

An important message about the current market environment

These are challenging times for investors. Markets are volatile and each day seems to bring news of another major financial institution facing troubles. In this environment, we want to offer some reassurance.

We are maintaining close contact with our global network, including regulators and trading partners, to ensure we are aware of developments that could impact our funds. We are also paying close attention to the liquidity in the market and our funds' cash reserves.

Long-time investors and those who know Capital International will not be surprised to learn that our investment approach has not wavered, despite the market turbulence. In fact, this is probably a good time to remind investors of our approach to managing assets and why we do not change our philosophy depending on market conditions.

We know, as most investors do, that downturns are an inevitable part of market cycles. That knowledge does not make living through the current period any easier, but the Capital organization's experience weathering uncertain times in the past — from World War II through Vietnam, the S&L crisis and, more recently, the bursting of the tech bubble and 9/11 — helps us maintain perspective today.

We have always believed that the best way to create value for investors is through thoroughly researching and understanding an enterprise before investing in its securities. That belief has served investors well through periods of euphoria, as well as periods of uncertainty. The current market conditions have not changed that view.

In volatile times, such as the current period, it is easy to lose sight of the fact that stocks are shares of companies, not just slips of paper. Our job is to make the best assessment we can of what the value of those companies will be in three to five years, not to guess what the price of the stock will be next week.

More than 175 years ago, a Prussian military theorist name Carl von Clausewitz warned about reacting to "the vividness of transient events." When the market is in turmoil, we think investors turn to us — not to do something different, but to do what we have always done.

We will continue to do just that: Pay attention to risk, rely on thorough research and invest for the long term.