

American Century Intl. Discovery (twegx)

9/30/09 (unless otherwise indicated)

Portfolio Manager: Kopinski/Brady
Manager Start Date: 4/30/97
Investment Support:
Category: Foreign Small/Mid Growth

Top Sectors: (industrials, consumer goods, information tech)
Mstar Rating: 3 star
Largest Holdings:
 Seadrill Ltd. 3.2%
 Tullow Oil PLC 2.1%
 Precision Drilling Trust 1.9%
 Melco Crown Entertainment Ltd. 1.9%
 Lonza Group AG 1.8%
 10.7%

Number of Holdings: 115 stock 0 bond

Qualitative Description: 7/6/2009 - most recent report

This fund could be cheaper, but it's still worth a look. Following this fund's 52% loss in 2008, its expense ratio ticked up to 1.53% annually due to its shrunken asset base. That levy is high compared with most no-load foreign small- and mid-cap funds, but the fund still has enough merit to make it worth a look. For one, Kopinski has built a solid record here over the past 12 years. He screens on mostly mid-cap firms that are growing earnings annually in the 5% to 20% range, as well as other growth-related factors. For example, the team keyed in on several Japanese retailers in early 2009 in part because they have exhibited strong same-store sales growth. Once the universe is narrowed, he and his team of regional analysts evaluate each stock based on its financials and competitive advantages. Would-be investors need to be prepared for a bumpy ride. This fund has been more volatile (as measured by standard deviation) than its typical peer and the MSCI All Country World ex-US Mid Cap Growth Index over the past 10 years. And Kopinski's focus on firms with accelerating earnings has led to roughly twice the turnover compared with the typical fund in this group, but the fund's long-term, after-tax record hasn't been a disaster. Its roughly 5% annualized return after taxes over the past 10 years puts it ahead of two thirds of its peers. Kopinski has other duties, but he isn't stretched too thin. He took the lead on American Century International Opportunities, which has a smaller-cap tilt, when the former manager left the firm last year. In spite of manager turnover and Kopinski's additional responsibilities, we're confident this fund will get the necessary attention. We'd access Kopinski's strategy through this option since the smaller-cap fund is even pricier.

Performance Record

	<u>+/- MSCI*</u>	<u>+/- S&P 500</u>	<u>% Rank in Cat</u>
3-Month	5.13%	n/a	3
1-Year	-7.87%	n/a	93
3-Year Annualized	n/a	n/a	65
5-Year Annualized	n/a	n/a	44

* MSCI AC World Index ex US Mid Growth

Morningstar Rating Risk/Return

	<u>Return</u>	<u>Risk</u>	<u>Rating</u>
3-Year:	Avg	Above Avg	2 star
5-Year:	Avg	Above Avg	3 star
10-Year:	Avg	Above Avg	3 star

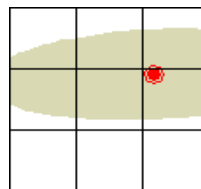
% Investment in Various Economic Sectors

	<u>Benchmark</u>	<u>Option</u>	<u>twegx</u>	<u>twiex</u>	<u>tfeqx</u>	<u>osmax</u>	<u>tgviex</u>	<u>miofx</u>	<u>dfevex</u>	<u>rivfx</u>
Information Economy	na	15	16.7	12.5	25.5	10.6	18.1	13.8	10.8	5.5
Service Economy	na	38	35.1	48.0	40.0	19.5	50.2	43.2	33.8	25.2
Mfg. Economy	na	47	48.2	39.5	34.5	69.9	31.7	43.0	55.4	69.3

Assets in our Portfolio: 5.0 mil
Assets Under Management: 897 mil
AUM Last Year (2008): 748 mil
AUM Three Years Ago (2006): 1,495 mil

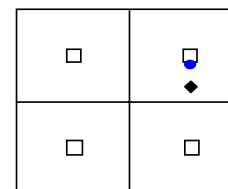
Geo Average Market Cap: 3,990 mil

Ownership Zone



● zone represents 75% of domestic stock holdings
 ● the centroid represents wghtd. avg. domestic stock holdings

Return Based Style



● Manger
 ◆ Benchmark

Quantitative Description

R-Squared (MSCI*): 93.22%
Alpha (MSCI*): 0.47%
Beta (MSCI*): 1.02
Turnover: 175
Standard Deviation: 29.60%
Sharpe Ratio: -0.22
Info Ratio (MSCI*): -0.01

Fiduciary Grade

9/22/09
Overall Grade: C
Regulatory Issues: A
Board Quality: B
Manager Incentives: B
Fees: C
Corporate Culture: C

Investment Valuation

	<u>Manager</u>	<u>Rel. to Cat.</u>
P/E (Prospective):	14.5	1.1
P/B:	1.1	0.8
P/Sales:	0.7	1.0
P/Cash Flow:	5.2	1.0
P/Dividend Yield:	4.3	1.2

Growth Rates

	<u>Manager</u>	<u>Rel. to Cat.</u>
Long Term Earnings:	18.0	1.3
Historical Earnings:	-26.8	2.8
Sales Growth:	-26.2	2.0
Cash-Flow Growth:	-34.3	2.9
Book-Value Growth:	-21.8	1.7

Expense Ratios

Expense Ratio: 1.36
Revenue Sharing: 0.20
Our Expense Ratio: 1.16