Folder Title:	President Wolfensohn - Briefing Book for President's Meetings and Events - Dinner - Emerging Markets Growth Fund - 10th Anniversary Celebration - June 17, 1996
Folder ID:	30485634
Series:	Meeting and event briefing materials
Dates:	06/01/1995 – 06/17/1996
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Dinner: Emerging Markets Growth Fund 10th Anniversary Celebration

Monday, June 17, 1996
7:00 pm
OAS - Main Room

Archive Management for the President's Office

Document Log

Reference # : Archive-00769

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A. CLASSIFICATION

- [x] Meeting Material
- [ ] Trips
- [ ] Speeches
- [ ] Annual Meetings
- [ ] Corporate Management
- [ ] Communications with Staff
- [ ] Phone Logs
- [x] Calendar
- [ ] Press Clippings/Photos
- [ ] JDW Transcripts
- [x] Social Events
- [ ] Other

B. SUBJECT: DINNER: EMERGINING MARKETS GROWTH FUND 10TH ANNIVERSARY CELEBRATION

DATE: 09/07/96

C. VPU

Corporate
- [ ] CTR
- [ ] EXT
- [ ] LEG
- [ ] MPS
- [ ] OED
- [ ] SEC/Board
- [ ] TRE

Regional
- [ ] AFR
- [ ] EAP
- [ ] ECA
- [x] LAC
- [ ] MNA
- [ ] SAS

Central
- [ ] CFS
- [ ] DEC
- [ ] ESD
- [ ] FPD
- [ ] FPR
- [ ] HRO

Affiliates
- [ ] GEF
- [ ] ICSID
- [ ] IFC
- [ ] Inspection Panel
- [ ] Kennedy Center
- [ ] MIGA

D. EXTERNAL PARTNER

- [ ] IMF
- [ ] UN
- [ ] MDB/Other IO
- [x] NGO
- [ ] Private Sector
- [ ] Part I
- [ ] Part II
- [ ] Other

E. COMMENTS:

File Location	Cleared By	Date:
[ ] EXC [ ] IISC [x] Archives		09/07/96

EMERGING MARKETS GROWTH FUND℠

SEMI-ANNUAL REPORT

For the Six Months Ended December 31, 1995

SEEKS LONG-TERM GROWTH OF CAPITAL BY INVESTING IN COMPANIES OPERATING IN DEVELOPING COUNTRIES AROUND THE WORLD

FELLOW SHAREHOLDERS:

The first half of fiscal 1996 saw continued volatility in Emerging Markets Growth Fund's investment universe. Equity prices generally were rising as the period began. They began retreating again in August, and in December they turned around once more, staging a rally that continued after the close of the fiscal half-year.

In this environment, the fund held its ground quite well. For the six months ended December 31, the value of EMGF shares showed a very small decline of 0.8%, assuming reinvestment of an income dividend of 37 cents a share and a $1.27 capital gain distribution that were paid in December. This compares with a decline of 2.0% (including reinvestment) for the Morgan Stanley Capital International Emerging Markets Free (EMF) Index, which is unmanaged and tracks stock prices in 22 developing countries with markets open to foreign investors.

Even with these marginally negative results, Emerging Markets Growth Fund's long-term record remains impressive as the fund approaches its 10th anniversary. Since operations began in May 1986, EMGF has generated a total return of 908.3% and an average compound return of 27.3% a year.

In the July-December period, a majority of the 33 markets represented in the fund's portfolio fell in U.S. dollar terms. However, our three largest areas of concentration — Brazil, Mexico and Argentina — recorded gains in dollars as well as in local currency.

On December 31, the portfolio included investments in 328 companies. About one-third of the holdings held throughout the period rose in price for the six months; about two-thirds registered declines. Of the investments appearing on our Ten Largest list (page 6), eight went up, including our five biggest holdings which account for 14% of net assets. Our first and second largest are Brazilian utilities: Telecomunicações Brasileiras (Telebras) and Centrais Elétricas

Percent Change in Key Markets[1]

	Six Months Ended 12/31/95	
	Expressd in U.S. Dollars	*Expressd in Local Currency*
Argentina	+18.7%	+18.7%
Brazil	+2.2	+8.0
Chile	-15.0	-7.6
Colombia	-19.6	-9.4
Greece	-3.0	+2.0
Hong Kong	+8.5	+8.4
India	-15.5	-5.4
Indonesia	+0.5	+3.2
Israel	+6.6	+12.2
Jordan	-4.3	-2.4
Malaysia	-5.3	-1.4
Mexico (Free)[2]	+2.7	+26.5
Pakistan	-18.2	-9.6
Peru	+10.0	+14.1
Philippines (Free)[2]	-10.3	-7.9
Poland	-15.6	-11.0
Portugal	-5.0	-3.1
South Africa	+14.9	+15.2
South Korea[3]	-1.4	+0.9
Sri Lanka	-13.4	-7.7
Taiwan	-8.4	-3.2
Thailand	-8.3	-6.4
Turkey	-34.2	-9.4
Venezuela (Free)[2]	-16.1	+67.9
Emerging Markets Growth Fund	-0.8	

[1] *Including reinvestment. All indexes are compiled by* Morgan Stanley Capital International Perspective *and are unmanaged.*

[2] *The "free" Mexican, Philippine and Venezuelan stock indexes consist of securities that can be purchased by investors other than resident nationals.*

[3] *20% of the market capitalization of South Korea is included in the MSCI Emerging Markets Free Index.*

Brasileiras (Eletrobras). Both companies have shown increased profitability, largely as a result of higher tariffs. In our view, both should benefit if, as we expect, Brazil takes further steps toward privatization.

The setback that took place starting in August was concentrated in Latin America and brought to an end a rally that had been underway there since late March. The catalyst for the turnabout was a rather unusual development in Argentina. Highly publicized differences over policy arose between President Carlos Menem and his finance minister, Domingo Cavallo, the architect of that country's recovery plan. This was unsettling to some investors because Menem and Cavallo had been counted on to work together and continue steering Argentina toward a more capitalistic economy.

Indeed, quite a few investors began treating the Argentine situation as a proxy for Latin America as a whole. Their uneasiness about the region was reinforced by the increasing severity of the recession in Mexico and by a slowing of economic growth in Brazil in response to higher interest rates. Throughout the entire area, stock prices stayed on a downward path in September, October and part of November.

It would be a serious mistake to underestimate Latin America's current difficulties. We continue to believe, however, that many financially sound, well-managed companies in the region represent good long-term investments. Several of them have reorganized their operations and cut costs; and quite a few of them are becoming more international in nature and are deriving a greater share of their revenue from markets outside their home country.

During the July-December period, we made a number of modifications in the fund's portfolio. We sold some of our Latin American holdings and added to quite a few others, including our investments in well-capitalized banks.

In India, our organization's expanding research effort has identified what we believe are well-managed companies that have demonstrated an ability to compete in a deregulated business environment. As a result, we increased our investments in that market. For the first time, an Indian stock, Mahanagar Telephone Nigam, appears on the Ten Largest list; the company supplies phone service to Bombay and New Delhi.

We also added to some of the fund's Malaysian investments. The main additions were in relatively small entrepreneurial companies. We remain less enthusiastic about most large-capitalization Malaysian stocks because of their high valuations.

In general, we have continued to be fairly aggressive investors. In the past half-year alone, we added more than 50 new securities, while deleting about a dozen. Because we have been able to find attractive investment opportunities in numerous markets, the portfolio is now more diversified than in prior years. Our two largest areas of concentration, Brazil and Mexico, account for about one-fourth of net assets. In the past, it was not unusual for the two largest markets to account for nearly half of net assets.

Emerging markets stocks as a group are now selling at lower valuations than equities in the industrialized world, despite growth prospects which, in our view, are much more favorable. This is a direct consequence of two consecutive years of declining prices. The lower valuations have created a favorable environment for us as we select stocks and continue to enlarge and diversify the portfolio.

Finally, we would like to remind shareholders that Emerging Markets Growth Fund adheres to a policy of controlled growth. It was closed to new sales through most of the past half-year. In January, a substantial amount of new money came into the fund, with more than half of that coming from existing shareholders.

On page 5, you will find a description of the fund and its adviser. We hope you find this information interesting and informative.

Sincerely,

Walter P. Stern

Walter P. Stern
Chairman

Nancy Englander

Nancy Englander
President

February 9, 1996

Here are the total returns and average annual compound returns with all distributions reinvested for periods ended December 31, 1995 — Since inception on 5/30/86: +908.34%, or +27.25% a year; 5 years: +189.66%, or +23.70% a year; 12 months: -7.19%.

The figures in this report reflect past results. Share price and return will vary, so you may lose money by investing in the fund. The shorter the time period of your investment, the greater the possibility of loss. Fund shares are not deposits or obligations of, or insured or guaranteed by, the U.S. government, any financial institution, the Federal Deposit Insurance Corporation, or any other agency, entity or person.

Where the Fund's Assets Are Invested

	Percent of Net Assets			MSCI EMF Index[1]	Market Value of Holdings 12/31/95 (in thousands)
	12/31/94	6/30/95	12/31/95	12/31/95	
ASIA/PACIFIC					
China	1.5%	1.8%	1.4%	*	$ 77,459
Hong Kong	1.3	1.0	1.0	*	59,321
India	4.3	5.7	7.0	5.8%	403,429
Indonesia	3.8	4.2	6.4	5.4	371,036
Malaysia	3.7	4.3	4.2	16.7	240,011
New Zealand	.2	–	–	*	–
Pakistan	1.0	1.1	1.1	.6	62,483
Philippines	7.9	7.6	7.3	3.0	423,504
South Korea	7.0	7.0	7.8	3.3	452,447
Sri Lanka	.2	.2	.2	.1	9,105
Taiwan	1.2	.8	2.3	*	133,513
Thailand	5.8	5.5	4.9	9.8	285,285
Vietnam	.1	.1	.1	*	6,206
	38.0	39.3	43.7	44.7	2,523,799
LATIN AMERICA					
Argentina	8.0	8.3	8.2	3.8	476,670
Brazil	20.5	13.7	15.5	11.2	895,143
Chile	3.1	2.2	2.2	5.4	125,053
Colombia	.7	.5	.4	.8	21,175
Ecuador	.2	.1	.6	*	32,321
Mexico	12.0	7.6	9.6	8.3	553,204
Panama	–	.4	.8	*	44,229
Peru	1.7	1.8	1.9	1.2	112,198
Venezuela	.2	.1	.1	.4	5,532
	46.4	34.7	39.3	31.1	2,265,525
EASTERN EUROPE					
Czech Republic	–	.1	.1	*	5,671
Hungary	–	–	.4	*	19,839
Poland	–	.1	.1	.2	8,435
Russia and former republics of the Soviet Union[2]	.2	.7	1.4	*	81,946
	.2	.9	2.0	.2	115,891
OTHER MARKETS					
Gabon	.1	–	–	*	–
Ghana	.4	.4	.3	*	17,415
Greece	1.0	1.0	1.4	1.3	79,506
Mauritius	–	–	.1	*	4,573
Morocco	–	.1	.2	*	12,791
Portugal	.1	.3	.3	2.0	17,854
South Africa	.4	.8	2.8	16.4	162,739
Turkey	1.2	2.2	1.1	1.3	63,021
United States	.1	.1	.1	*	5,447
	3.3	4.9	6.3	21.0	363,346
Multi-National	1.9	1.2	1.1		65,281
Other[3]	1.8	1.7	1.0		55,299
Cash & Equivalents	8.4	17.3	6.6		381,821
TOTAL	100.0%	100.0%	100.0%		$5,770,962

[1] *Morgan Stanley Capital International Emerging Markets Free Index includes Israel (2.8%) and Jordan (0.2%). An asterisk indicates that this market is not included in the index. Source:* Morgan Stanley Capital International Perspective.

[2] *Includes investments in companies incorporated outside the region which have significant operations in the region.*

[3] *Includes investments in markets where the holdings represent a percentage of net assets of less than .05%. Also includes stocks in initial period of acquisition.*

ABOUT THE FUND AND ITS ADVISER:

Emerging Markets Growth Fund was organized in 1986 by the International Finance Corporation, an affiliate of the World Bank, as a vehicle for investing in the securities of companies domiciled in developing countries. It was based on the premise that rapid growth in those countries can create very attractive investment opportunities. It also was felt that the availability of equity capital would stimulate the development of capital markets and encourage countries to liberalize their investment regulations.

An affiliate of Capital International, Inc., the fund's investment adviser, was selected at the outset by the IFC to manage Emerging Markets Growth Fund from among a number of global investment management firms. The fund started with $50 million in assets, 13 institutional shareholders and a small portfolio of stocks representing four markets. Today it has over $5 billion in assets, more than 400 institutional and individual investors, and a portfolio of more than 300 securities representing companies based in over 30 countries. Since operations began on May 30, 1986, the value of the fund's shares has risen 908.3% with all distributions reinvested, or an average annual compound return of 27.3%.

Capital International, Inc. is one of The Capital Group Companies. These companies form one of the world's most experienced investment advisory organizations, with roots dating back to 1931. The organization has been involved in international investing since the 1950s.

The investment management affiliates of The Capital Group Companies employ a value-oriented and research-driven investment approach. They maintain a global investment intelligence network which employs more than 180 investment professionals based on three continents. They include analysts and portfolio counselors, born in more than two dozen countries, who speak a variety of languages. These professionals travel millions of miles each year, keeping a close watch on industry trends and government actions and scrutinizing thousands of companies, including well over a thousand visits to countries in the fund's investment universe. This research effort combines intensive company and industry analysis with a political and macroeconomic overview. We believe it has given our family of companies — and the funds they manage, including Emerging Markets Growth Fund — an important competitive edge.

INVESTMENT PORTFOLIO, DECEMBER 31, 1995 *(Unaudited)*

INDUSTRY DIVERSIFICATION	Equity-Type Securities: Common Stocks	Equity-Type Securities: Preferred Stocks	Equity-Type Securities: Convertible Bonds	Bonds	Percent of Net Assets
Telecommunications	11.88%	5.92%	–	.13%	17.93%
Utilities: Electric & Gas	8.52	3.52	–	.04	12.08
Banking	10.05	.41	.48%	.04	10.98
Beverages & Tobacco	5.01	.56	–	–	5.57
Energy Sources	3.40	.67	–	–	4.07
Equity Common Trusts	3.09	.05	–	–	3.14
Metals: Steel	2.19	.54	.09	.14	2.96
Other Industries	28.75	3.17	.78	3.96	36.66
	72.89%	14.84%	1.35%	4.31%	93.39
Short-Term Securities					7.37
Excess of liabilities over cash and receivables					(.76)
Net Assets					100.00%

TEN LARGEST EQUITY HOLDINGS	Percent of Net Assets	Percent of Gain/Loss for Six Months Ended 12/31/95* (in U.S. Dollars)
Telecomunicações Brasileiras (Telebras)	4.02%	+46.24%
Centrais Elétricas Brasileiras (Eletrobras)	3.37	+2.53
Teléfonos de México	2.25	+7.99
Telecom Argentina STET-France Telecom	2.05	+4.25
Korea Electric Power	1.98	+13.49
Philippine Long Distance Telephone	1.85	-24.18
Mahanagar Telephone Nigam	1.52	-18.80
Telefónica de Argentina	1.44	+9.67
Bangkok Bank	1.41	+9.96
Samsung Electronics	1.36	+13.53

** The percent change reflects the increase or decrease in the market price per share of equity securities held in the portfolio for the entire period. The actual gain or loss on the total position in the fund may differ from the percentage shown.*

(Unaudited)

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
ARGENTINA – 7.87%			
Alpargatas SA Industrial y Comercial[1]	5,333,432	$ 2,800	.05%
Astra Compañía Argentina de Petróleo SA	9,792,450	18,114	.31
Banco de Galicia y Buenos Aires SA, Class B (American Depositary Receipts)	1,578,840	32,564	.73
Banco de Galicia y Buenos Aires SA, 7.00% convertible bond August 1, 2002	$10,570,000	9,777	
Banco Francés del Río de la Plata SA	644,000	5,699	.79
Banco Francés del Río de la Plata SA (American Depositary Receipts)	1,472,345	39,569	
BI SA (acquired 10/31/94, cost: $3,130,000)[2] (*Previously listed as BISA-Bemberg Industrial SA.*)	3,130,000	3,130	.05
Buenos Aires Embotelladora SA, Class B (American Depositary Receipts)	1,013,600	20,906	.36
Central Costanera SA, Class B	831,599	2,561	.04
Central Puerto SA, Class B	315,545	1,199	.04
Central Puerto SA, Class B (American Depositary Receipts) (acquired 2/27/95, cost: $755,000)[2]	51,820	984	
Compañía Naviera Perez Companc SACFIMFA, Class B	3,660,114	19,397	.34
Hidroneuquen SA (acquired 11/11/93, cost: $26,649,000)[1,2]	26,649,468	26,649	.46
IRSA Inversiones y Representaciones SA (Global Depositary Receipts)	57,670	1,471	.03
Nortel Inversora SA, Class A, preferred (American Depositary Receipts) (acquired 11/24/92, cost: $10,760,000)[2]	1,321,820	14,196	.70
Nortel Inversora SA, Class B, preferred (American Depositary Receipts) (acquired 2/27/92, cost: $23,049,000)[2]	1,676,260	25,982	
Sociedad Comercial del Plata SA	4,777,000	12,658	.22
Telecom Argentina STET-France Telecom SA, Class B	9,954,072	46,979	2.05
Telecom Argentina STET-France Telecom SA, Class B (American Depositary Shares)	1,495,600	71,228	
Telefónica de Argentina SA, Class B	4,000,000	10,799	1.44
Telefónica de Argentina SA, Class B (American Depositary Shares)	2,647,900	72,155	
YPF SA, Class D (American Depositary Receipts)	696,800	15,068	.26
		453,885	7.87
BRAZIL – 14.80%			
Aracruz Celulose SA (American Depositary Receipts)	449,200	3,481	.06
Banco Bradesco SA, preferred nominative	2,593,388,300	22,686	.39
Banco Bradesco SA, preferred nominative, rights, expire January 31, 1996	60,638,635	100	
Banco Nacional SA, preferred nominative	215,995,294	1,240	.02
Banco Nacional SA, ordinary nominative	2,500,000	18	
Brasmotor SA, preferred nominative	100,675,187	19,996	.35
CBV Indústria Mecanica SA, preferred nominative	78,120,000	31	–

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
BRAZIL (continued)			
Centrais Elétricas Brasileiras SA, preferred nominative (American Depositary Receipts)	7,574,464	$102,255	
Centrais Elétricas Brasileiras SA, ordinary nominative	6,983,000	1,890	3.37%
Centrais Elétricas Brasileiras SA, ordinary nominative (American Depositary Receipts)	6,708,752	90,568	
CESP-Companhia Energética de São Paulo, preferred nominative[1]	92,650,000	2,697	
CESP-Companhia Energética de São Paulo, preferred nominative (American Depositary Receipts) (acquired 8/30/94, cost: $43,527,000)[1,2]	2,972,290	24,521	.58
CESP-Companhia Energética de São Paulo, ordinary nominative	287,617,854	6,512	
COFAP-Companhia Fabricadora de Peças, preferred nominative	548,716	2,711	.05
Companhia Cervejaria Brahma, preferred nominative	78,332,015	32,245	.56
Companhia Cervejaria Brahma, ordinary nominative	224,483	95	
Companhia Cimento Portland Itaú, preferred nominative	36,472,500	8,708	.15
Companhia de Tecidos Norte de Minas-COTEMINAS, preferred nominative	37,463,500	12,530	.22
Companhia Energética de Minas Gerais-CEMIG, preferred nominative (American Depositary Receipts)[1]	3,047,043	66,654	
Companhia Energética de Minas Gerais-CEMIG, preferred nominative (American Depositary Receipts) (acquired 9/22/94, cost: $7,886,000)[1,2]	310,323	6,788	1.27
Companhia Siderúrgica Belgo-Mineira, preferred nominative	62,020,892	3,479	
Companhia Siderúrgica Belgo-Mineira, ordinary nominative	2,086,180	155	.07
Companhia Siderúrgica Belgo-Mineira Luxembourg	2,813,639	229	
Companhia Siderúrgica Nacional, ordinary nominative (American Depositary Receipts)	353,842	7,165	.12
Companhia Suzano de Papel e Celulose, Class B, preferred nominative (American Depositary Receipts)	316,633	4,591	.08
Companhia Vale do Rio Doce, preferred nominative (American Depositary Receipts)	382,801	15,599	.27
Companhia Vidraria Santa Marina, ordinary nominative	1,824,372	6,196	.11
GP Capital Partners, LP (acquired 1/28/94, cost: $23,408,000)[1,2,3]	24,000	24,000	.42
Industrias Klabin de Papel e Celulose SA, preferred nominative (American Depositary Receipts)	1,056,720	9,114	.16
Iochpe-Maxion SA, preferred nominative (American Depositary Receipts)	163,004	408	.01
Lojas Americanas SA, preferred nominative	97,709,809	2,293	
Lojas Americanas SA, ordinary nominative	34,361,200	750	.07
Lojas Americanas SA, preferred nominative, warrants, expire May 3, 1996[1]	1,153,009	794	
Mesbla SA, preferred nominative[1]	79,324,845	980	.02
Metal Leve SA Indústria e Comércio, preferred nominative	157,884,489	1,787	.03
Petrobrás Distribuidora SA-BR, preferred nominative	723,445,000	19,357	.34
Petróleo Brasileiro SA-PETROBRÁS, preferred nominative	428,960,000	36,636	.63

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
BRAZIL (continued)			
Refrigeração Paraná SA, preferred nominative (American Depositary Receipts)	410,000	$ 3,895	.07%
Telecomunicações Brasileiras SA, preferred nominative	59,500,000	2,866	
Telecomunicações Brasileiras SA, preferred nominative (American Depositary Receipts)	4,836,609	229,134	4.02
Telecomunicações de São Paulo SA-Telesp, preferred nominative	341,341,977	50,234	
Telecomunicações de São Paulo SA-Telesp, ordinary nominative	112,931,000	16,329	1.15
Usinas Siderúrgicas de Minas Gerais SA, preferred nominative (American Depositary Receipts)	1,550,305	12,403	.21
		854,120	14.80
CHILE – 2.17%			
Banco Osorno y La Unión, Class A (American Depositary Receipts)	190,556	2,644	.05
Banmédica SA	4,500,000	1,674	.03
CAP SA	1,100,000	4,755	.08
Chilgener SA (American Depositary Receipts)	1,412,257	35,306	.61
Compañía de Telecomunicaciones de Chile SA (American Depositary Receipts)	63,700	5,279	.09
CTI Compañía Tecno Industrial SA	80,245,285	4,647	.08
Empresa Nacional de Electricidad SA (American Depositary Receipts)	1,322,600	30,089	.53
Enersis SA (American Depositary Receipts)	1,175,982	33,515	.58
Forestal Terranova	550,000	779	.01
Invercap SA	1,100,000	1,653	.03
Sociedad Química y Minera de Chile SA, Class A	991,300	4,712	.08
		125,053	2.17
CHINA – 1.34%			
China North Industries Investment Ltd. (acquired 9/30/94, cost: $5,727,000)[1,2]	5,500,000	4,950	.09
China Yuchai International Ltd.	1,015,500	8,251	.14
Guang Dong Electric Power Development Co. Ltd., Class B (acquired 5/31/95, cost: $8,452,000)[2]	15,275,000	7,310	.13
Harbin Power Equipment Co. Ltd., Class H	44,999,000	6,635	
Harbin Power Equipment Co. Ltd., Class H (American Depositary Receipts) (acquired 11/30/94, cost: $3,336,000)[2]	99,000	1,460	.14
Huaneng Power International, Inc., Class N (American Depositary Receipts)[1]	1,174,100	16,878	.29
Maanshan Iron & Steel Co. Ltd., Class H (acquired 10/14/93, cost: $6,812,000)[2]	23,069,500	3,222	.06
NW China Investment Ltd. (acquired 9/22/93, cost: less than $1,000)[1,2]	600,000	0	–
Shanghai Diesel Engine Co. Ltd., Class B	5,071,000	1,876	.03
Shanghai Petrochemical Co. Ltd., Class H	76,678,600	22,065	
Shanghai Petrochemical Co. Ltd., Class H (American Depositary Receipts)	7,000	199	.38

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
CHINA (continued)			
Yizheng Chemical Fibre Co. Ltd., Class H	1,408,500	$ 317	.01%
Zhenhai Refining & Chemical Co. Ltd., Class H	22,906,000	4,296	.07
		77,459	1.34
COLOMBIA – 0.35%			
Banco de Bogota	1,031,067	4,945	.09
Banco de Colombia SA (Global Depositary Receipts)[1]	880,000	4,400	
Banco de Colombia SA, 5.20% convertible bond February 1, 1999 (acquired 1/27/94, cost: $15,571,000)[2]	$14,250,000	10,687	.26
		20,032	.35
CZECH REPUBLIC – 0.10%			
SPT Telecom	60,000	5,671	.10
ECUADOR – 0.11%			
La Cemento Nacional CA (Global Depositary Receipts) (acquired 6/21/94, cost: $6,615,000)[2]	37,648	6,400	.11
GHANA – 0.30%			
Ashanti Goldfields Co. Ltd. (Global Depositary Receipts)	860,000	17,415	.30
GREECE – 1.38%			
Aluminium de Grece Industrial and Commercial SA	149,670	6,425	.11
Hellenic Bottling Co. SA	1,382,945	45,109	.78
Intracom SA, preferred	20,000	354	.18
Intracom SA, ordinary	476,620	10,250	
Katselis SA, ordinary	45,000	346	.01
Michaniki SA, preferred	252,540	2,514	.19
Michaniki SA, ordinary	652,220	8,372	
Titan Cement Co. SA, ordinary	146,522	6,136	.11
		79,506	1.38
HONG KONG – 1.03%			
Consolidated Electric Power Asia Ltd.	18,460,000	33,544	.60
Consolidated Electric Power Asia Ltd. (American Depositary Shares) (acquired 11/29/93, cost: $868,000)[2]	53,600	974	
New World Infrastructure	11,468,497	21,952	.38
Siu-Fung Ceramics Holdings Ltd.	8,295,409	1,159	.02
Tian An China Investments Co. Ltd.	13,610,700	1,690	.03
Tian An China Investments Co. Ltd., warrants, expire January 25, 1996[1]	1,327,500	2	
		59,321	1.03
HUNGARY – 0.34%			
Graboplast Textilés Mübörgyarto RT	12,000	158	–
Mol Magyar Olaj Es Gazipari RT (Global Depositary Receipts)	2,460,100	19,681	.34
		19,839	.34

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
INDIA – 6.98%			
Asian Paints (India) Ltd.	564,600	$ 5,076	.09%
Bharat Forge Co. Ltd.	3,250	12	–
Bombay Dyeing and Manufacturing Co. Ltd. (Global Depositary Receipts)	90,000	855	.01
East India Hotels Ltd.	664,777	9,400	.19
East India Hotels Ltd. (Global Depositary Receipts)	100,000	1,775	
EID Parry Ltd. (Global Depositary Receipts)[1]	150,000	375	.01
Essar Oil Ltd.	100	0	–
Essar Oil Ltd., 12.50% optional fully convertible debenture, Part C, February 28, 2003	*INR* 10,500	0	–
Essar Oil Ltd., 12.50% optional fully convertible debenture, Part B, February 28, 2003	*INR* 4,500	0	–
Essar Steel	3,454,000	3,906	.07
Flex Industries Ltd.	393,800	1,639	.04
Flex Industries Ltd., units (1 unit = 1 share + ½ warrant)	157,520	655	
Grasim Industries Ltd.	405,300	6,203	.40
Grasim Industries Ltd. (Global Depositary Receipts)	820,500	16,820	
Hindalco Industries Ltd.	912,450	23,363	.75
Hindalco Industries Ltd. (Global Depositary Receipts)	579,520	19,779	
Hindustan Lever Ltd.	514,500	9,134	.16
India Fund, Class B	3,306,718	5,443	.09
India Magnum Fund, Class B, nonvoting shares[1]	20,000	880	.02
Indian Aluminium Co., Ltd.	181,000	875	.12
Indian Aluminium Co., Ltd. (Global Depositary Receipts)	1,008,771	6,305	
Indian Rayon and Industries Ltd.	305,300	3,700	.13
Indian Rayon and Industries Ltd. (Global Depositary Receipts)	298,000	3,651	
Indo Gulf Fertilisers and Chemicals Corp. Ltd.	2,155,200	3,127	.10
Indo Gulf Fertilisers and Chemicals Corp. Ltd. (Global Depositary Receipts)	1,770,900	2,656	
I.T.C. Ltd.	1,214,600	8,673	.15
Madras Cements Ltd.	11,000	2,754	.05
Mahanagar Telephone Nigam Ltd.	20,541,000	87,657	1.52
Mahindra & Mahindra Ltd.	1,842,416	10,903	.31
Mahindra & Mahindra Ltd. (Global Depositary Receipts)	545,000	7,014	
Mastergain Scheme	6,857,200	1,990	.03
Max India	411,860	2,601	.05
Motor Industries Co. Ltd.	170,890	29,025	.50
Nicholas Piramal India Ltd.	325,000	2,127	.04
Nippon Denro Ispat Ltd., 3.00% convertible bond April 1, 2001 (acquired 3/1/94, cost: $7,817,000)[2]	$8,750,000	4,856	.08
Ranbaxy Laboratories Ltd.	1,037,150	19,032	.68
Ranbaxy Laboratories Ltd. (Global Depositary Receipts)	777,800	19,538	
Raymond Woollen Mills Ltd. (Global Depositary Receipts)	690,100	11,387	.20
SCICI Ltd.	7,941,900	8,416	.21
SCICI Ltd., 3.50% convertible Eurobonds April 4, 2004	$3,620,000	3,674	
Sundaram Finance	153,000	788	.02

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
INDIA (continued)			
Tata Engineering and Locomotive Co. Ltd.	816,000	$ 8,822	
Tata Engineering and Locomotive Co. Ltd. (Global Depositary Receipts)	2,002,461	26,292	.71%
Tata Engineering and Locomotive Co. Ltd. (Global Depositary Receipts), warrants, expire March 8, 1996[1]	1,412,800	6,711	
United Phosphorus Ltd.	976,800	8,267	.19
United Phosphorus Ltd. (Global Depositary Receipts)	174,132	2,786	
Videocon International Ltd.	20,100	43	
Videocon International Ltd. (Global Depositary Receipts)	62,200	171	–
Zee Telefilms Ltd.	934,200	3,422	.06
		402,578	6.98
INDONESIA – 6.43%			
Asia Pacific Resources International Holdings Ltd.[1]	1,217,000	5,781	.10
PT Astra International	16,582,400	34,486	.60
PT Bakrie & Brothers	3,226,200	5,862	.10
PT Bank Internasional Indonesia	6,692,000	22,194	.38
PT Eka Gunatama Mandiri, 4.00% convertible Eurobonds October 4, 1997	$1,030,000	1,185	.02
PT Fajar Surya Wiesea	696,500	328	.01
PT Gudang Garam	735,000	7,691	.13
PT Hanjeya Mandala Sampoerna	4,758,000	49,580	.86
PT Indah Kiat Pulp & Paper Corp.	29,307,750	21,493	.37
PT Indofood Sukses Makmur	15,189,250	73,153	1.27
PT Indo-Rama Synthetics	5,562,000	20,151	.35
PT International Nickel Indonesia	5,069,500	9,544	.17
PT Japfa Comfeed Indonesia	700,000	345	.01
PT Jaya Real Property	2,114,000	5,739	.10
PT Kabelmetal Indonesia	1,200,000	985	.02
PT Kalbe Farma	362,000	1,228	.02
PT Lippo Bank	11,765,000	18,157	.31
PT Mayora Indah	10,380,000	7,499	.13
PT Modern Photo Film Co.	549,900	3,190	.06
PT Mulia Industrindo	2,092,245	5,909	.10
PT Pabrik Kertas Tjiwi Kimia	1,355,962	1,247	.02
Perusahaan Perseroan (Persero) PT Indonesian Satellite Corp. (American Depositary Receipts)	887,500	32,394	.56
Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia, Class B (American Depositary Receipts)[1]	662,300	16,723	.29
PT Praxair Indonesia[1]	142,700	34	–
PT Semen Gresik	3,565,000	9,989	.17
PT Sorini Corp.	112,500	547	.01
PT Supreme Cable Manufacturing Corp.	811,000	1,207	
PT Supreme Cable Manufacturing Corp., rights, expire January 3, 1996[1]	405,500	5	.02
PT Tambang Timah, Class B (Global Depositary Receipts)[1]	836,270	10,161	.18
PT Tigaraksa Satria	1,207,300	4,229	.07
		371,036	6.43

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
MALAYSIA – 4.16%			
Arab-Malaysian Finance Bhd.	1,642,000	$ 6,984	.12%
Genting Bhd.	3,547,500	29,618	.51
Genting International PLC	8,301,000	13,531	.24
Hong Leong Credit Bhd.	1,593,000	7,905	.14
IJM Corp. Bhd.	8,075,714	12,849	.22
Leader Universal Holdings Bhd.	8,920,000	20,375	.35
Malaysian International Shipping Corp. Bhd.	2,210,000	5,788	.10
Nestlé (Malaysia) Sdn. Bhd.	4,765,000	34,904	.60
O.Y.L. Industries Bhd.	1,165,437	9,042	.16
Renong Bhd.	7,905,000	11,706	
Renong Bhd., 2.50% convertible bond January 15, 2005 (acquired 10/20/94, cost: $2,554,000)[2]	$2,550,000	2,843	.32
Renong Bhd., 2.50% convertible Eurobonds January 15, 2005	$2,855,000	3,183	
Resorts World Bhd.	1,267,000	6,786	.12
Sime Darby Bhd.	16,217,000	43,110	.75
Sime UEP Properties Bhd.	3,344,000	5,268	.09
Technology Resources Industries Bhd.[1]	2,614,000	7,721	.13
UMW Holdings Bhd.	6,676,359	17,879	.31
UMW Holdings Bhd., warrants, expire January 26, 2000[1]	736,159	519	
		240,011	4.16
MAURITIUS – 0.08%			
State Bank of Mauritius	10,927,000	4,573	.08
MEXICO – 9.11%			
Apasco, SA de CV, Class A	6,326,426	26,031	.45
CEMEX, SA, Class A	2,956,762	9,817	
CEMEX, SA, Class B	6,535,551	23,828	1.02
CEMEX, SA, ordinary participation certificates	7,609,287	25,265	
Cifra, SA de CV, Class A	8,694,000	9,622	
Cifra, SA de CV, Class B	10,761,580	11,238	.57
Cifra, SA de CV, Class C	11,580,192	11,761	
Corporación Geo, SA de CV, Class B (acquired 8/29/95, cost: $4,981,000)[2]	1,401,268	4,142	.07
Embotelladores del Valle de Anáhuac, SA de CV, Class B	546,000	498	.01
Gruma, SA de CV, Class B	864,960	2,444	.04
Grupo Carso, SA de CV, Class A1	4,448,300	24,095	.42
Grupo Financiero Banamex Accival, SA de CV, Class B	29,625,550	49,839	
Grupo Financiero Banamex Accival, SA de CV, Class L	7,474,093	11,153	1.09
Grupo Financiero Banamex Accival, SA de CV, 7.00% convertible Eurobonds December 15, 1999	$2,520,000	2,028	
Grupo Financiero Banorte, SA de CV, Class B	10,414,957	9,737	.17
Grupo Industrial Maseca, SA de CV, Class B (American Depositary Receipts)	5,700	52	–
Grupo Televisa, SA, ordinary participation certificates	375,000	4,443	
Grupo Televisa, SA, ordinary participation certificates (American Depositary Receipts)	3,042,499	68,456	1.26
Kimberly-Clark de México, SA de CV, Class A	2,087,100	31,633	.55
Panamerican Beverages, Inc., Class A	1,459,200	46,695	.81

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
MEXICO (continued)			
Sigma Alimentos, SA de CV, Class B	400,000	$ 2,552	.04%
Teléfonos de México, SA de CV, Class A	7,487,500	12,089	
Teléfonos de México, SA de CV, Class L	11,231,250	18,075	2.25
Teléfonos de México, SA de CV, Class L (American Depositary Receipts)	3,133,475	99,879	
Tubos de Acero de México, SA[1]	1,012,200	7,420	
Tubos de Acero de México, SA (American Depositary Receipts)[1]	1,883,200	13,182	.36
		525,974	9.11
MOROCCO – 0.22%			
Banque Commercial du Maroc	31,505	1,998	.04
Cimenterie de l'Oriental, Class A[1]	92,503	3,575	.06
ONA SA	56,000	2,158	.04
Société des Brasseries du Maroc	20,500	1,944	.03
Wafabank, Class A	72,000	3,116	.05
		12,791	.22
PAKISTAN – 1.08%			
Chakwal Cement (Global Depositary Receipts)[1]	891,111	6,461	.11
Hub Power Co. (Global Depositary Receipts)[1]	2,066,328	35,954	.62
Pakistan Telecommunication Corp. (Global Depositary Receipts)[1]	236,100	20,068	.35
		62,483	1.08
PERU – 0.78%			
Credicorp Ltd.[1]	1,944,560	33,544	.58
Ontario-Quinta AVV (acquired 8/15/94, cost: $12,000,000)[2]	11,694,441	11,694	.20
		45,238	.78
PHILIPPINES – 7.30%			
Ayala Corp., Class B	22,545,827	27,526	.56
Ayala Corp., Class B (Global Depositary Shares)	514,976	4,635	
Ayala Land, Inc., Class B	18,285,962	22,326	.39
Bacnotan Consolidated Industries, Inc.	336,235	1,924	
Bacnotan Consolidated Industries, Inc., 5.50% convertible bond June 21, 2004 (acquired 6/8/94, cost: $4,479,000)[2]	$4,500,000	3,825	.10
Benpres Holdings Corp. (Global Depositary Receipts)[1]	793,210	3,768	.07
C & P Homes Inc.[1]	7,251,900	5,326	.09
International Container Terminal Services Inc.	5,787,730	3,036	
International Container Terminal Services Inc., 6.00% convertible bond February 19, 2000 (acquired 2/18/93, cost: $4,000,000)[2]	$4,000,000	3,600	.11
JG Summit Holdings, Inc., Class B	28,256,600	7,762	
JG Summit Holdings, Inc., Class B (Global Depositary Shares)	20,000	480	.34
JG Summit Holdings, Inc., 3.50% convertible bond December 23, 2003	$15,270,000	11,110	
Keppel Philippines Holdings, Inc., Class B	226,740	95	–
Kepphil Shipyard Inc.[1]	136,960	7	–
Manila Electric Co., Class B	1,979,590	16,163	.28
Metropolitan Bank and Trust Co.	1,857,350	36,141	.63

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
PHILIPPINES (continued)			
Petron Corp.	6,071,250	$ 3,127	.19%
Petron Corp. (Global Depositary Receipts)	377,075	7,919	
Philippine Commercial International Bank, Inc.	1,066,200	9,844	.17
Philippine Long Distance Telephone Co., ordinary	86,250	4,689	
Philippine Long Distance Telephone Co. (American Depositary Receipts)[1]	1,531,305	82,882	
Philippine Long Distance Telephone Co., convertible preferred, Series II (Global Depositary Receipts)	474,000	14,694	1.85
Philippine Long Distance Telephone Co., convertible preferred, Series III (Global Depositary Shares)	87,000	4,502	
Philippine National Bank	1,233,072	13,643	.24
Pilipino Telephone Corp. (acquired 6/26/92, cost: $10,320,000)[1,2]	32,504,000	32,864	.57
PR Holdings, Inc., subscription rights (acquired 7/8/92, cost: $9,835,000)[1,2]	2,236,600	9,437	.16
San Miguel Corp., Class B	20,486,772	69,957	1.21
Southeast Asia Cement Holdings[1]	39,000,000	5,059	.09
Universal Robina Corp.	9,092,400	4,510	.25
Universal Robina Corp. (acquired 3/2/94, cost: $13,032,000)[2]	20,400,000	10,118	
		420,969	7.30
POLAND – 0.11%			
Zaklady Piwowarskie w Żywcu SA (*Previously listed as Zywiec.*)	94,811	6,541	.11
PORTUGAL – 0.31%			
Portugal Telecom, SA	100,000	1,879	.30
Portugal Telecom, SA (American Depositary Receipts)[1]	815,000	15,485	
Televisao Independente, SA[1]	105,500	490	.01
		17,854	.31
RUSSIA AND FORMER REPUBLICS OF THE SOVIET UNION – 1.42%			
Abacan Resource Corp.[1]	C$3,000,000	8,470	.28
Abacan Resource Corp.[1]	$2,803,000	7,533	
Chernogorneft (Russian Depositary Trust Certificate)	70	4,641	.08
Gez Investments Holding Ltd., Class A (acquired 9/11/95, cost: $230,000)[1,2]	2,870	230	
Gez Investments Holding Ltd., Class B (acquired 9/11/95, cost: $12,623,000)[1,2]	157,793	12,623	.22
J P Kenny Exploration & Production Ltd.	6,138,140	15,443	.27
Lukoil Holding (Russian Depositary Trust Certificate)	12	1,386	.02
New Century Capital Partners, L.P. (acquired 12/7/95, cost: $19,129,000)[1,2,3]	19,128,900	19,129	.34
Russian Telecommunications Development Corp. (acquired 12/22/93, cost: $3,800,000)[1,2]	380,000	3,800	
Russian Telecommunications Development Corp., nonvoting (acquired 12/22/93, cost: $6,200,000)[1,2]	620,000	6,200	.17
Star Mining Corp. NL	19,740,000	2,491	.04
		81,946	1.42

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
SOUTH AFRICA – 2.57%			
AECI Ltd.	719,100	$ 4,341	.08%
International Pepsi-Cola Bottling Investments (acquired 12/18/95, cost: $10,000,000)[1,2,3]	100,000	10,000	.17
Iscor Ltd.	20,477,857	18,430	.32
Malbak Ltd.	2,653,833	18,386	.32
Nedcor Ltd.	8,600	148	
Nedcor Ltd. (Global Depositary Receipts)	1,227,736	20,417	.38
Nedcor Ltd., warrants, expire September 30, 1997[1]	306,934	1,688	
Polifin Ltd.	677,000	1,087	.02
Rembrandt Group Ltd.	808,000	7,760	.13
Sasol Ltd.	6,176,609	50,589	.88
South Africa Capital Growth Fund, Class A (acquired 8/25/95, cost: $1,900,000)[1,2,3]	1,900	1,900	
South Africa Capital Growth Fund, Class D (acquired 8/25/95, cost: $13,650,000)[1,2,3]	13,650	13,650	.27
		148,396	2.57
SOUTH KOREA – 7.84%			
Cheil Foods & Chemicals Inc., nonvoting preferred	70,500	2,463	
Cheil Foods & Chemicals Inc., 3.00% convertible Eurobonds December 31, 2006	$2,365,000	3,051	.10
Daehan Asia Trust (International Depositary Receipts)	2,820	3,384	.06
Daehan Korea Trust (International Depositary Receipts)	500	450	.01
Daewoo Corp.	257,738	2,990	.05
Daewoo Securities Co., Ltd., nonvoting preferred	421,270	7,181	
Daewoo Securities Co., Ltd., ordinary	415,674	10,825	.31
Haitai Stores Co., Ltd.	16,747	149	–
Hanil Bank	3,488,280	40,212	.70
Hansol Paper Co., Ltd., preferred	8,663	181	
Hansol Paper Co., Ltd., ordinary	76,089	2,913	.05
Hyundai Motor Co., nonvoting preferred, new (Global Depositary Receipts)[1]	586,800	9,095	
Hyundai Motor Co., nonvoting preferred (Global Depositary Receipts)	508,000	7,747	.28
Korea Asia Fund Ltd. (International Depositary Receipts)[1]	300	3,337	.06
Korea Electric Power Corp.	2,478,790	108,265	
Korea Electric Power Corp. (American Depositary Receipts)	225,000	6,019	1.98
Korea First Bank	2,174,850	19,346	.34
Korea Long Term Credit Bank	349,841	10,272	.18
Korea Mobile Telecommunications Corp.	9,590	10,631	
Korea Mobile Telecommunications Corp. (Global Depositary Receipts)[1]	45,300	2,005	.22
Korea Pacific Trust (International Depositary Receipts)[1]	3,000	3,900	.07
Kyongnam Bank	600,000	6,126	
Kyongnam Bank, new	133,607	1,352	.13
LG Chemical, Ltd., preferred	330,000	3,867	.07
LG Electronics Inc.	48,840	1,700	
LG Electronics Inc., nonvoting preferred	546,500	12,981	
LG Electronics Inc., nonvoting preferred (Global Depositary Receipts)	756,100	9,829	.43
LG Electronics Inc., new	2,304	79	
LG Electronics Inc., new (Global Depositary Receipts)[1]	16,896	265	

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
SOUTH KOREA (continued)			
LG Securities Co., Ltd.	138,648	$ 2,467	
LG Securities Co. Ltd., preferred	590,460	6,470	.15%
Pacific Chemical Industrial Co. Ltd.	165,440	3,860	.07
Pohang Iron & Steel Co., Ltd.	346,650	24,300	
Pohang Iron & Steel Co., Ltd. (American Depositary Receipts)	201,000	4,397	.50
Samsung Electronics Co., Ltd.	192,704	35,116	
Samsung Electronics Co., Ltd., new, 3/95	40,313	7,294	
Samsung Electronics Co., Ltd., new, 8/95	3,830	695	
Samsung Electronics Co., Ltd., nonvoting preferred, new, 3/95	12,515	1,451	
Samsung Electronics Co., Ltd., nonvoting preferred	70,695	8,346	1.36
Samsung Electronics Co., Ltd., nonvoting preferred (Global Depositary Shares)	280,922	16,434	
Samsung Electronics Co., Ltd., ordinary (Global Depositary Shares)	103,594	9,945	
Seoul Asia Index Trust (International Depositary Receipts)	80	940	.02
Seoul Horizon Trust	531,000	9,160	.16
Shinhan Bank	186,650	4,060	.07
Ssangyong Investment & Securities Co., Ltd.	4,000	72	
Ssangyong Investment & Securities Co., Ltd., nonvoting preferred	61,090	642	.01
SsangYong Oil Refining Co. Ltd.	298,000	8,452	.15
Taihan Electric Wire Co., Ltd.	123,148	3,334	.06
Yukong Ltd.	309,755	10,702	
Yukong Ltd., new	28,106	967	
Yukong Ltd., nonvoting preferred (Global Depositary Receipts)	230,000	2,300	.25
Yukong Ltd., ordinary (Global Depositary Receipts)	27,558	428	
		452,447	7.84
SRI LANKA – 0.16%			
Asian Hotel Corp.	6,107,500	1,655	.03
Development Finance Corp. of Ceylon	1,258,310	7,055	.12
National Development Bank	96,200	395	.01
		9,105	.16
TAIWAN – 2.31%			
Acer Inc.[1]	2,130,000	4,918	
Acer Inc. (Global Depositary Receipts)[1]	735,000	9,555	.37
Acer Inc., 4.00% convertible Eurobonds June 10, 2001	$2,380,000	6,902	
Advanced Semiconductor Engineering, Inc.	2,441,000	5,904	
Advanced Semiconductor Engineering, Inc. (Global Depositary Receipts)[1]	360,000	4,761	.18
Chia Hsin Cement Corp. (Global Depositary Receipts)	645,700	5,375	.09
China Steel Corp.	7,900,000	6,312	
China Steel Corp. (American Depositary Receipts)	813,000	14,126	.45
China Steel Corp. (Global Depositary Shares)	300,000	5,213	
Hocheng Corp. (Global Depositary Receipts)	112,361	1,101	.02
Nan Ya Plastics Corp.	700,000	1,062	.02
R.O.C. Taiwan Fund	26,000	273	–

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
TAIWAN (continued)			
Siliconware Precision Industries Co., Ltd.[1]	1,485,000	$ 3,973	
Siliconware Precision Industries Co., Ltd. (Global Depositary Receipts)[1]	13,000	215	.07%
Sin-Yih Ceramic Co. Ltd.	1,500,000	2,298	.04
Taiwan American Fund, nonvoting preferred[1]	600,000	6,300	.11
Taiwan Opportunities Fund, Series C[1]	200,000	2,130	.04
Taiwan Semiconductor Manufacturing Co. Ltd.[1]	14,815,000	46,422	.80
Ton Yi Industrial Corp.[1]	3,803,640	5,004	.09
U-Ming Marine Transport Corp.[1]	1,570,000	1,669	.03
		133,513	2.31
THAILAND – 4.94%			
Alphatec Electronics Public Co. Ltd. (acquired 6/26/95, cost: $8,516,000)[2]	520,000	7,434	.13
Ayudha Jardine CMG Life Assurance (*Formerly Ayudha Life Assurance Co., Ltd.*)	84,547	349	.01
Bangkok Bank Public Co. Ltd.	6,360,240	77,293	
Bangkok Bank Public Co. Ltd., 3.25% convertible bond March 3, 2004 (acquired 8/4/94, cost: $964,000)[2]	$1,000,000	1,060	1.41
Bangkok Bank Public Co. Ltd., 3.25% convertible Eurobond March 3, 2004	$3,630,000	3,848	
Bangkok Metropolitan Bank Public Co. Ltd.	1,052,500	982	.02
Bank of Ayudhya Public Co. Ltd.	4,224,240	23,654	.40
Charoen Pokphand Feedmill Public Co. Ltd.	1,575,600	7,696	.13
Dusit Thani Public Co. Ltd.	990,000	1,455	.03
Electricity Generating Authority of Thailand[1]	7,392,217	25,247	
Electricity Generating Authority of Thailand, local registered[1]	22,530	67	.44
Industrial Finance Corp. of Thailand	3,593,800	12,203	.21
MBK Properties & Development Co. Ltd.	4,000,000	5,639	.10
Nakornthai Integrated Steel Co., Ltd.	11,213,400	12,915	.22
Post Publishing Public Co. Ltd.	1,010,000	5,616	.10
SCF Finance and Securities Public Co. Ltd.	92,451	292	.01
Serm Suk Public Co. Ltd.	210,166	3,255	
Serm Suk Public Co. Ltd., local registered	64,960	1,006	.07
Siam City Bank Public Co. Ltd.	8,140,010	9,375	.16
Siam City Credit Finance and Securities Public Co. Ltd.	73,417	347	.01
Siam Commercial Bank, Public Co. Ltd.	1,340,200	17,671	.31
Thai Farmers Bank Public Co. Ltd.	4,836,600	48,789	.85
Thai Military Bank Public Co. Ltd.	3,243,684	13,140	.23
Wattachak Public Co. Ltd., 3.50% convertible bond December 6, 2003	$6,400,000	5,952	.10
		285,285	4.94
TURKEY – 1.09%			
Adana Çimento Sanayii TAŞ, Class A	24,145,229	3,127	
Adana Çimento Sanayii TAŞ, Class C	9,611,136	232	.06
Arçelik AŞ	49,620,352	3,986	.07
Eczacibaşi Ilaç Sanayi ve Ticaret AŞ[1]	1,776,600	100	–
Ege Biracilik ve Malt Sanayii AŞ	27,959,940	9,626	.17
Koç Holding AŞ, ordinary	59,021,018	8,418	.15

EQUITY-TYPE SECURITIES *(common and preferred stocks and convertible debentures)*	*Number of Shares or Principal Amount*	*Market Value (000)*	*Percent of Net Assets*
TURKEY (continued)			
Migros Turk	3,720,000	$ 2,836	.05%
Netaş, Northern Electric Telekomünikasyon AŞ	24,700,000	6,985	.12
Türkiye Garanti Bankasi AŞ	66,826,513	5,587	
Türkiye Garanti Bankasi AŞ			.16
(American Depositary Receipts)[1]	449,000	3,816	
Türkiye Şişe ve Cam Fabrikalari AŞ	132,643,312	15,439	.27
Yapi ve Kredi Bankasi AŞ	70,000,000	2,869	.04
		63,021	1.09
UNITED STATES – 0.09%			
Atlantic Tele-Network, Inc.[1]	270,700	2,927	.05
Freeport-McMoRan Copper & Gold Inc., Class A	90,000	2,520	.04
		5,447	.09
VENEZUELA – 0.10%			
Compañía de Inmuebles y Valores Caracas[1]	72,655,270	–	–
Fabrica Nacional de Cementos SACA	14,531,054	1,068	.02
Mavesa SA (American Depositary Receipts)			
(acquired 10/28/93, cost: $4,385,000)[2]	578,441	2,025	.04
Venezolana de Cementos, SACA I	1,579,719	1,938	.04
Venezolana de Cementos, SACA II	321,192	345	
Venezolana de Prerreducidos Caroni CA			
(Global Depositary Shares)	46,300	156	–
		5,532	.10
VIETNAM – 0.11%			
Vietnam Frontier Fund			
(acquired 7/21/94, cost: $3,000,000)[1,2]	291,300	3,000	.05
Vietnam Investment Fund, preferred, units			
(acquired 8/4/94, cost: $3,206,000)[1,2,3]	30	3,206	
Vietnam Investment Fund, ordinary, units			.06
(acquired 8/4/94, cost: less than $1,000)[1,2,3]	6	–	
		6,206	.11
MULTI-NATIONAL – 1.14%			
Emerging Markets Gold Fund			
(acquired 1/28/94, cost: $9,563,000)[1,2,3]	9,563	9,563	.17
New Europe East Investment Fund, Class B			
(acquired 6/4/93, cost: $54,500,000)[1,2,3,4]	436	55,718	.97
		65,281	1.14
MISCELLANEOUS – 0.96%			
Equity-type securities in initial period of acquisition[5]		55,299	.96
TOTAL EQUITY-TYPE SECURITIES (cost: $4,447,842,000)		5,140,227	89.08

BONDS AND NOTES	*Principal Amount (000)*	*Market Value (000)*	*Percent of Net Assets*
ARGENTINA – 0.39%			
Republic of Argentina Bocon PIK 4.57% April 1, 2001[6]	*ARP* 2,000	$ 1,088	.02%
Republic of Argentina Bearer Bond Series L 6.8125% March 31, 2005[6]	$13,000	9,262	.16
Republic of Argentina Eurobond Series L 5.00% March 31, 2023[6]	11,000	6,297	.11
Telecom Argentina 10.00% November 15, 2002	5,750	6,138	.10
		22,785	.39
BRAZIL – 0.71%			
Federal Republic of Brazil Capitalization Bond PIK 8.00% April 15, 2014	23,612	13,488	.23
Federal Republic of Brazil Debt Conversion Bond Series LI 6.875% April 15, 2012[6]	43,000	24,671	.43
Federal Republic of Brazil Bond Series Z 4.25% April 15, 2024[6]	2,250	1,190	.02
Republic of Minas Gerais Series A 7.875% February 10, 1999	1,500	1,260	.02
Republic of Minas Gerais Series B 8.250% February 10, 2000	500	414	.01
		41,023	.71
COLOMBIA – 0.02%			
Communicacion Cellular SA 0%/13.125% November 15, 2003[1,7]	2,000	1,143	.02
ECUADOR – 0.45%			
Republic of Ecuador Discount Bond 6.8125% February 28, 2005[6]	65,919	11,378	.20
Republic of Ecuador Past Due Interest Bonds 6.8125% February 27, 2015[6]	43,669	14,543	.25
		25,921	.45
INDIA – 0.01%			
Flex Industries 13.50% December 31, 2004	*INR* 29,929	851	.01
MEXICO – 0.47%			
Banco Nacional de Comercio Exterior International Finance 7.250% February 2, 2004	$ 3,250	2,515	.04
MC-Cuernavaca Toll Road Trust 9.250% July 25, 2001	1,571	1,074	.02
Tubos de Acero de México 13.75% December 8, 1999	7,500	7,594	.13
United Mexican States Discount Bond Series A 6.76563% December 31, 2019[6]	16,250	11,720	.20
United Mexican States Discount Bond Series B 6.76563% December 31, 2019[6]	6,000	4,327	.08
		27,230	.47
PANAMA – 0.78%			
Republic of Panama/Agent-Bank of America NTSA/ Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	28,921	12,289	.21
Republic of Panama/Agent-Bank of America NTSA/ Loan Participation Agreements (Participation-Citibank, NA)[1,6,8,9]	28,400	12,060	.21

BONDS AND NOTES	*Principal Amount (000)*	*Market Value (000)*	*Percent of Net Assets*
PANAMA (continued)			
Republic of Panama/Agent-Bank of America NTSA/ Loan Participation Agreements (Participation-Chase Manhattan Bank, NA)[1,6,8,9]	$ 6,993	$ 2,880	.05%
Republic of Panama/Agent-Generale Bank NV SA/ Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	4,956	2,113	.04
Republic of Panama/Agent-Generale Bank NV SA/ Loan Participation Agreements (Participation-Citibank, NA)[1,6,8,9]	848	360	.01
Republic of Panama/Agent-Chase Manhattan Bank, NA/ Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	6,660	2,828	.06
Republic of Panama/Agent-MUL/Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	314	144	–
Republic of Panama/Agent-First Chicago Limited/ Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	1,482	626	.01
Republic of Panama/Agent-Bank of America NTSA/ Loan Participation Agreements (Participation-Citibank, NA)[1,6,8,9]	21,325	9,000	.16
Republic of Panama Interest Reduction Bond 3.50% *due 12/29/49*	4,250	1,929	.03
		44,229	.78
PERU–1.16%			
Republic of Peru/Agent-Bankers Trust Company/ Loan Participation Agreements (Participation-Citibank, NA)[1,6,8,9]	10,764	3,780	.07
Republic of Peru /Agent-Chemical Bank/ Loan Participation Agreements (Participation-Citibank, NA)[1,6,8,9]	3,544	1,260	.02
Republic of Peru/Agent-Chemical Bank/ Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	4,085	1,440	.02
Republic of Peru/Agent-Citibank, NA/Loan Participation Agreements (Participation-Salomon Brothers)[1,6,8,9]	20,278	6,444	.11
Republic of Peru/Agent-Citibank, NA/Loan Participation Agreements (Participation-Citibank, NA)[1,6,8,9]	20,971	7,020	.12
Republic of Peru/Agent-Citibank, NA/Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	41,364	14,562	.25
Republic of Peru/Agent-Morgan Guaranty Trust, NA/ Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	8,720	3,060	.05
Republic of Peru/Agent-Wells Fargo Bank/ Loan Participation Agreements (Participation-Citibank, NA)[1,6,8,9]	20,657	7,326	.13
Republic of Peru/Agent-Wells Fargo Bank/ Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	35,534	12,528	.22

BONDS AND NOTES	*Principal Amount (000)*	*Market Value (000)*	*Percent of Net Assets*
PERU (continued)			
Republic of Peru/Agent-Well Fargo Bank/ Loan Participation Agreements (Participation-Morgan Guaranty Trust, NA)[1,6,8,9]	$26,550	$ 9,540	.17%
		66,960	1.16
PHILIPPINES – 0.04%			
Subic Power Corp. 9.50% December 28, 2008	2,670	2,535	.04
POLAND – 0.03%			
Republic of Poland Discount Bond 7.125% October 27, 2024[6]	2,500	1,894	.03
SOUTH AFRICA – 0.25%			
Republic of South Africa 13.00% August 31, 2010	*ZAR* 56,750	14,343	.25
TOTAL BONDS AND NOTES (cost: $206,915,000)		248,914	4.31

SHORT-TERM SECURITIES			
CORPORATE SHORT-TERM NOTES – 4.02%			
Abbey National North America 5.72% *due 1/29/96*	$10,000	9,954	.17
Bayerische Landesbank Girozentrale 5.66%-5.70% *due 1/3-2/5/96*	39,800	39,667	.69
Ford Credit Europe PLC 5.71% *due 1/17/96*	11,800	11,769	.20
Glaxo Wellcome PLC 5.65%-5.70% *due 1/22-2/14/96*	30,100	29,959	.52
Halifax Building Society 5.67% *due 1/16/96*	50,000	49,872	.86
National Australia Funding (Delaware) Inc. 5.70%-5.75% *due 1/11-1/22/96*	26,400	26,338	.46
Nestles Capital Corp. 5.56%-5.69% *due 1/30-2/8/96*	30,800	30,631	.53
Toyota Motor Credit Corp. 5.68%-5.71% *due 1/12-2/9/96*	26,550	26,401	.46
UBS Finance (Delaware) Inc. 5.85% *due 1/2/96*	7,600	7,598	.13
		232,189	4.02
FEDERAL AGENCY DISCOUNT NOTES – 0.17%			
Federal Farm Credit 5.55% *due 2/2/96*	10,000	9,949	.17
CERTIFICATES OF DEPOSIT – 1.77%			
Banque Nationale de Paris 5.780% *due 2/1/96*	37,000	36,999	.64
Bayerische Hypotheken-Und Wechsel-Bank AG 5.81% *due 1/18/96*	25,000	25,000	.43
Deutsche Bank 5.77% *due 1/19/96*	15,000	15,000	.26
National Westminster Bank PLC 5.78% *due 1/16/96*	10,000	10,000	.17
Société Générale 5.78% *due 1/16/96*	15,200	15,200	.27
		102,199	1.77

SHORT-TERM SECURITIES	Principal Amount (000)	Market Value (000)	Percent of Net Assets
NON-U.S. SHORT-TERM OBLIGATIONS – 0.45%			
Certificados de la Tesorería *due 1/18/96*	$ 10,460	$ 13,353	.24%
Hidroelectrica Piedra Del Aguila, SA 15.00% *due 11/27/96*	6,500,000	6,500	.11
Mesbla SA, Series 2, 13.25% convertible bond November 1, 1996	R$25,190,000	251	–
Polish Government Treasury bills *due 4/18-7/31/96*	PLZ15,800	5,933	.10
		26,037	.45
NON-U.S. CURRENCY – 0.96%			
Chilean Peso	CHP5,940,689	14,632	.26
New Taiwanese Dollar	NT$1,105,164	40,503	.70
		55,135	.96
TOTAL SHORT-TERM SECURITIES (cost: $429,487,000)		425,509	7.37
TOTAL INVESTMENT SECURITIES (cost: $5,084,244,000)		5,814,650	100.76
Excess of liabilities over cash and receivables		43,688	.76
NET ASSETS		$5,770,962	100.00%

[1] Non-income-producing securities.

[2] Purchased in a private placement transaction; resale to the public may require registration, and no right to demand registration under U.S. law exists. As of December 31, 1995, the total market value and cost of such securities was $394,170,000 and $407,230,000, respectively, and the market value represented 6.83% of net assets.

[3] Includes an unfunded capital commitment representing a binding commitment made by the fund which may be paid in the future.

[4] A Luxembourg-based, closed-end investment fund seeking long-term capital appreciation through investments in Eastern and Central Europe and the former Soviet Union, and for which Capital International, Inc. serves as the investment adviser.

[5] Does not include an agreement, totaling $43,000,000, to purchase over a multi-year period shares of New Asia East Investment Fund, a company managed by Capital International, Inc. The commitment to purchase will not be recorded until certain regulatory approvals are obtained.

[6] Coupon rate may change periodically.

[7] Represents a zero coupon bond which will convert to a coupon-bearing security at a later date.

[8] Security is currently in default.

[9] Participation interests were acquired through the financial institution indicated parenthetically.

Non-U.S. Currency Symbols:

ARP - Argentine Peso
C$ - Canadian Dollar
CHP - Chilean Peso
INR - Indian Rupee
NT$ - New Taiwanese Dollar
PLZ - Polish Zloty
R$ - Brazilian Real
ZAR - South African Rand

See Notes to Financial Statements

Equity-type securities added to the portfolio since June 30, 1995

Acer
Advanced Semiconductor Engineering
AECI
Aluminium de Grece Industrial and Commercial
Arab-Malaysian Finance
Asia Pacific Resources International
Asian Paints (India)
Banco Nacional
Banco Osorno y La Unión
Banque Commerciale du Maroc
Bharat Forge
Bombay Dyeing and Manufacturing
C & P Homes
Chernogorneft
Companhia de Tecidos Norte de Minas-COTEMINAS
Corporación Geo
PT Eka Gunatama Mandiri
Essar Oil
PT Fajar Surya Wiesea
Gez Investments
PT Hanjaya Mandala Sampoerna
Hindustan Lever
Hong Leong Credit
PT Indo-Rama Synthetics
International Pepsi-Cola Bottling Investments
Iscor
Korea Mobile Telecommunications
PT Lippo Bank
Lukoil Holding
Malbak
Mol Magyar Olaj Es Gazipari
PT Mulia Industrindo
New Century Capital Partners
New World Infrastructure
ONA
Perusahaan Perseroan (Persero)
PT Telekomunikasi Indonesia
Polifin
Rembrandt Group
SCF Finance and Securities
PT Semen Gresik
Siam City Credit Finance and Securities
Siliconware Precision Industries
Sin-Yih Ceramic
Société des Brasseries du Maroc
PT Sorini
South Africa Capital Growth Fund
Southeast Asia Cement
State Bank of Mauritius
Taiwan American Fund
Taiwan Opportunities Fund
Taiwan Semiconductor Manufacturing
PT Tambang Timah
Ton Yi Industrial
U-Ming Marine Transport
Wafabank

Equity-type securities eliminated from the portfolio since June 30, 1995

Akbank Türk
Banco Comercial Português
Banco de Crédito del Perú*
Essar Gujarat
Hopewell Holdings
Hutchison Delta Finance
PT Inti Indorayon Utama
ITI Sociedade de Investimentos Turísticos na Ilha da Madeira
Medya Holding
Samsung Co.
Tan Chong Motor Holdings
Tolmex
Tung Ho Steel Enterprise

** Banco de Crédito del Perú shares were exchanged for holdings in Credicorp.*

FINANCIAL STATEMENTS

Statement of Assets and Liabilities
at December 31, 1995 *(dollars in thousands)* *(Unaudited)*

Assets:		
Investment securities at market (cost: $5,084,244)		$5,814,650
Cash		440
Receivables for—		
Sales of investments	$32,914	
Sales of fund's shares	14,979	
Open forward currency contracts	41	
Dividends and accrued interest	27,084	75,018
		5,890,108
Liabilities:		
Non-U.S. taxes payable		5,056
Payables for—		
Purchases of investments	31,363	
Unfunded capital commitments	74,322	
Management services	3,273	
Accrued expenses	5,132	114,090
		119,146
Net Assets at December 31, 1995— Equivalent to $50.28 per share on 114,773,911 shares of $0.01 par value capital stock outstanding (authorized capital stock—200,000,000 shares)		$5,770,962

Statement of Operations for the Six Months Ended December 31, 1995 *(dollars in thousands)* *(Unaudited)*

Investment Income:		
Income:		
Dividends	$ 37,605	
Interest	35,789	$ 73,394
Expenses:		
Management services fee	19,736	
Custodian fee	4,273	
Registration statement and prospectus	545	
Auditing and legal fees	87	
Reports to shareholders	4	
Taxes other than federal income tax	1	
Postage, stationery and supplies	1	
Other expenses	301	24,948
Income before non-U.S. taxes		48,446
Non-U.S. taxes		(364)
Net investment income		48,082
Realized Gain and Unrealized Depreciation on Investments:		
Realized gain before non-U.S. taxes	29,360	
Non-U.S. taxes	(531)	
Net realized gain		28,829
Net change in unrealized depreciation on investments	(129,622)	
Net unrealized appreciation on open forward currency contracts	41	
Net unrealized depreciation	(129,581)	
Non-U.S. taxes	2,005	(127,576)
Net realized gain and unrealized depreciation on investments		(98,747)
Net Decrease in Net Assets Resulting from Operations		$ (50,665)

Statement of Changes in Net Assets *(dollars in thousands)*

	Six Months Ended December 31, 1995[1]	*Year Ended June 30, 1995*
Operations:		
Net investment income	$ 48,082	$ 85,015
Net realized gain on investments	28,829	305,354
Net unrealized depreciation on investments	(127,576)	(486,957)
Net decrease in net assets resulting from operations	(50,665)	(96,588)
Dividends and Distributions Paid to Shareholders:		
Dividends from net investment income	(40,981)	(61,624)
Distributions from net realized gain on investments	(140,664)	(456,090)
Total dividends and distributions	(181,645)	(517,714)
Capital Share Transactions:		
Proceeds from shares sold: 4,675,641 and 26,840,022 shares, respectively	251,679	1,502,619
Proceeds from shares issued in reinvestment of net investment income dividends and distributions of net realized gain on investments: 3,678,055 and 8,593,036 shares, respectively	179,783	513,177
Net increase in net assets resulting from capital share transactions	431,462	2,015,796
Total Increase in Net Assets	199,152	1,401,494
Net Assets:		
Beginning of period	5,571,810	4,170,316
End of period (including undistributed net investment income and excess distributions over net investment income: $4,691 and $2,410, respectively)	$5,770,962	$5,571,810

[1] *Unaudited*

See Notes to Financial Statements

1. Emerging Markets Growth Fund, Inc. (the "fund") is registered under the Investment Company Act of 1940 as a closed-end, diversified management investment company. The following paragraphs summarize the significant accounting policies consistently followed by the fund in the preparation of its financial statements:

Equity-type securities traded on a national securities exchange (or reported on the NASDAQ national market) and securities traded in the over-the-counter market are stated at the last reported sales price on the day of valuation; other securities, and securities for which no sale was reported on that date, are stated at the last quoted bid price. In cases where securities are traded on more than one exchange, the securities are valued on the exchange designated by or under the authority of the Board of Directors as the primary market. Bonds and notes are valued at prices obtained from a bond-pricing service provided by a major dealer in bonds, when such prices are available; however, in circumstances where the investment adviser deems it appropriate to do so, such securities will be valued at the mean of their representative quoted bid and asked prices or, if such prices are not available, at prices for securities of comparable maturity, quality, and type. Short-term securities with original or remaining maturities in excess of 60 days, including forward currency contracts, are valued at the mean of their quoted bid and asked prices. Short-term securities with 60 days or less to maturity are amortized to maturity based on their cost to the fund if acquired within 60 days of maturity or, if already held by the fund on the 60th day, based on the value determined on the 61st day. Securities for which market quotations are not readily available (including restricted securities which are subject to limitations as to their sale), or which are not deemed to represent market value, are valued at fair value as determined in good faith by the Valuation Committee of the Board of Directors.

As is customary in the mutual fund industry, securities transactions are accounted for on the date the securities are purchased or sold. Realized gains and losses from securities transactions are reported on an identified cost basis. Dividend and interest income is reported on the accrual basis. Discounts on securities purchased are amortized over the life of the respective securities. The fund does not amortize premiums on securities purchased. Dividends and distributions paid to shareholders are recorded on the ex-dividend date.

Investment securities, cash balances, and other assets and liabilities, including forward currency contracts, denominated in non-U.S. currencies are recorded in the financial statements after translation into U.S. dollars utilizing rates of exchange on the last business day of the period. Purchases and sales of investment securities, dividend and interest income, and certain expenses are calculated at the rates of exchange prevailing on the respective dates of such transactions. Gains and losses that arise from changes in exchange rates are not segregated from gains and losses that arise from changes in market prices of investments.

Unfunded capital commitments represent agreements which obligate the fund to meet capital calls in the future. Payment would be made when a capital call is requested. Capital calls can only be made if and when certain requirements have been fulfilled; thus, the timing of such capital calls cannot be readily determined. Unfunded capital commitments are recorded at the amount that would be paid when and if capital calls are made.

Pursuant to the custodian agreement, the fund receives credits against its custodian fee for imputed interest on certain balances with the custodian bank. The custodian fee of $4,273,000 includes $119,000 that was paid by these credits rather than in cash.

2. Investing in securities of issuers in a variety of developing countries involves certain special investment risks, which may include investment

and repatriation restrictions, currency volatility, government involvement in the private sector, limited investor information, shallow securities markets, certain local tax law considerations, and limited regulation of the securities markets.

Dividend income, and interest income, net realized gain and net unrealized gain, of the fund derived in Chile are subject to certain non-U.S. taxes at rates of 20% and 35%, respectively. Net realized gain and net unrealized gain of the fund derived in India are subject to certain non-U.S. taxes at a rate of 10%. The fund provides for such non-U.S. taxes on investment income, net realized gain, and net unrealized gain.

3. It is the fund's policy to continue to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net taxable income, including any net realized gain on investments, to its shareholders. Therefore, no federal income tax provision is required.

As of December 31, 1995, net unrealized appreciation on investments, excluding forward currency contracts, for federal income tax purposes aggregated $719,831,000, net of accumulated deferred taxes totaling $2,162,000 on net unrealized appreciation of Chilean and Indian securities, of which $1,295,909,000 related to appreciated securities and $576,078,000 related to depreciated securities. There was no difference between book and tax realized gains on securities transactions for the six months ended December 31, 1995. The cost of portfolio securities, excluding forward currency contracts, for federal income tax purposes was $5,135,657,000 at December 31, 1995.

4. The fee of $19,736,000 for management services was paid pursuant to an agreement with Capital International, Inc. (CII), with which certain officers and Directors of the fund are affiliated. The Investment Advisory and Service Agreement provides for monthly fees, accrued weekly, based on an annual rate of 0.90% of the first $400 million of the fund's net assets; 0.80% of such assets in excess of $400 million but not exceeding $1 billion; 0.70% of such assets in excess of $1 billion but not exceeding $2 billion; 0.65% of such assets in excess of $2 billion but not exceeding $4 billion; 0.625% of such assets in excess of $4 billion but not exceeding $6 billion; 0.60% of such assets in excess of $6 billion but not exceeding $8 billion; 0.58% of such assets in excess of $8 billion but not exceeding $11 billion; and 0.56% of such assets in excess of $11 billion. CII is owned by Capital Group International, Inc., which is a wholly owned subsidiary of The Capital Group Companies, Inc.

5. As of December 31, 1995, accumulated excess distributions of net realized gains were $6,232,000 and additional paid-in capital was $5,043,938,000. The fund made purchases and sales of investment securities, excluding short-term securities, of $1,402,969,000 and $481,745,000, respectively, during the six months ended December 31, 1995.

Dividend and interest income is recorded net of non-U.S. taxes paid. For the six months ended December 31, 1995, such non-U.S. taxes were $4,279,000. Net realized currency losses on dividends, interest, withholding taxes reclaimable, and sales of non-U.S. bonds were $691,000 for the six months ended December 31, 1995.

The fund may enter into forward currency contracts, which represent an agreement to exchange currencies of different countries at a specified future date at a specified rate. The fund purchased forward currency contracts to hedge the foreign exchange exposure in the Polish Government Treasury Bills held by the fund. The Polish Government has pegged the Zloty to a basket of currencies, and the forward currency contracts protect the fund against movements in these currencies against the U.S. dollar. The fund's use of forward currency contracts involves market risk in excess of the amount recognized in the statement of assets and liabilities. The contracts are recorded in the statement of assets and liabilities at their net unrealized value. The face or contract amount in U.S. dollars reflects the total exposure the fund has in that particular contract. Losses may arise upon entering these contracts from the potential inability of counterparties to meet the terms of their contracts and from possible movements in non-U.S. exchange rates and securities values underlying these instruments. At December 31, 1995, the fund had outstanding forward currency contracts to sell non-U.S. currencies as follows:

NON-U.S. CURRENCY SALE CONTRACTS

	Contract Amount		*U.S. Valuation at 12/31/95*	
	Non-U.S.	*U.S.*	*Amount*	*Unrealized Appreciation*
French Francs *expiring 2/9/96*	*FF*1,288,000	$ 263,000	$ 263,000	$ 0
German Deutschemarks *expiring 2/9/96*	*DM*2,642,000	1,873,000	1,843,000	30,000
Pound Sterling *expiring 2/9/96*	£256,000	403,000	397,000	6,000
Swiss Francs *expiring 2/9/96*	*SFR*318,000	281,000	276,000	5,000
				$41,000

PER-SHARE DATA AND RATIOS

	Six Months Ended 12/31/95[1]	*Year Ended June 30*				
		1995	*1994*	*1993*	*1992*	*1991*
Net Asset Value, Beginning of Period	$52.36	$58.75	$44.95	$38.64	$32.73	$32.81
Income from Investment Operations:						
Net investment income	.43	.87	.53	.62	.55	.83
Net realized and unrealized gain (loss) on investments before non-U.S. taxes	(.87)	(.79)	15.29	7.33	8.87	3.89
Non-U.S. taxes	–	(.03)	(.39)	.06	(.28)	(.38)
Total income from investment operations	(.44)	.05	15.43	8.01	9.14	4.34
Less Distributions:						
Dividends from net investment income	(.37)	(.63)	(.49)	(.56)	(.56)	(.92)
Distributions from net realized gains	(1.27)	(5.81)	(1.14)	(1.14)	(2.67)	(3.50)
Total distributions	(1.64)	(6.44)	(1.63)	(1.70)	(3.23)	(4.42)
Net Asset Value, End of Period	$50.28	$52.36	$58.75	$44.95	$38.64	$32.73
Total Return	(.75)%[2]	(1.22)%	34.33%	21.55%	29.73%	18.08%
Ratios/Supplemental Data:						
Net assets, end of period (in millions)	$5,771	$5,572	$4,170	$2,574	$1,561	$703
Ratio of expenses to average net assets	.44%[2]	.91%	1.00%	1.01%	1.11%	1.18%
Ratio of expenses and non-U.S. taxes to average net assets	.44%[2]	.94%	1.04%	1.07%	1.18%	1.31%
Ratio of net income to average net assets	.84%[2]	1.70%	.91%	1.82%	1.84%	2.78%
Portfolio turnover rate	9.31%[2]	23.75%	18.13%	11.97%	16.03%	26.38%

[1] *Unaudited*

[2] *Based on operations for the period shown and, accordingly, not representative of a full year's operations.*

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This report is for the information of shareholders of Emerging Markets Growth Fund, but it may also be used as sales literature when preceded or accompanied by the current prospectus, which gives details about charges, expenses, investment objectives and operating policies of the fund.

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Lit. No. EMGF-013-0296 (NLS)

List of attendees

G-B-[illegible] 8997
cc: Ali (letter + list only)

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15 May 1996

Mr. James Wolfensohn
President
The World Bank
1818 H Street NW
Washington DC 20433

RE: EMERGING MARKETS GROWTH FUND
10TH ANNIVERSARY DINNER - JUNE 17, 1996

Dear Mr. Wolfensohn:

As I indicated in my conversation with Geoffrey Bergen earlier today, enclosed is a tentative list of attendees at the referenced dinner, as well as the latest semi-annual report of Emerging Markets Growth Fund. (Front Pocket)

MAY 10 24

If there is additional information which would be useful, please let me know; my telephone number is 310/996-6156.

Yours sincerely,

Carita Iliana

Carita Iliana O'Connor
Assistant - Emerging Markets

encl.