

# SMALL CAP VALUE OPPORTUNITY FUND



PORTFOLIO INFORMATION - DECEMBER 31, 2008

## FUND OVERVIEW

Total Fund Assets: \$2.4 Million

	Institutional Class	PlanAhead Class®
Inception Date	3/31/06	3/31/06
Class Assets	\$2.3 Million	\$0.2 Million
Fund NAV	\$6.17	\$6.16
CUSIP	02368A349	02368A331
Trading Symbol	ASOIX	ASOPX

## INVESTMENT SUB-ADVISOR

- PanAgora Asset Management, Inc. 100%

## LIPPER RANKINGS

<b>CATEGORY: Small-Cap Value Funds</b>	<b>1 YR</b>
Number of Funds in Category	321
Institutional Class	146
PlanAhead Class	149
<b>Lipper Quartile</b>	
Institutional Class	2nd
PlanAhead Class	2nd

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

## INVESTMENT OBJECTIVE

A Fund seeking long-term capital appreciation and current income primarily through investments in small market capitalization U.S. stocks.

## INVESTING STYLE

PanAgora's investment process follows a bottom-up approach. The strategy applies quantitative techniques combined with traditional investment theory. The investment team utilizes a proprietary, multi-factor, quantitative model to create a return forecast for each stock in the Russell 2000® Value Index. Factors indicating relative value, such as book-to-price ratio, sales-to-price ratio, forward earnings-to-price ratios, and dividend yield, play a significant role in the model. Additional factor categories include earnings quality, earnings momentum, and price momentum. Each stock's return forecast is then weighted against its contribution to the risk of the portfolio in comparison to the benchmark and transaction cost.

PanAgora attempts to construct a portfolio with the highest return potential and the lowest risk. A key component of their investment process is the fundamental analysis of potential investments by the investment team. The insight is used to enhance and verify the quantitative techniques.

*You should consider the investment objectives, risks, fees and expenses of any mutual fund carefully before investing. This and other information is available in the Fund's prospectus, which you may obtain at [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com) or by calling 1-800-967-9009 today. Please read the prospectus carefully before investing.*

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# SMALL CAP VALUE OPPORTUNITY FUND

ALL DATA AS OF DECEMBER 31, 2008

## ASSET ALLOCATION

Equity	91.3
Equitized Cash	8.7

## SECTOR WEIGHTINGS

	FUND
Financials	42.7
Industrials	14.4
Information Technology	11.7
Consumer Discretionary	11.4
Health Care	6.5
Materials	3.7
Consumer Staples	3.5
Utilities	3.5
Energy	1.6
Telecommunication Services	1.0

## EXPENSE RATIOS

	GROSS EXPENSE RATIO	NET EXPENSE RATIO <sup>1</sup>
Institutional Class	1.28%	1.05%
PlanAhead Class	1.71%	1.30%

<sup>1</sup> The net expense ratio is net of expense reimbursements that American Beacon Advisors has contractually agreed to maintain through February 28, 2009.

## PORTFOLIO STATISTICS

EQUITY:	FUND
Price/Earnings Ratio	11.7
Price/Book Ratio	1.5
Wtd Avg Mkt Cap (\$ bil)	1.3

3 YEAR RISK SUMMARY:	FUND
R <sup>2</sup>	N/A
Alpha	N/A
Beta	N/A
Sharpe Ratio	N/A
Standard Deviation	N/A

## TOP TEN HOLDINGS

Navigators Group, Inc.	1.8%
Ruddick Corp.	1.3%
HOT Topic, Inc.	1.3%
Community Bank System, Inc.	1.3%
National Penn Bancshares, Inc.	1.3%
El Paso Electric Co.	1.3%
Amerisafe, Inc.	1.3%
Stifel Financial Corp.	1.2%
Senior Housing Properties Trust	1.1%
Digi International, Inc.	1.1%

Total Fund Holdings: 156

## SMALL CAP VALUE OPPORTUNITY FUND

## TOTAL RETURNS

	QTR	YTD	1 YR	3 YR*	5 YR*	Since Inception*
Institutional Class	-25.39	-32.72	-32.72	N/A	N/A	-15.58
PlanAhead Class	-25.15	-32.60	-32.60	N/A	N/A	-15.59
Lipper**	-25.11	-32.82	-32.82	N/A	N/A	-13.40
Russell 2000® Value ***	-24.89	-28.92	-28.92	N/A	N/A	-12.27

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.

\* Annualized.

\*\* The Lipper Small-Cap Value Index tracks the results of the 30 largest mutual funds in the Lipper Small Cap Value Funds category. Lipper is an independent mutual fund research and ranking service.

\*\*\* The Russell 2000 Value Index is an unmanaged index of those stocks in the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth values.

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.

**Investing in the securities of small capitalization companies involves greater risk and the possibility of greater price volatility than investing in larger capitalization and more established companies.** A portion of the fees charged to the Fund has been waived since 2006. Performance prior to waiving fees was lower than the actual returns shown for periods since 2006.