



# International Equity Fund

Portfolio Information as of December 31, 2009

## Fund Overview

Total Fund Assets: \$1,424.5 Million

Fund Classes:	<b>Institutional</b>	<b>Y</b>	<b>Retirement</b>
Inception Date:	8/7/91	8/3/09	5/1/09
Fund NAV:	\$15.82	\$16.32	\$15.97
CUSIP:	02368A406	02368A190	02368A216
Trading Symbol:	AAIEX	ABEYX	ABIRX

Fund Classes:	<b>Investor</b>	<b>Advisor</b>
Inception Date:	8/1/94	5/1/03
Fund NAV:	\$15.64	\$15.97
CUSIP:	02368A794	02368A422
Trading Symbol:	AAIPX	AAISX

## Investment Sub-Advisors

Templeton Investment Counsel, LLC	28.8%
Causeway Capital Management LLC	28.6%
The Boston Company Asset Management, LLC	22.4%
Lazard Asset Management LLC	20.2%

## Lipper Rankings

Category: International Large-Cap Value Funds

	1 Yr	3 Yr	5 Yr	10 Yr
Institutional	58	24	17	22
Investor	61	26	24	25
Advisor	66	29	31	N/A
Retirement	N/A	N/A	N/A	N/A
Y	N/A	N/A	N/A	N/A
# of Funds in the Category	132	105	77	44

## Lipper Quartile

Institutional	2nd	1st	1st	2nd
Investor	2nd	1st	2nd	3rd
Advisor	2nd	2nd	2nd	N/A
Retirement	N/A	N/A	N/A	N/A
Y	N/A	N/A	N/A	N/A

Lipper is an independent rating service that ranks mutual funds in various categories by making comparative calculations using total returns.

*Securities of the Fund may only be sold by offering the Fund's Prospectus. You should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The Prospectus contains this and additional information regarding the Fund. To obtain a Prospectus, please contact your Financial Advisor, call 1-800-967-9009 or visit [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com). The Prospectus should be read carefully before investing.*

## Investment Objective

A multi-manager Fund seeking long-term capital appreciation and current income primarily through investments in equity securities of issuers based outside of the United States.

## Investing Style

The Fund's bottom-up, value driven process identifies stocks of companies with below-average price to earnings or price-to-cash flow ratios, below-average price-to-book value ratios, above-average dividend yields and above-average return on equity or earnings growth potential. The Fund's sub-advisors select securities based upon a country's economic outlook, market valuation and potential changes in currency exchange rates.

To determine a company's growth prospects, each of the Fund's sub-advisors uses proprietary methods based upon a combination of internal and external research and analysis of changing economic trends. The Fund will primarily invest in countries comprising the Morgan Stanley Capital International Europe Australasia Far East Index (MSCI EAFE). American Beacon provides each sub-advisor with a limit of the maximum investment allowed in each country.

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## Asset Allocation

Equity	97.9%
Cash Equivalent	2.1%

## Top Ten Country Weighting

United Kingdom	22.4%
Japan	15.1%
France	13.4%
Germany	10.7%
Switzerland	8.7%
Netherlands	6.3%
Spain	3.6%
Singapore	3.0%
Hong Kong/China	2.2%
Sweden	2.2%

## Expense Ratios

	Gross	Net <sup>1</sup>
Institutional	0.67%	0.66%
Investor	1.05%	N/A
Advisor	1.35%	N/A
Retirement	1.49%	N/A
Y	0.83%	0.82%

<sup>1</sup>The net expense ratio is net of acquired fund fees and expenses that the Fund incurred indirectly as a result of investment in certain pooled investment vehicles.

Total Returns	QTR	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Since Inception*
Institutional	2.06	29.75	29.75	-5.42	3.49	3.81	8.06
Investor	1.99	29.39	29.39	-5.67	3.23	3.58	7.82
Advisor	1.85	28.89	28.89	-5.97	2.92	3.38	7.71
Retirement	1.91	28.89	28.89	-5.97	2.92	3.38	7.71
Y	2.06	29.83	29.83	-5.40	3.50	3.82	8.06
Lipper International Large-Cap Value Funds Average**	1.75	29.55	29.55	-7.43	2.71	3.38	7.18
MSCI EAFE Index***	2.18	31.78	31.78	-6.04	3.54	1.17	5.55

Performance shown is historical and may not be indicative of future returns. Investment returns and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Performance shown is as of date indicated, and current performance may be lower or higher than the performance data quoted. To obtain performance as of the most recent month end, please visit [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com) or call 1-800-967-9009. Please note that the recent growth rate in the stock market has helped to produce short-term returns that are not typical and may not continue in the future.

**Important Information:** There is no guarantee that the investment objectives will be met. Indices are unmanaged and one cannot invest directly in an index. Investing in foreign equities entails additional risk not associated with domestic equities, such as currency fluctuations, economic and political instability and differences in accounting standards. Performance shown prior to the 5/1/03 inception of the Advisor Class is that of the Investor Class. The returns have not been adjusted for any difference between the fees and expenses of the Advisor Class and the historical fees and expenses of the Investor Class. Because the Investor Class had lower expenses, its performance was better than the Advisor Class would have realized during the same period. A portion of the fees charged to the Advisor Class of the Fund has been waived. Performance prior to waiving fees was lower than the actual returns shown. Performance shown prior to the 5/1/09 inception of the Retirement Class is that of the Advisor class from 5/31/2003 through 4/30/2009 and the Investor Class prior to 5/31/2003. The returns have not been adjusted for any difference between the fees and expenses of the Retirement Class and the historical fees and expenses of the Advisor and Investor Classes. Because the Advisor and Investor classes had lower expenses, their performance was better than the Retirement Class would have realized during the same periods. Performance shown prior to the 8/3/09 inception of the Y Class is that of the Institutional Class. The returns have not been adjusted for any difference between the fees and expenses of the Y Class and the historical fees and expenses of the Institutional Class. Because the Institutional Class had lower expenses, its performance was better than the Y Class would have realized during the same period. \*Annualized. The Lipper International Funds Index tracks the results of the 30 largest mutual funds in the Lipper International Funds category. Lipper is an independent mutual fund research and ranking service. Lipper is an independent mutual fund research and ranking service. \*\*\*The MSCI EAFE Index is a market capitalization weighted index of international stock performance composed of equities from developed markets excluding the U.S. and Canada. The P/E Ratio of a stock is calculated by dividing the current price by forecasted twelve-month earnings per share. The P/B Ratio of a stock is calculated by dividing the current price by book value per share. R-squared (R<sup>2</sup>) is the percentage of the Fund's three-year return that is explained by movements in its benchmark index. Alpha is a measure of the Fund's expected performance versus the benchmark, adjusted for relative risk. Beta is a measure of the Fund's volatility versus the benchmark. Sharpe Ratio is a measure of the Fund's return per unit of total risk. Standard Deviation is a measure of the historical volatility of the Fund's returns.

## Top 10 Holdings

Sanofi-Aventis S.A.	2.7%
Siemens AG	2.4%
Vodafone Group plc	2.2%
HSBC Holdings plc	2.2%
Novartis AG	1.8%
BP plc	1.8%
DBS Group Holdings Ltd.	1.8%
Total S.A.	1.8%
Royal Dutch Shell plc	1.7%
GlaxoSmithKline plc	1.7%
Total Fund Holdings:	174

## Portfolio Statistics

Price-to-Earnings Ratio (P/E)	15.5
Price-to-Book Ratio (P/B)	1.5
Weighted Average Market Cap (\$ bil)	\$24.9
5 Year Earnings Growth	3.2

## 3 Year Risk Summary:

R2	0.97
Alpha	0.72
Beta	1.01
Sharpe Ratio	-0.32
Standard Deviation	24.64