

# Capital International Portfolios

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## Semi-annual Report 2011

For the six months ended 30 September 2011

Société d'Investissement à Capital Variable  
organised under the laws of the Grand Duchy of Luxembourg  
R.C.S. Luxembourg B 125.271



# Capital International Portfolios

Semi-annual Report for the six months ended 30 September 2011

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# Report of the Board of Directors to the shareholders

For the six months ended 30 September 2011

The following pages contain the unaudited financial report for the six months ended 30 September 2011 for the six funds that comprise Capital International Portfolios.

In spite of the market downturn towards the end of the period, Capital International Portfolios' combined total net assets increased from \$1.4 billion to \$1.5 billion, lifted by net subscriptions of \$119 million in the existing funds and the launch of a new fund. A more detailed breakdown of the change in total net assets for each fund is shown on pages 10 and 11.

The table on pages 7 and 8 provides an overview of each fund's results in US dollars. Steep declines in the value of emerging markets securities weighed on returns over the period given that all funds in the umbrella invest in emerging markets. Nevertheless, the portfolio managers believe that the long-term case for investing in emerging markets remains compelling and that valuations have reached particularly attractive levels as a result of the recent weakness.

## Significant corporate activity during the year included:

### Fund launch

Screened Emerging Markets Equity was launched on 23 August. The fund seeks to achieve long-term growth of capital by investing primarily in emerging markets equities screened for compliance with environmental, social and governance standards by an independent third-party service provider.

### Share class adjustments

Changes to the share classes offered within Capital International Portfolios are listed below:

- Capital International Emerging Markets Total Opportunities share class A4 was launched on 31 May.
- Sterling and Swiss franc hedged share classes for Capital International Emerging Markets Total Opportunities were also created: share class Ch-GBP was launched on 7 April, Ch-CHF was launched on 27 June and Bh-CHF was launched on 14 July.
- Capital International Emerging Markets Total Opportunities share class Cd was closed on 31 May.
- Capital International Emerging Markets Debt share class Tfd was launched on 1 June.

### Dividends

Dividends for Capital International Emerging Markets Total Opportunities and our three emerging markets debt funds – Capital International Emerging Markets Debt, Capital International Local Currency Emerging Markets Debt and Capital International US Dollar Debt – were declared on 31 March, 30 June and 30 September, with pay dates of 15 April, 15 July and 17 October, respectively. Capital International Emerging Markets Debt share class Tfd paid a monthly dividend. 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 Annual Report at the end of March 2012.

The Board of Directors  
Capital International Portfolios  
Luxembourg, 28 November 2011

# Summary information

As at 30 September 2011

	<b>Capital International Emerging Markets Debt</b>		<b>Capital International Emerging Markets US Dollar Debt</b>		<b>Capital International Emerging Markets Local Currency Debt</b>	
<b>Fund objective</b>	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.	
<b>Key facts</b>						
<b>Launch date</b>	24 July 2007		7 October 2010		10 August 2010	
<b>Size</b>	\$721.3m		\$23.6m		\$25.1m	
<b>Index<sup>1</sup></b>	50% JPM EMBI Global & 50% JPM GBI-EM Global Diversified		JPM EMBI Global		JPM GBI-EM Global Diversified	
<b>Turnover<sup>2</sup></b>	56%		n/a		36%	
<b>Income yield<sup>3</sup></b>	Gross	5.97%	Gross	n/a	Gross	5.72%
	Net	5.76%	Net	n/a	Net	5.43%
<b>Total expense ratio by share class<sup>4</sup></b>	A	1.15%	B	1.82%	B	1.83%
	B	1.72%	Bd	1.82%	Bd	1.83%
	Bd	1.72%	C	0.15%	C	0.15%
	C	0.15%	X	1.32%	X	1.33%
	Cd	0.15%	Xd	1.32%	Xd	1.33%
	T	1.98%				
	Tfd <sup>5</sup>	1.99%				
	X	1.24%				
	Xd	1.24%				
<b>Portfolio managers (years at Capital Group)</b>	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 6.

	<b>Capital International Emerging Markets Total Opportunities</b>		<b>Capital International Emerging Asia Equity</b>		<b>Screened Emerging Markets Equity</b>	
<b>Fund objective</b>	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.		Long-term capital growth by investing primarily in equity of emerging markets screened for environmental, social and governance purposes by an independent third party service provider.	
<b>Key facts</b>						
<b>Launch date</b>	1 February 2008		29 March 2011		23 August 2011	
<b>Size</b>	\$622.0m		\$11.8m		\$115.6m	
<b>Index<sup>1</sup></b>	JPM GBI-EM Global Diversified JPM EMBI Global MSCI Emerging Markets IMI		MSCI Emerging Markets Asia		MSCI Emerging Markets	
<b>Turnover<sup>2</sup></b>	62%		n/a		n/a	
<b>Income yield<sup>3</sup></b>	Gross	4.56%	Gross	n/a	Gross	n/a
	Net	4.25%	Net	n/a	Net	n/a
<b>Total expense ratio by share class<sup>4</sup></b>	A	1.40%	B	2.14%	C <sup>5</sup>	0.28%
	A4 <sup>5</sup>	1.05%	Bd	2.14%		
	A7 <sup>6</sup>	1.00%	C	0.20%		
	B	2.01%	X	1.64%		
	Bd	2.01%	Xd	1.64%		
	Bh-CHF <sup>5</sup>	2.01%				
	C	0.15%				
	Ch-CHF <sup>5</sup>	0.15%				
	Ch-GBP <sup>5</sup>	0.15%				
	T	2.26%				
	X	1.52%				
	Xd	1.51%				
	Xdh-GBP	1.51%				
	Xh-EUR	1.51%				
<b>Portfolio managers (years at Capital Group)</b>	Laurentius Harrer	17	Christopher Choe	21	Christopher Choe	21
	Luis Oliveira	17	Claire Cui	15	David Fisher	41
	Shaw Wagener	29			Victor Kohn	25
					Luis Oliveira	17
					Lisa Thompson	16
					Shaw Wagener	29

Footnotes are on page 6.

- <sup>1</sup> These indices are shown on an indicative basis only in order to provide a reference point for the investment results.
- <sup>2</sup> 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 118% for Capital International Emerging Markets Debt, 92% for Capital International Emerging Markets Local Currency Debt and 105% for Capital International Emerging Markets Total Opportunities. Turnover is not disclosed for Capital International Emerging Markets US Dollar Debt, Capital International Emerging Asia Equity and Screened Emerging Markets Equity, as the funds are less than 12 months old.
- <sup>3</sup> 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 Asia Equity and Screened Emerging Markets 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.
- <sup>4</sup> 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.
- <sup>5</sup> This share class was launched during the period.
- <sup>6</sup> This share class was renamed during the period.



# Results

As at 30 September 2011

Fund and share class	Launch date <sup>2</sup>	Total returns % <sup>1</sup>			Annualised returns % <sup>1</sup>
		Calendar			Lifetime
		6 months	YTD	2010	
<b>Capital International Emerging Markets Debt</b>	<b>24 Jul 2007</b>				
A	24 Jul 2007	(5.7)	(4.5)	12.2	5.2
B	8 Jun 2009	(6.0)	(4.9)	11.6	4.6
Bd <sup>5</sup>	10 Nov 2010	(6.0)	(4.9)	11.6	4.6
C	28 Mar 2008	(5.3)	(3.8)	13.4	6.3
Cd	28 Oct 2008	(5.2)	(3.7)	13.3	6.3
T	10 Jun 2010	(6.2)	(5.1)	11.3	4.3
Tfd <sup>5</sup>	1 Jun 2011	(6.2)	(5.1)	11.3	4.3
X	24 Jul 2007	(5.7)	(4.6)	12.2	5.1
Xd <sup>5</sup>	10 Nov 2010	(5.8)	(4.6)	12.1	5.1
50% JPM EMBI Global Diversified / 50% JPM GBI-EM Global Diversified <sup>3,4</sup>		(1.4)	0.5	13.9	8.2
<b>Capital International Emerging Markets US Dollar Debt<sup>5</sup></b>	<b>7 Oct 2010</b>				
B	7 Oct 2010	(5.0)	(5.2)	–	(6.0)
Bd	7 Oct 2010	(4.8)	(5.1)	–	(5.9)
C	7 Oct 2010	(4.1)	(3.9)	–	(4.4)
X	7 Oct 2010	(4.6)	(4.7)	–	(5.5)
Xd	7 Oct 2010	(4.7)	(4.8)	–	(5.5)
JPM EMBI Global in USD <sup>4</sup>		2.1	3.2	–	0.3
<b>Capital International Emerging Markets Local Currency Debt</b>	<b>10 Aug 2010</b>				
B	10 Aug 2010	(5.5)	(5.4)	–	(0.6)
Bd	10 Aug 2010	(5.5)	(5.3)	–	(0.6)
C	10 Aug 2010	(4.7)	(4.2)	–	1.1
X	10 Aug 2010	(5.3)	(5.0)	–	(0.1)
Xd	10 Aug 2010	(5.3)	(5.1)	–	(0.1)
JPM EM Global Diversified <sup>4</sup> JPMorgan family in USD <sup>4</sup>		(4.9)	(2.2)	–	2.3

Footnotes are on page 9.

Fund and share class	Launch date <sup>2</sup>	Total returns % <sup>1</sup>			Annualised returns % <sup>1</sup>
		Calendar			Lifetime
		6 months	YTD	2010	
<b>Capital International Emerging Markets Total Opportunities</b>	<b>1 Feb 2008</b>				
A	14 Sep 2009	(11.2)	(9.9)	10.9	1.9
A4 <sup>5</sup>	31 May 2011	(10.9)	(9.6)	11.4	2.3
A7 <sup>5</sup>	27 Jan 2011	(10.9)	(9.6)	11.3	2.4
B	8 Jun 2009	(11.4)	(10.3)	10.2	1.4
Bd <sup>5</sup>	10 Nov 2010	(11.4)	(10.3)	10.3	1.4
Bh-CHF <sup>5</sup>	14 Jul 2011	–	–	–	(16.7)
C	1 Feb 2008	(10.5)	(9.1)	12.3	3.3
Ch-CHF <sup>5</sup>	27 Jun 2011	–	–	–	(14.1)
Ch-GBP <sup>5</sup>	7 Apr 2011	–	–	–	(14.1)
T	10 Jun 2010	(11.5)	(10.4)	9.9	1.1
X	1 Feb 2008	(11.1)	(9.9)	10.8	1.9
Xd <sup>5</sup>	10 Nov 2010	(11.1)	(10.0)	10.8	1.9
Xdh-GBP <sup>5</sup>	10 Jan 2011	(12.4)	–	–	(9.2)
Xh-EUR <sup>5</sup>	5 Jan 2011	(13.5)	–	–	(9.4)
JPM GBI-EM Global Diversified <sup>4</sup>		(4.9)	(2.2)	15.7	7.0
JPM EMBI Global <sup>4</sup>		2.1	3.2	12.0	7.6
MSCI Emerging Markets IMI <sup>4</sup>		(23.6)	(22.5)	19.9	(3.6)
<b>Capital International Emerging Asia Equity<sup>5</sup></b>	<b>29 Mar 2011</b>				
B	29 Mar 2011	(25.6)	–	–	(23.8)
Bd	29 Mar 2011	(25.6)	–	–	(23.8)
C	29 Mar 2011	(24.8)	–	–	(23.0)
X	29 Mar 2011	(25.4)	–	–	(23.6)
Xd	29 Mar 2011	(25.4)	–	–	(23.6)
MSCI EM Asia with net dividends reinvested <sup>4</sup>		(21.3)	–	–	(19.4)
<b>Screened Emerging Markets Equity<sup>5</sup></b>	<b>23 Aug 2011</b>				
C	23 Aug 2011	–	–	–	(10.8)
MSCI Emerging Markets <sup>4</sup>		–	–	–	(10.4)

Footnotes are on page 9.

### 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, A2, A4, A7, C 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, T shares and their equivalent classes, where available, 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 7 to the financial statements).

Realised daily volatility <sup>6</sup>	Calendar		Lifetime
	YTD	2010	
<b>Capital International Emerging Markets Total Opportunities<sup>7</sup></b>	9.5	8.4	11.3
JPM GBI-EM Global Diversified <sup>8</sup>	9.5	10.0	12.6
JPM EMBI Global <sup>8</sup>	4.6	4.8	8.8
MSCI Emerging Markets IMI <sup>8</sup>	20.2	17.5	27.3

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

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

<sup>5</sup> Lifetime returns relate to a period of less than a year and are not annualised.

<sup>6</sup> Realised daily volatility (annualised standard deviation) is based on daily observations in USD and is annualised on a 252-day factor.

<sup>7</sup> Based on share class X returns.

<sup>8</sup> Indices shown are for indicative purposes only.

# Historical data

## Net asset value per share and total net assets

	as at 30 September 2011	as at 31 March 2011	as at 31 March 2010
<b>Capital International Emerging Markets Debt</b>			
Class A	\$12.37	\$13.12	\$12.03
Class B	12.17	12.95	11.94
Class Bd	11.85	12.86	–
Class C	12.81	13.52	12.27
Class Cd	10.92	11.83	11.92
Class T	12.13	12.93	–
Class Tfd	11.98	–	–
Class X	12.31	13.06	11.99
Class Xd	11.94	12.96	–
<b>Total net assets (000s)</b>	<b>\$721,261</b>	<b>\$794,193</b>	<b>\$441,640</b>
<b>Capital International Emerging Markets US Dollar Debt</b>			
Class B	\$9.40	\$9.89	–
Class Bd	9.16	9.83	–
Class C	9.56	9.97	–
Class X	9.45	9.91	–
Class Xd	9.17	9.85	–
<b>Total net assets (000s)</b>	<b>\$23,622</b>	<b>\$24,779</b>	<b>–</b>
<b>Capital International Emerging Markets Local Currency Debt</b>			
Class B	\$9.93	\$10.51	–
Class Bd	9.63	10.38	–
Class C	10.13	10.63	–
Class X	9.99	10.55	–
Class Xd	9.64	10.39	–
<b>Total net assets (000s)</b>	<b>\$25,065</b>	<b>\$26,368</b>	<b>–</b>

Footnotes are on page 11.

	as at 30 September 2011	as at 31 March 2011	as at 31 March 2010
<b>Capital International Emerging Markets Total Opportunities</b>			
Class A	\$10.73	\$12.08	\$10.96
Class A4	10.77	–	–
Class A7	10.77	12.09	–
Class B	10.59	11.95	10.91
Class Bd	10.44	11.90	–
Class Bh-CHF	10.03	–	–
Class C	11.26	12.58	11.28
Class Cd <sup>1</sup>	–	11.66	11.20
Class Ch-CHF	10.76	–	–
Class Ch-GBP	11.00	–	–
Class T	10.55	11.92	–
Class X	10.72	12.06	10.95
Class Xd	10.52	11.99	–
Class Xdh-GBP	10.58	12.24	–
Class Xh-EUR	10.84	12.53	–
<b>Total net assets (000s)</b>	<b>\$621,976</b>	<b>\$550,637</b>	<b>\$250,695</b>
<b>Capital International Emerging Asia Equity</b>			
Class B	\$7.62	\$10.24	–
Class Bd	7.62	10.24	–
Class C	7.70	10.24	–
Class X	7.64	10.24	–
Class Xd	7.64	10.24	–
<b>Total net assets (000s)</b>	<b>\$11,772</b>	<b>\$15,364</b>	–
<b>Screened Emerging Markets Equity<sup>2</sup></b>			
Class C	\$8.92	–	–
<b>Total net assets (000s)</b>	<b>\$115,563</b>	–	–

<sup>1</sup> This share class was closed during the period.

<sup>2</sup> This fund was launched on 23 August 2011.

# Portfolio breakdown

As at 30 September 2011

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## Capital International Emerging Markets Debt

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<b>Sector diversification</b>	<b>%</b>
Government	78.6
Financials	3.5
Energy	2.8
Utilities	1.3
Materials	0.5
Telecommunication services	0.5
Industrials	0.4
Consumer staples	0.3
Consumer discretionary	0.2
Cash and equivalents	11.9

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<b>Asset type diversification</b>	<b>%</b>
Local currency debt	54.9
Dollar-denominated debt	33.2
Cash and equivalents	11.9

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<b>Currency diversification after portfolio hedging</b>	<b>%</b>
US dollar	58.7
Brazilian real	7.6
Mexican peso	7.5
Turkish lira	4.9
Colombian peso	3.1
Uruguayan peso	2.9
Russian rouble	2.5
Indonesian rupiah	2.5
Polish zloty	2.1
South Korean won	1.9
South African rand	1.7
Hungarian forint	1.6
Malaysian ringitt	1.2
Philippine peso	1.2
Other	0.6

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**Capital International Emerging Markets US Dollar Debt**

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<b>Sector diversification</b>	<b>%</b>
Government	84.0
Telecommunication services	4.3
Utilities	3.2
Energy	2.0
Consumer discretionary	1.6
Materials	0.8
Cash and equivalents	4.1

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<b>Currency diversification after portfolio hedging</b>	<b>%</b>
US dollar	85.7
Mexican peso	4.6
Brazilian real	3.4
Indonesian rupiah	2.8
Argentine peso	2.1
Other	1.4

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<b>Asset type diversification</b>	<b>%</b>
Dollar-denominated debt	67.6
Local currency debt	28.3
Cash and equivalents	4.1

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**Capital International Emerging Markets Local Currency Debt**

<b>Sector diversification</b>	<b>%</b>
Government	86.5
Telecommunication services	1.0
Energy	0.4
Cash and equivalents	12.1

<b>Asset type diversification</b>	<b>%</b>
Local currency debt	78.3
Dollar-denominated debt	9.6
Cash and equivalents	12.1

<b>Currency diversification after portfolio hedging</b>	<b>%</b>
US dollar	32.3
Mexican peso	10.3
Indonesian rupiah	9.7
Brazilian real	8.2
Turkish lira	7.1
Colombian peso	6.1
Uruguayan peso	4.7
South African rand	4.3
Russian rouble	4.3
Hungarian forint	2.9
Malaysian ringitt	2.5
Thailand baht	2.5
Polish zloty	1.9
South Korean won	1.2
Chilean peso	1.1
Other	0.9



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**Capital International Emerging Markets Total Opportunities**

<b>Sector diversification</b>	<b>%</b>
Government	40.1
Financials	10.1
Telecommunication services	8.3
Materials	8.0
Information technology	7.7
Energy	7.3
Consumer staples	3.0
Industrials	2.1
Consumer discretionary	1.9
Utilities	0.8
Cash and equivalents	10.7

<b>Asset type diversification</b>	<b>%</b>
Equity	38.6
Dollar-denominated debt	26.8
Local currency debt	23.9
Cash and equivalents	10.7

<b>Currency diversification after portfolio hedging</b>	<b>%</b>
US dollar	59.4
British pound	8.2
Hong Kong dollar	4.3
Taiwan dollar	4.3
Brazilian real	4.0
South Korean won	2.8
Indian rupee	2.8
Mexican peso	2.1
Malaysian ringitt	2.0
Thailand baht	1.9
South African rand	1.2
Euro	1.2
Swiss franc	1.1
Uruguayan peso	1.1
Other	3.6

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**Capital International Emerging Asia Equity**

<b>Sector diversification</b>	<b>%</b>
Information technology	21.9
Financials	16.5
Consumer discretionary	11.0
Materials	9.4
Energy	8.9
Consumer staples	6.8
Industrials	6.4
Telecommunication services	5.0
Utilities	2.3
Health care	2.3
Cash and equivalents	9.5

<b>Currency diversification after portfolio hedging</b>	<b>%</b>
Hong Kong dollar	25.2
US dollar	22.3
South Korean won	18.9
Taiwan dollar	12.8
Malaysian ringitt	6.6
Thailand baht	5.5
Indonesian rupiah	4.4
Singapore dollar	1.8
Australian dollar	1.5
Philippine peso	1.0

<b>Asset type diversification</b>	<b>%</b>
Equity	90.5
Cash and equivalents	9.5

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**Screened Emerging Markets Equity**

<b>Sector diversification</b>	<b>%</b>
Financials	19.6
Materials	15.1
Information technology	13.2
Energy	12.1
Telecommunication services	10.4
Industrials	9.3
Consumer discretionary	7.4
Consumer staples	6.0
Utilities	1.2
Health care	1.1
Government	0.1
Cash and equivalents	4.5

<b>Asset type diversification</b>	<b>%</b>
Equity	95.4
Local currency debt	0.1
Cash and equivalents	4.5

<b>Currency diversification after portfolio hedging</b>	<b>%</b>
US dollar	31.0
Hong Kong dollar	17.8
Indian rupee	10.1
South Korean won	8.1
Taiwan dollar	6.4
Brazilian real	4.4
Malaysian ringitt	3.9
British pound	3.5
Indonesian rupiah	2.8
Thailand baht	2.7
South African rand	2.1
Mexican peso	1.9
Polish zloty	1.4
Other	3.9

# Combined statement of net assets

As at 30 September 2011

	Capital International Emerging Markets Debt	Capital International Emerging Markets US Dollar Debt
<b>Assets</b>		
Investments at market value (note 2b)	\$635,232,068	\$22,647,377
Cash at bank and deposits	69,832,832	389,008
Dividend and interest receivable (net of withholding taxes)	10,235,450	419,054
Unrealised gain on forward foreign exchange contracts (note 6)	2,863,252	60,946
Receivable for investments sold	2,597,772	147,450
Receivable for fund shares subscribed	4,106,409	–
Receivable on closed forward foreign exchange contracts	–	–
Prepaid expenses and other receivables	183,301	3,735
Organisation costs (note 2f)	14,973	–
<b>Total assets</b>	<b>725,066,057</b>	<b>23,667,570</b>
<b>Liabilities</b>		
Payable for investments purchased	3,107,984	–
Unrealised loss on hedged share class forward foreign exchange contracts (note 7)	–	–
Accrued expenses and other payables	341,972	24,990
Management fee payable (note 3a)	276,655	20,436
Payable on closed forward foreign exchange contracts	77,391	–
Payable for fund shares redeemed	643	–
Payable for foreign taxes (note 5b)	–	–
<b>Total liabilities</b>	<b>3,804,645</b>	<b>45,426</b>
<b>Total net assets</b>	<b>\$721,261,412</b>	<b>\$23,622,144</b>
<b>Investments at cost</b>	<b>\$665,625,686</b>	<b>\$25,174,449</b>

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

Capital International Emerging Markets Local Currency Debt	Capital International Emerging Markets Total Opportunities	Capital International Emerging Asia Equity	Screened Emerging Markets Equity	Combined
\$22,028,145	\$555,627,231	\$10,651,790	\$110,406,902	\$1,356,593,513
2,750,130	56,031,915	1,097,515	5,088,874	135,190,274
308,907	4,886,581	3,532	155,897	16,009,421
52,311	5,110,897	–	132,760	8,220,166
–	3,074,482	130,804	915,239	6,865,747
–	73,709	–	–	4,180,118
1,211	3,143,990	–	250,181	3,395,382
5,863	336,443	5,172	10,976	545,490
–	23,993	–	–	38,966
<b>25,146,567</b>	<b>628,309,241</b>	<b>11,888,813</b>	<b>116,960,829</b>	<b>1,531,039,077</b>
31,179	4,668,520	90,284	1,362,416	9,260,383
–	1,151,706	–	–	1,151,706
28,310	302,080	13,134	35,265	745,751
21,898	210,183	13,242	–	542,414
–	–	–	–	77,391
–	518	–	–	1,161
–	–	–	138	138
<b>81,387</b>	<b>6,333,007</b>	<b>116,660</b>	<b>1,397,819</b>	<b>11,778,944</b>
<b>\$25,065,180</b>	<b>\$621,976,234</b>	<b>\$11,772,153</b>	<b>\$115,563,010</b>	<b>\$1,519,260,133</b>
<b>\$23,320,856</b>	<b>\$606,161,987</b>	<b>\$13,618,914</b>	<b>\$125,227,199</b>	<b>\$1,459,129,091</b>

# Combined statement of operations and changes in net assets

For the six months ended 30 September 2011

	Capital International Emerging Markets Debt	Capital International Emerging Markets US Dollar Debt
<b>Income (note 2d)</b>		
Interest on bonds and convertible bonds (net of withholding taxes)	\$22,968,196	\$783,709
Dividend income (net of withholding taxes)	–	–
Interest on bank accounts and time deposits	2,764	155
	22,970,960	783,864
<b>Expenses</b>		
Management fee (note 3a)	1,701,390	127,411
Administrative Manager services	200,548	11,909
Professional services	216,598	6,544
Custody	201,685	4,140
Taxe d'abonnement (note 5a)	42,452	6,358
Other	46,884	1,233
Printing and publishing	42,398	1,536
Amortisation of organisation costs (note 2f)	8,359	–
	2,460,314	159,131
Reimbursement of expenses (note 3c)	151,312	15
<b>Net investment income/(loss) (a)</b>	<b>20,661,958</b>	<b>624,748</b>
Net realised gain/(loss) on:		
Sale of investments (note 2e)	12,503,718	3,660
Foreign currency transactions (note 2c)	(1,868,013)	(1,323)
<b>Net realised profit/(loss) for the period (b)</b>	<b>10,635,705</b>	<b>2,337</b>
Net change in unrealised appreciation/(depreciation) on:		
Investments	(74,844,014)	(1,843,763)
Foreign currency transactions (note 2c)	2,852,559	62,117
Foreign tax provision (note 5b)	–	–
<b>Net change in unrealised appreciation/(depreciation) for the period (c)</b>	<b>(71,991,455)</b>	<b>(1,781,646)</b>
<b>Result of operations for the period (a+b+c)</b>	<b>(40,693,792)</b>	<b>(1,154,561)</b>
<b>Dividend distribution (note 4)</b>	<b>(356,688)</b>	<b>(2,207)</b>
Net subscriptions/(redemptions) of shares for the period	(31,880,868)	–
Total net assets at the beginning of the period	794,192,760	24,778,912
<b>Total net assets at the end of the period</b>	<b>\$721,261,412</b>	<b>\$23,622,144</b>

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

Capital International Emerging Markets Local Currency Debt	Capital International Emerging Markets Total Opportunities	Capital International Emerging Asia Equity	Screened Emerging Markets Equity	Combined
\$734,139	\$8,728,895	–	\$1,592	\$33,216,531
–	5,436,412	\$202,601	398,792	6,037,805
161	7,336	171	–	10,587
734,300	14,172,643	202,772	400,384	39,264,923
137,005	1,186,372	92,419	–	3,244,597
12,804	200,548	6,921	10,129	442,859
7,050	170,607	14,862	14,612	430,273
7,532	188,123	4,333	7,443	413,256
6,836	45,390	5,491	1,325	107,852
1,378	42,675	1,010	2,180	95,360
1,326	30,300	748	1,198	77,506
–	8,961	–	–	17,320
173,931	1,872,976	125,784	36,887	4,829,023
23	187,170	4,655	–	343,175
<b>560,392</b>	<b>12,486,837</b>	<b>81,643</b>	<b>363,497</b>	<b>34,779,075</b>
(97,293)	(1,066,139)	(672,771)	(347,717)	10,323,458
(65,379)	(553,508)	(37,840)	620,767	(1,905,296)
<b>(162,672)</b>	<b>(1,619,647)</b>	<b>(710,611)</b>	<b>273,050</b>	<b>8,418,162</b>
(1,868,481)	(94,292,928)	(3,376,066)	(14,820,297)	(191,045,549)
65,607	5,090,227	5,999	131,761	8,208,270
–	–	–	(138)	(138)
<b>(1,802,874)</b>	<b>(89,202,701)</b>	<b>(3,370,067)</b>	<b>(14,688,674)</b>	<b>(182,837,417)</b>
<b>(1,405,154)</b>	<b>(78,335,511)</b>	<b>(3,999,035)</b>	<b>(14,052,127)</b>	<b>(139,640,180)</b>
<b>(2,040)</b>	<b>(470,863)</b>	–	–	<b>(831,798)</b>
104,804	150,145,507	407,559	129,615,137	248,392,139
26,367,570	550,637,101	15,363,629	–	1,411,339,972
<b>\$25,065,180</b>	<b>\$621,976,234</b>	<b>\$11,772,153</b>	<b>\$115,563,010</b>	<b>\$1,519,260,133</b>

# Notes to the financial statements

As at 30 September 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 until 30 June 2011 and under Part 1 of the law of 17 December 2010 since 1 July 2011. 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 six funds: Capital International Emerging Markets Debt, Capital International Emerging Markets US Dollar Debt, Capital International Emerging Markets Local Currency Debt, Capital International Emerging Markets Total Opportunities, Capital International Emerging Markets Asia Equity and Screened Emerging Markets Equity (launched on 23 August 2011).

### c. Share classes and currencies

CIP offers the following classes of shares: A, Ad, Afd, A2, A4, A7, B, Bd, Bfd, C, Cd, Cfd, T, Tfd, X, Xd, Xfd, 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 B and 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, Tfd, 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, A4, A7, B, Bd, Bh-CHF, C, Ch-CHF, Ch-GBP, T, X, Xd, Xdh-GBP and Xh-EUR;
- Capital International Emerging Markets Asia Equity: B, Bd, C, X and Xd;
- Screened Emerging Markets Equity: C.

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, A2, A4, A7, B, C, T, 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 period 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 30 September 2011. Transactions during the period 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 2011 and 30 September 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 period, 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	A2	A4	A7	B and equivalent classes	C and equivalent classes <sup>1</sup>	T and equivalent classes	Y and equivalent classes <sup>1</sup>
<b>Capital International Emerging Markets Debt</b>	1.00%	0.75%	0.60%	0.50%	1.50%	–	1.75%	–
<b>Capital International Emerging Markets US Dollar Debt</b>	1.00%	0.75%	0.60%	0.50%	1.50%	–	1.75%	–
<b>Capital International Emerging Markets Local Currency Debt</b>	1.00%	0.75%	0.60%	0.50%	1.50%	–	1.75%	–
<b>Capital International Emerging Markets Total Opportunities</b>	1.25%	– <sup>2</sup>	0.90%	0.85%	1.75%	–	2.00%	–
<b>Capital International Emerging Asia Equity</b>	1.25%	– <sup>2</sup>	0.90%	– <sup>2</sup>	1.75%	–	2.00%	–
<b>Screened Emerging Markets Equity</b>	1.25%	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	–	– <sup>2</sup>	– <sup>2</sup>

<sup>1</sup> 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.

<sup>2</sup> Share classes not available.

## b. Related party transactions

CIP paid Capital International Sàrl a total fee of \$151,910 for administrative services rendered during the six months ended 30 September 2011. This fee is accounted for under “Professional services” in the “Combined statement of operations and changes in net assets” of this report.

## 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](http://capitalinternationalfunds.com), explain further the differences between share classes.

Capital International Sàrl established a reimbursement threshold, with the exception of the Screened Emerging Markets Equity, so that the total expense ratio of each fund’s open and active share classes (excluding management fee) 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, A4 and equivalent classes for Capital International Emerging Asia Equity.

- 0.15% per annum for class A, C, A4, A7 and equivalent classes for all funds except Capital International Emerging Asia Equity;

As a result, for the six months ended 30 September 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 Sàrl.

Capital International Emerging Markets Debt	\$151,312
Capital International Emerging Markets US Dollar Debt	15
Capital International Emerging Markets Local Currency Debt	23
Capital International Emerging Markets Total Opportunities	187,170
Capital International Emerging Asia Equity	4,655
	<b>\$343,175</b>

#### 4) Dividend distribution

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 investment 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. This “distributor status” has been granted in relation to the fiscal year ended 31 March 2011.

The following dividends were distributed during the six months ended 30 September 2011:

	Ex-date	Pay-date	Dividend per share				
			Class Bd	Class Cd	Class Xd	Class Xdh-GBP	Class Tfd
<b>Capital International Emerging Markets Debt</b>	1 Jul 11	15 Jul 11	\$0.1508	\$0.1858	\$0.1684	n/a	\$0.0562 <sup>1</sup>
	1 Aug 11	8 Aug 11	–	–	–	n/a	0.0562
	1 Sep 11	8 Sep 11	–	–	–	n/a	0.0562
<b>Capital International Emerging Markets US Dollar Debt</b>	1 Jul 11	15 Jul 11	0.1126	n/a	0.1251	n/a	n/a
<b>Capital International Emerging Markets Local Currency Debt</b>	1 Jul 11	15 Jul 11	0.1170	n/a	0.1304	n/a	n/a
<b>Capital International Emerging Markets Total Opportunities</b>	1 Jul 11	15 Jul 11	0.0889	n/a	0.1124	\$0.1155	n/a

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

<sup>1</sup> Pay-date was 8 July 2011.

On 30 September 2011, CIP declared the following dividends:

	Ex-date	Pay-date	Dividend per share				
			Class Bd	Class Cd	Class Xd	Class Xdh-GBP	Class Tfd
<b>Capital International Emerging Markets Debt</b>	3 Oct 11	17 Oct 11	\$0.1070	\$0.1456	\$0.1292	n/a	\$0.0562 <sup>1</sup>
<b>Capital International Emerging Markets US Dollar Debt</b>	3 Oct 11	17 Oct 11	0.1063	n/a	0.1189	n/a	n/a
<b>Capital International Emerging Markets Local Currency Debt</b>	3 Oct 11	17 Oct 11	0.0737	n/a	0.0870	n/a	n/a
<b>Capital International Emerging Markets Total Opportunities</b>	3 Oct 11	17 Oct 11	0.0569	n/a	0.0709	\$0.0728	n/a

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

<sup>1</sup> Pay-date was 11 October 2011.

## 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, A4, A7 and C shares, for the six months ended 30 September 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) Forward foreign exchange contracts

For the purpose of efficient portfolio management and in order to achieve the most appropriate currency distribution, the fund enters into forward foreign exchange contracts aiming to reduce the risk of the depreciation in the value of specific currencies. The fund does not intend to systematically hedge currency exposures back to any currency.

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 30 September 2011, Capital International Portfolios had the following outstanding forward foreign exchange contracts:

Purchase		Sale		Maturity	Unrealised gain/(loss)
<b>Capital International Emerging Markets Debt</b>					
USD	8,831,322	BRL	15,000,000	14 October 2011	\$772,739
USD	4,402,124	PHP	192,725,000	18 October 2011	3,479
USD	3,903,092	IDR	36,454,875,000	18 October 2011	(77,854)
USD	11,072,691	BRL	19,950,000	21 October 2011	375,879
USD	11,040,032	TRY	19,950,000	21 October 2011	340,430
USD	4,826,101	MYR	15,125,000	21 October 2011	120,820
USD	5,228,993	ZAR	40,075,000	21 October 2011	256,840
USD	9,899,150	KRW	11,349,375,000	21 October 2011	379,975
USD	6,345,551	COP	11,816,050,000	21 October 2011	228,122
USD	19,278,661	PHP	841,475,000	21 October 2011	83,590
USD	2,377,192	MYR	7,525,000	25 October 2011	37,230
USD	7,312,949	ZAR	57,950,000	25 October 2011	127,368
USD	2,294,857	MXN	30,875,000	25 October 2011	67,178
USD	5,441,515	HUF	1,153,925,000	25 October 2011	177,898
USD	1,944,928	IDR	18,223,975,000	25 October 2011	(30,442)
					<b>\$2,863,252</b>
<b>Capital International Emerging Markets US Dollar Debt</b>					
USD	608,724	TRY	1,100,000	21 October 2011	\$18,770
USD	566,369	MYR	1,775,000	21 October 2011	14,179
USD	1,179,894	PHP	51,500,000	21 October 2011	5,116
USD	475,095	COP	884,675,000	21 October 2011	17,080
USD	616,462	IDR	5,609,800,000	21 October 2011	5,801
					<b>\$60,946</b>
<b>Capital International Emerging Markets Local Currency Debt</b>					
USD	456,324	KRW	523,175,000	21 October 2011	\$17,515
USD	546,896	COP	1,018,375,000	21 October 2011	19,661
USD	1,319,075	PHP	57,575,000	21 October 2011	5,720
USD	102,669	MYR	325,000	25 October 2011	1,608
USD	119,884	ZAR	950,000	25 October 2011	2,088
USD	117,066	MXN	1,575,000	25 October 2011	3,427
USD	120,367	HUF	25,525,000	25 October 2011	3,935
USD	104,984	IDR	983,700,000	25 October 2011	(1,643)
					<b>\$52,311</b>

Purchase		Sale		Maturity	Unrealised gain/(loss)
<b>Capital International Emerging Markets Total Opportunities</b>					
USD	888,000	EUR	624,135	7 October 2011	\$50,625
USD	1,107,000	GBP	686,409	7 October 2011	37,747
USD	840,000	CZK	14,227,920	7 October 2011	67,603
USD	9,260,000	GBP	5,795,070	12 October 2011	233,226
USD	10,252,000	MXN	128,160,252	12 October 2011	992,497
USD	2,816,000	PLN	9,037,473	17 October 2011	73,669
USD	1,086,000	KRW	1,249,443,000	17 October 2011	37,844
USD	10,832,000	KRW	12,400,473,600	17 October 2011	429,255
USD	5,284,338	EUR	3,873,779	17 October 2011	87,504
USD	297,000	AUD	288,098	21 October 2011	17,644
USD	386,000	PLN	1,238,558	21 October 2011	10,341
USD	7,735,000	TRY	13,913,486	24 October 2011	276,358
USD	19,672,000	BRL	35,478,452	24 October 2011	665,210
USD	9,658,000	MYR	30,171,592	24 October 2011	274,876
USD	1,183,000	ILS	4,364,797	24 October 2011	21,651
USD	8,746,000	MXN	115,615,123	24 October 2011	403,322
USD	11,798,000	PHP	516,044,520	24 October 2011	32,697
USD	8,361,000	IDR	76,126,905,000	24 October 2011	100,546
USD	2,755,000	PLN	9,237,240	26 October 2011	(45,114)
USD	5,686,000	CZK	105,003,362	26 October 2011	(15,150)
USD	5,939,000	IDR	56,182,940,000	26 October 2011	(144,376)
USD	830,000	CAD	853,962	27 October 2011	10,982
USD	2,224,000	AUD	2,253,338	31 October 2011	42,124
USD	9,881,000	BRL	15,779,957	1 November 2011	1,446,316
USD	1,620,000	BRL	3,024,216	1 November 2011	3,500
					<b>\$5,110,897</b>



Purchase		Sale		Maturity	Unrealised gain/(loss)
<b>Screened Emerging Markets Equity</b>					
USD	364,000	PLN	1,095,130	11 October 2011	\$31,470
USD	838,000	GBP	524,435	12 October 2011	21,106
USD	268,000	CZK	4,653,204	13 October 2011	15,382
USD	344,000	HUF	67,936,560	13 October 2011	33,663
USD	92,000	EUR	67,442	17 October 2011	1,523
USD	256,000	PLN	821,588	17 October 2011	6,697
USD	337,000	PLN	1,129,927	26 October 2011	(5,518)
USD	511,000	CZK	9,436,637	26 October 2011	(1,361)
USD	159,000	CAD	163,590	27 October 2011	2,104
USD	550,000	CAD	561,880	31 October 2011	11,164
USD	143,000	AUD	144,886	31 October 2011	2,709
USD	451,000	MXN	6,062,973	31 October 2011	13,821
					<b>\$132,760</b>

## 7) Hedged equivalent classes<sup>1</sup>

The hedged equivalent classes seek to mitigate 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.

<sup>1</sup> 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 hedged share classes aim at hedging 50% (with a reasonable margin of tolerance) of its Net Asset Value in US dollar back into the currency referred to in the relevant hedged equivalent class designation.

As at 30 September 2011, Capital International Emerging Markets Total Opportunities had the following outstanding forward foreign exchange contracts relative to hedged equivalent classes:

<b>Purchase</b>		<b>Sale</b>		<b>Maturity</b>	<b>Unrealised gain/(loss)</b>
<b>Bh-CHF</b>					
CHF	44,879	USD	51,604	20 October 2011	\$(2,180)
<b>Ch-CHF</b>					
CHF	6,392,808	USD	7,350,659	20 October 2011	(310,467)
<b>Xh-EUR</b>					
EUR	5,794,308	USD	8,022,445	20 October 2011	(249,312)
<b>Ch-GBP</b>					
GBP	19,205,043	USD	30,447,960	20 October 2011	(535,354)
<b>Xdh-GBP</b>					
GBP	1,951,479	USD	3,093,899	20 October 2011	(54,393)
					<b>\$(1,151,706)</b>

# 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 and with the laws of all relevant jurisdictions - see Authorised Agents and Country Paying Agents on page 35. In addition, the above documents may be obtained free of charge in paper form from the German paying and information agent.

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](http://capitalinternationalfunds.com)

## Statement of changes in portfolio

A statement giving the changes in the portfolios of investments for the six months ended 30 September 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. For the period ended 30 September 2011, there were no transactions through connected brokers and hence no commissions were paid to connected brokers since none of the Affiliates operate any brokerage activity. 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 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.

# Other information

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## Registered Office

6C, route de Trèves  
L-2633 Senningerberg

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## 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

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## UCITS Conducting Officers

### Cynthia O’Gorman Schem

Capital International Sàrl  
Geneva, Switzerland

### Elisabeth Honhon

(Resigned on 31 August 2011)  
Capital International Sàrl  
Geneva, Switzerland

### François Note

(From 1 September 2011)  
Capital International Sàrl  
Geneva, Switzerland

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## Custodian and Paying Agent

### J.P. Morgan Bank Luxembourg S.A.

6C, route de Trèves  
L-2633 Senningerberg

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## Administrative Manager

### J.P. Morgan Bank Luxembourg S.A.

6C, route de Trèves  
L-2633 Senningerberg

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## Auditor

### PricewaterhouseCoopers S.à r.l.

400, route d’Esch  
L-1471 Luxembourg

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### Authorised Agents and Country Paying Agents

Representative  
in Switzerland

**Capital International Sàrl**

3, place des Bergues  
CH-1201 Geneva

Paying and Information  
Agent in Germany

**J.P. Morgan Bank A.G.**

Junghofstraße 14  
D-60311 Frankfurt am Main

Agent and Paying Agent  
in The Netherlands

**Dexia Bank Nederland N.V.**

Herengracht 182  
NL-1016 BR Amsterdam

Agent and Paying Agent  
in Austria

**UniCredit Bank Austria A.G.**

Schottengasse 6-8  
A-1010 Wien

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### Investment Adviser

**Capital International Sàrl**

3, place des Bergues  
CH-1201 Geneva

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### Legal Adviser

**Linklaters LLP**

35, Avenue John F. Kennedy  
L-1855 Luxembourg

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### Additional information for investors in the Federal Republic of Germany

J.P. Morgan AG, Junghofstrasse 14, D-60311 Frankfurt am Main, has undertaken the function of Paying and Information Agent for the Company in the Federal Republic of Germany (the "German Paying and Information Agent"). Applications for the redemptions and conversion of shares may be sent to the German Paying and Information Agent. All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the German Paying and Information Agent.

The full prospectus, the simplified prospectuses, the Articles of Incorporation of the Company and the annual and semi-annual reports may be obtained, free of charge, at the office of the German Paying and Information Agent during normal opening hours. The statement of changes in the composition of the investment portfolio is also free of charge upon request at the office of the German Paying and Information Agent available.

Issue, redemption, and conversion prices of shares, and any other information to the shareholders, are also available from the German Paying and Information Agent.

The issue and redemption prices will be published on the website [www.fundinfo.com](http://www.fundinfo.com).

Any other information to the shareholders will be sent to the shareholders by mail.

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# Contact details

## Capital International Funds Services

Call **00 800 243 38637**

Toll free in EU and Switzerland (9am to 6pm CET)

For **Transaction or Account Information** select option 1  
or fax +352 22 74 43

For **Fund Information or Literature Requests** select option 2  
or fax +41 22 807 4400

From outside the EU and Switzerland  
tel +352 46 26 85 611 or fax +352 22 74 43

[capitalinternationalfunds.com](http://capitalinternationalfunds.com)



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**The Capital Group Companies**

Capital International

Capital Guardian

Capital Research and Management

Capital Bank and Trust

American Funds