
Capital International Emerging Markets US Dollar Debt	3 Jan 11	18 Jan 11	0.0546	n/a	0.0651	n/a
Capital International Emerging Markets Local Currency Debt	3 Jan 11	18 Jan 11	0.0936	n/a	0.1056	n/a
Capital International Emerging Markets Total Opportunities	3 Jan 11	18 Jan 11	0.0504	0.1095	0.0581	n/a

n/a Indicates that the share class was not active on ex-date.

On 31 March 2011, CIP declared the following dividends:

	Ex-date	Pay-date	Dividend per share			
			Class Bd	Class Cd	Class Xd	Class Xdh-GBP
Capital International Emerging Markets Debt	1 Apr 11	15 Apr 11	\$0.1053	\$0.1328	\$0.1201	n/a
Capital International Emerging Markets US Dollar Debt	1 Apr 11	15 Apr 11	0.0964	n/a	0.1073	n/a
Capital International Emerging Markets Local Currency Debt	1 Apr 11	15 Apr 11	0.0746	n/a	0.0859	n/a
Capital International Emerging Markets Total Opportunities	1 Apr 11	15 Apr 11	0.0349	0.0802	0.0482	\$0.0456

n/a Indicates that the share class was not active on ex-date.

The majority of net income received by the above share classes during the fiscal year ended 31 March 2011 has been distributed by way of dividend to shareholders of these share classes in the proportion required to comply with the requirements for “distributor status” in the United Kingdom. CIP intends to apply for this “distributor status” for all of the above share classes in relation to the dividend distributions for the fiscal year ended 31 March 2011. It should be noted that this “distributor status” is granted retroactively and that there can be no guarantee that it will be obtained or that, once obtained, it will be available in the future.

5) Taxation

a. Taxe d’abonnement

In Luxembourg, CIP is subject only to a tax (“taxe d’abonnement”) at the annual rate of 0.05% of the total net assets of each class of shares of each fund. However, as provided by the relevant Luxembourg laws in respect of share classes wholly held by institutional investors, a reduced tax rate of 0.01% per annum was applied in respect of class A, C, Cd and R7 shares, for the year ended 31 March 2011. It should be noted that there can be no guarantee that the benefit of such reduced rate will not be denied or that, once obtained, it will continue to be available in the future. Such tax is accrued daily, payable quarterly and calculated on the total net asset value (NAV) of each class at the end of the relevant quarter.

b. Provision for foreign taxes

Capital gains and income on securities received from other countries may be subject to capital gains or withholding taxes imposed by such countries. It is CIP’s policy to provide for any such significant potential liability for foreign capital gains and income taxes.

6) Net change in unrealised appreciation/(depreciation) on investments

	Capital International Emerging Markets Debt	Capital International Emerging Markets US Dollar Debt ¹	Capital International Emerging Markets Local Currency Debt ²
At 31 March 2011			
Investments at market value	\$780,078,496	\$24,329,989	\$25,221,847
Investments at cost	735,628,100	25,013,298	24,646,077
Net unrealised appreciation/ (depreciation) on investments	44,450,396	(683,309)	575,770
At 31 March 2010			
Investments at market value	\$431,040,861	—	—
Investments at cost	402,084,818	—	—
Net unrealised appreciation/ (depreciation) on investments	28,956,043	—	—
Net change in unrealised appreciation/ (depreciation) on investments	\$15,494,353	\$(683,309)	\$575,770

	Capital International Emerging Markets Total Opportunities	Capital International Emerging Asia Equity ³
At 31 March 2011		
Investments at market value	\$535,899,271	\$14,976,673
Investments at cost	492,141,099	14,567,731
Net unrealised appreciation/ (depreciation) on investments	43,758,172	408,942
At 31 March 2010		
Investments at market value	\$245,116,375	—
Investments at cost	226,717,292	—
Net unrealised appreciation/ (depreciation) on investments	18,399,083	—
Net change in unrealised appreciation/ (depreciation) on investments	\$25,359,089	\$408,942

¹ This fund was launched on 7 October 2010.² This fund was launched on 10 August 2010.³ This fund was launched on 29 March 2011.

7) Forward foreign exchange contracts

Forward foreign exchange contracts are valued on the basis of forward foreign exchange rates prevailing on the relevant reporting date and the resulting net change in unrealised gain or loss is included in the statement of operations and changes in net assets.

As at 31 March 2011, CIP had the following outstanding forward foreign exchange contracts:

Purchase		Sale		Maturity	Unrealised gain/(loss)
Capital International Emerging Markets Total Opportunities					
USD	2,145,000	AUD	2,119,544	7 April 2011	\$(46,114)
USD	3,706,413	CAD	3,611,899	7 April 2011	(6,439)
USD	389,000	BRL	650,564	14 April 2011	(10,065)
USD	16,941,000	EUR	12,151,490	15 April 2011	(300,627)
USD	2,871,599	EGP	17,387,530	18 April 2011	(35,410)
USD	3,265,000	GBP	2,030,889	21 April 2011	10,216
USD	1,062,199	ILS	3,775,991	21 April 2011	(24,152)
USD	7,437,000	ZAR	52,697,095	21 April 2011	(340,283)
USD	19,716,000	BRL	33,012,470	28 April 2011	(475,176)
USD	637,000	EUR	449,082	28 April 2011	(22)
USD	4,351,000	THB	131,922,320	28 April 2011	(5,624)
					\$(1,233,696)

8) Hedged equivalent classes¹

The hedged equivalent classes seek to limit the exposure of their shareholders to currencies other than the currency referred to in the relevant class's designation, through a systematic passive currency-hedging overlay performed by JP Morgan Chase Bank, N.A. on a significant part of the assets of the relevant fund attributable to these classes.

In the case of a net asset flow to or from such a class or fluctuation in the net asset value of the class, the passive currency-hedging overlay may not, or not immediately, be adjusted, unless the flow or fluctuation is significant. Passive currency-hedging overlay will not completely eliminate the exposure to currency movements, and proxy hedging may, for instance, be used when the underlying currency is not liquid or is closely linked to another currency. Shareholders of hedged equivalent classes should note that returns of hedged equivalent classes may be significantly different over time than those of unhedged classes and that passive currency-hedging overlay may limit their ability to benefit from the currency diversification undertaken within the portfolio (including partially offsetting the currency hedging undertaken at the level of the fund's portfolio).

The cost of passive currency-overlay hedging and gains/losses from hedging transactions are borne by the relevant hedged equivalent class(es).

The actual passive currency-hedging overlay methodology varies from fund to fund, as described in the following page.

¹ In this note, "hedging equivalent classes" include "dividend-distributing hedged equivalent classes" as well.

Capital International Emerging Markets Total Opportunities

Capital International Emerging Markets Total Opportunities aims at hedging 50% (with a reasonable margin of tolerance) of its exposure to US dollar, back into the currency referred to in the relevant hedged equivalent class designation.

As at 31 March 2011, Capital International Emerging Markets Total Opportunities had the following outstanding forward foreign exchange contracts relative to hedged equivalent classes:

					Unrealised gain/(loss)
Purchase		Sale		Maturity	
Xh-EUR					
EUR	1,481,598	USD	2,083,277	28 April 2011	\$18,369
Xdh-GBP					
GBP	1,120,012	USD	1,786,833	28 April 2011	8,001
					\$26,370

9) Subsequent events

The new prospectus dated May 2011 incorporates the following:

- The new Screened Emerging Markets Equity Fund.
- The new share class Tfd in Capital International Emerging Markets Debt.
- The renaming of share classes R4 and R7 into A4 and A7 respectively.

General information

Annual General Meeting

The Annual General Meeting of the shareholders of Capital International Portfolios (CIP) is held at the registered office of CIP in Luxembourg on the last Tuesday in July of each year or, if such day is not a Luxembourg business day, on the next business day. Notices of all general meetings are sent to shareholders at their addresses in the register of shareholders by post at least eight days prior to the meeting.

Information available to investors

Audited Annual Reports are mailed to shareholders at their registered addresses. The Prospectus, the Simplified Prospectus, the Articles of Incorporation, the audited Annual Report and unaudited Semi-Annual Report are made available free of charge at the registered office of CIP in accordance with Luxembourg law.

The net asset value per share can be obtained from the registered office of CIP. In addition, information about the funds is available on our website, capitalinternationalfunds.com

Statement of changes in portfolio

A statement giving the changes in the portfolios of investments for the year ended 31 March 2011 can be obtained free of charge from the registered office of CIP.

The Investment Adviser disclosure

The Investment Adviser and its affiliates (the “Affiliates”) will place trades with brokers who they believe will provide best execution. In accordance with market practice, Affiliates receive research, statistical and other similar services from brokers, all of which ultimately contribute to the efficient management of investment portfolios by Affiliates for the benefit of investors. Affiliates do not commit to any specific amount of business with these firms in exchange for such services, although they may take services received into account to select a broker among several who offer best execution. To reflect the current market practice whereby brokers expend substantial time and resources providing such services to investment managers, including Capital International, Affiliates attribute a nominal portion (less than 5%) of trade commissions to such services. Affiliates also pay cash for third-party research they receive. In addition, Affiliates’ employees are governed by a global Code of Ethics, which includes rigorous personal investing and gifts and entertainment policies. Affiliates also provide fund administration, investor servicing, registration, compliance, quality control and similar administrative services to the fund, for which they receive a reasonable compensation.

Audit report



To the Shareholders of Capital International Portfolios

We have audited the accompanying financial statements of Capital International Portfolios and of each of its sub-funds, which comprise the combined statement of net assets and the statement of investments as at 31 March 2011 and the combined statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the “Réviseur d’entreprises agréé”

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier”. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the “Réviseur d’entreprises agréé”, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the “Réviseur d’entreprises agréé” considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Capital International Portfolios and of each of its sub-funds as of 31 March 2011, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matters

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers S.à r.l.
Represented by

Luxembourg, 14 June 2011

Régis Malcourant

Other information

Registered Office

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L-2633 Senningerberg

Board of Directors

Luis Freitas de Oliveira

Chairman
Chairman
Capital International Sàrl
Geneva, Switzerland

A. Hamish Forsyth

Executive Vice President
Capital International Ltd
London, United Kingdom

Stephen Gosztony

President
Capital International Ltd
London, United Kingdom

Mark Brett

Senior Vice President
Capital International Ltd
London, United Kingdom

Laurentius Harrer

Senior Vice President
Capital Guardian Trust Company
Los Angeles, USA

Sinisa Vacic

Vice President
Capital International Sàrl
Geneva, Switzerland

Guido Caratsch

Vice President
Capital International Sàrl
Geneva, Switzerland

UCITS III Managers (Dirigeants)

Cynthia O’Gorman Schem

(from 1 May 2010)
Geneva, Switzerland

Elisabeth Honhon

Geneva, Switzerland

Mark Edmonds

(resigned on 30 April 2010)
Geneva, Switzerland

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