

BECAUSE TODAY'S INVESTOR IS SEARCHING FOR BETTER ANSWERS





EVER WATCHFUL EVER ANALYTICAL EVER FOCUSED EVER COMMITTED

For more than 25 years, American Beacon has been on the watch — overseeing investments for corporate, institutional and individual investors. Our leadership position as a “manager of managers” is built on a long-standing history of independent thinking, discipline and consistency.

In fact, as a fiduciary for billions of dollars in pension plan assets, we have been evaluating, selecting and monitoring investment managers for several decades. And we remain intent on pursuing consistent, long-term investment performance on behalf of those who place their assets under our watchful eye.

OVERSIGHT 360



NOW MORE THAN EVER, YOU NEED GUIDANCE YOU CAN TRUST

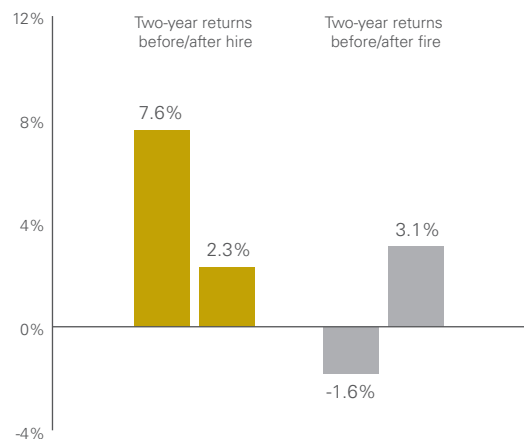
With thousands of mutual funds, ETFs and closed-end funds available to investors—each representing the style and strategy of different investment managers—selecting among them can be overwhelming.

Having to make such decisions in times of extreme market volatility and global economic uncertainty makes the task even harder.

This is why so many investors—even those in a corporate or institutional setting—end up choosing funds based on an investment manager’s most recent performance record, hoping to catch the manager with the “hottest hand.” Unfortunately, they often miss. In fact, research has found that individual investors often underperform the market indexes by “zigging” when they should be “zagging.”

Fortunately, there is a better way to approach investing—one that’s more likely to produce the consistently favorable results all investors seek.

PERFORMANCE IS IMPOSSIBLE TO PREDICT



Investment managers are often hired after posting a run of strong year-over-year results, only to find that they have difficulty duplicating this pattern of performance going forward. Similarly, managers are often fired in the wake of underperformance, leaving investors to miss out on any rebound that occurs in the years that follow.

Source: "The Selection and Termination of Investment Management Firms by Plan Sponsors," Amit Goyal and Sunil Wahal, Journal of Finance, August 2008

ARE THEY ZIGGING WHEN THEY SHOULD BE ZAGGING?

Research shows that some investors tend to buy when a fund is doing well and sell when a fund is doing poorly. This leads to a record of routinely underperforming the market averages.



NO ONE MONEY MANAGER HAS A MONOPOLY ON THE BEST INVESTMENT IDEAS

In our experience, every money manager has strong years ... and not-so-strong years. And it's impossible to predict when the tide may turn.

For this reason, we maintain a disciplined, long-term perspective, calling on a number of proven institutional money managers to join forces on behalf of our investors.

In many cases, we draw upon the skills of two or more sub-advisors, charging them with day-to-day management responsibilities for distinct portions of a single portfolio.

IN ESSENCE, WE ARE A "MANAGER OF MANAGERS"

Our goal is to assemble the most effective combination of money managers for a specific asset class, investment style or market strategy. Each manager (known as a sub-advisor) is responsible for a portion of the combined assets within the same investment fund, investing that portion directly in the securities that best suit the investment objectives of the portfolio.

This is unlike a fund-of-funds strategy or a portfolio-of-funds strategy, as both of these strategies involve investing directly in other investment funds, rather than individual securities. The differences are striking.

While all three approaches to manager diversification address the challenge of money manager selection, a manager-of-managers approach gives the investor significantly more benefits.

MANAGER OF MANAGERS: CLEAR ADVANTAGES FOR THE INVESTOR

SERVICE CONSIDERATION	MANAGER OF MANAGERS	FUND OF FUNDS	PORTFOLIO OF FUNDS
Manager Diversification —splits assets among a combination of investment managers	✓	✓	✓
Capacity —ability to fully invest additional monies from investors in desired investment style	✓	✓	✓
Selection & Monitoring of Managers —detailed review of investment managers before and after hire to ensure quality and consistency of performance	✓	✓	?
Auto Rebalance —allocate portfolio monies automatically as markets rotate	✓	✓	?
One Statement —consolidated reporting from one source to investors for statements and tax reporting	✓	✓	
Verifiable Historical Track Record —the performance of multiple sub-advisors is integrated to create a single, aggregated track record for the entire fund portfolio over time	✓	✓	
Ability to Negotiate Fees —advisor may negotiate fees directly with each manager versus “off the shelf” pricing	✓		
Set Portfolio Guidelines —advisor determines permissible investments to adhere to fund objectives	✓		
No Liquidation if Manager is Terminated —assets may be transferred to another investment manager without incurring transaction costs or market losses due to a liquidation	✓	✓*	
Access to Non-Mutual Fund Managers —many industry-leading investment managers specialize in separate account active management with high minimums	✓		
Economies of Scale with Service Providers —managing large assets with an established infrastructure provides cost savings as fees are negotiated and assets grow	✓		
Mask Trading —investment managers’ trading activities are not publicly available as they trade daily, preventing others from affecting the price of the traded security by buying or selling the same security at the same time	✓		
Real-Time Portfolio Information —investments are priced daily to provide sub-advisors’ portfolio managers with access to an accurate picture of portfolio holdings on a real-time basis	✓	✓*	

*Actual characteristics depend upon the proprietary structure of the product.

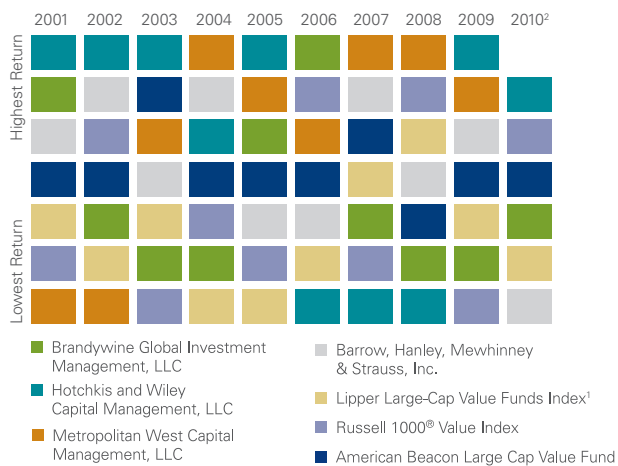
WATCHING OVER YOUR PORTFOLIO

OVERSIGHT 360

Because we take our responsibilities for fiduciary oversight very seriously, our manager evaluation and selection process is continuous, selective and highly rigorous.

DIVERSIFYING MANAGER RISK

American Beacon Large Cap Value Fund
Calendar Year Relative Performance Among Sub-Advisors



1. We believe long-term relationships matter.

Our oversight role begins well before the initial selection of a money manager takes place. As fiduciary to one of the nation's largest corporate pension plans, we have gained insight into a wide range of potential managers, getting to know their values, their strengths and their particular areas of expertise.

4. We conduct regular, in-person reviews of each and every manager.

Due diligence does not end with the initial selection of a money manager. Our commitment to rigorous and continuous oversight—which includes in-depth, face-to-face review meetings on a regular basis—helps to maintain manager consistency, investment style purity and a commitment to excellence. This approach helps eliminate the tendency to “drift” with market conditions, keeping managers true to stated market-cap categories and investment style guidelines.

¹ Performance shown through 9/30/2006 is that of the Lipper Multi-Cap Value Funds Index. Lipper reclassified the Large Cap Value Fund from the Multi-Cap Value category to the Large-Cap Value category effective 9/30/2006. The Lipper Large-Cap Value Funds Index is a composite of 30 of the largest mutual funds in the Lipper Large-Cap Value Funds category, based on year-end total net asset size.

² Massachusetts Financial Services Company replaced Metropolitan West in December 2010. Neither of these sub-advisors had a full year of performance.

Past performance is no guarantee of future results. In constructing the chart, sub-advisor performance gross of fees was used, while Fund performance net of fees was used. The position of each block in a column shows only relative performance of the various components for that year and does not imply that performance was positive.

By harnessing the advanced thinking and specialized expertise of accomplished money managers, American Beacon brings institutional-caliber money management to the individual investor.

The process we use to evaluate and select these managers requires us to continuously filter information through a series of screening measures, enforcing requirements that set **truly high standards for consistency and historical performance.**

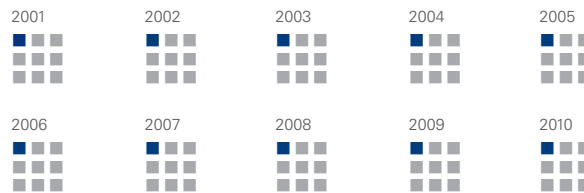
2. We select the money managers we believe will be most effective for specific objectives.

Our standing in the industry gives us access to institutional-caliber money managers, including those who would otherwise be unavailable to most individual investors. While we demand accountability from each of our money managers, we also understand the cyclical nature of the markets and the resulting ebb and flow of results that any investment entails. As a result, the tenure of a successful manager can last for decades.

3. We place a high priority on containing costs.

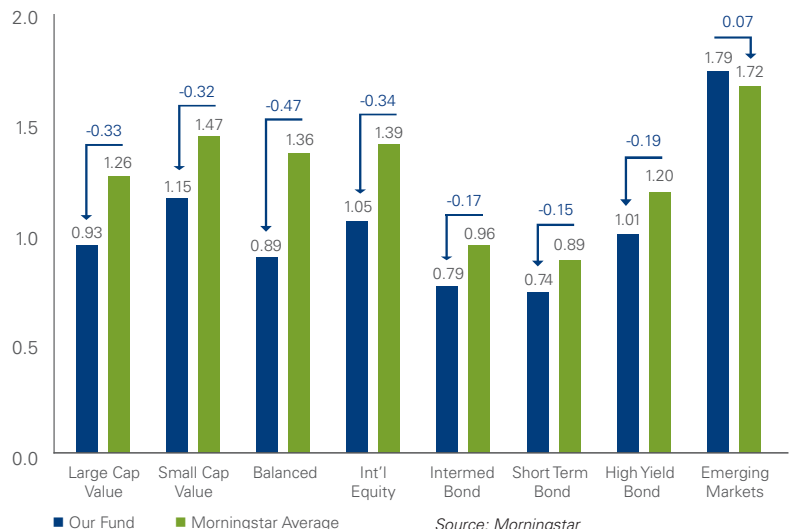
We pursue this goal diligently through fee negotiations, monitoring sub-advisors for trading efficiencies and seeking to realize economies of scale.

AMERICAN BEACON LARGE CAP VALUE FUND STYLE CONSISTENCY
Calendar Years



Source: Morningstar

MORNINGSTAR AVERAGE NET EXPENSE RATIOS VERSUS AMERICAN BEACON FUNDS' INVESTOR CLASS
As of 12/31/10



Source: Morningstar
All funds in each relevant Morningstar category, excluding institutional share classes, were used to calculate the Morningstar average net expense ratio.



THE PROOF IS IN THE PERFORMANCE

While our process links your portfolio to the thinking of some of today's most innovative and respected investment minds, it also helps us fulfill our most important duty—helping you achieve key investment objectives:

- **Diversifying manager risk**, because having multiple managers diminishes the impact any one manager has on the overall portfolio.
- **Buffering the ups and downs** of your portfolio by enforcing strict risk controls and offering funds overseen by multiple asset managers.
- **Improving potential** for excess returns by capturing upside performance when an out-of-favor manager or management style comes back into favor.

The proof of the strategy may be found in looking at the performance of our funds over time.

You'll also notice another key advantage of our manager-of-managers strategy: changes in portfolio management—whether due to departure or replacement of a money manager or additions to handle new investor inflows—are easily accommodated without incurring transaction costs or market losses due to a liquidation.

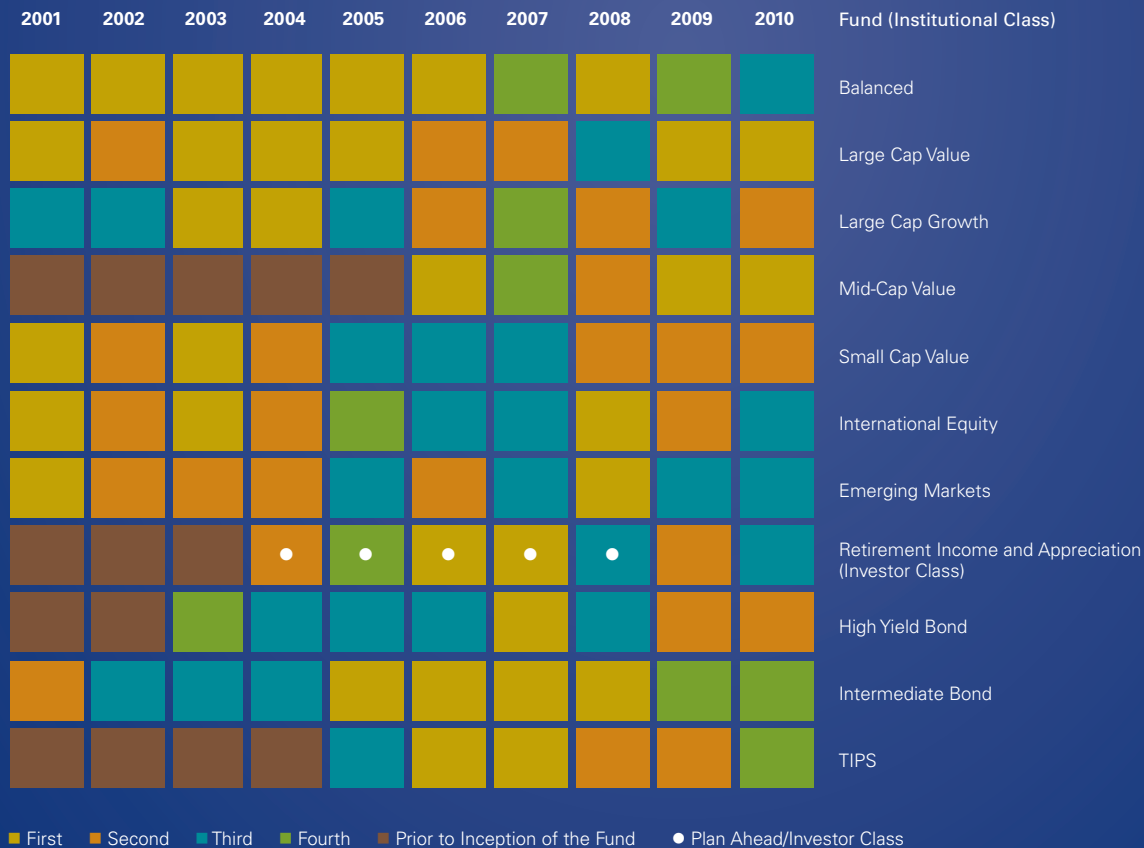
When you examine the track record of our funds, you'll see a history of delivering consistent results. Over time, American Beacon mutual funds have achieved consistent long-term performance relative to their peers.

Please reference the enclosed performance returns for greater detail.

OVER THE LAST DECADE, THE AMERICAN BEACON FUNDS HAVE BEEN IN THE TOP 50% OF FUNDS ALMOST 2/3 OF THE TIME OVER THE RATED PERIODS¹

DELIVERING CONSISTENT PERFORMANCE

Lipper Quartile Rankings for the year ended 12/31/10



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

Institutional Class Funds are represented unless otherwise noted. Past performance is no guarantee of future results.

¹Funds rated during 96 out of 110 periods from 2001 through 2010.



WHO'S MINDING YOUR MONEY? KNOWLEDGE BREEDS CONFIDENCE

At American Beacon, we believe we're a bit different from the typical mutual fund firm.

Using our innovative manager-of-managers' strategy, we've been able to deliver timely investment opportunities and seek consistent results for those who've entrusted us with their assets.

It all stems from the key tenets that guide our actions:

- **Diligence.** We commit time and effort to manager research, selection and continuous monitoring—so that you and your advisor can focus on the most important goal: meeting your long-term investment needs.

- **Accountability.** We do what we say we will do—always striving to remain true to our process and to the stated investment strategies.
- **Value.** We work diligently to offer exceptional results at an exceptionally reasonable cost.

The bottom line: when you invest with American Beacon, you invest with one of the leading “manager of managers” in the financial industry.

For more information about the diligent, comprehensive approach we bring to your portfolio, speak to your financial advisor about the specific funds we have available for meeting your personal investment objectives.

**TURN TO AMERICAN
BEACON FOR SMART
CHOICES THAT CAN
HELP SHAPE YOUR
FINANCIAL FUTURE**

Even in times of market uncertainty, you can expect an American Beacon mutual fund to deliver:

- Carefully selected and highly qualified money management teams
- A bias toward long-tenured money managers with consistently strong track records
- Close monitoring of each portfolio to facilitate purity of investment style
- An emphasis on consistent performance over time
- Below-average expense ratios relative to comparable mutual funds



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You should consider the investment objectives, risks, fees and expenses of any mutual fund carefully before investing. This and other information is available in each Fund's prospectus and summary prospectus. To obtain a prospectus or summary prospectus, please contact your financial advisor, call 800-967-9009 or visit www.americanbeaconfunds.com. Please read the prospectus and summary prospectus carefully before investing.

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.

Investing in the securities of mid-capitalization companies involves greater risk and the possibility of greater price volatility than investing in larger capitalization and more established companies.

The risks of investing in foreign equities are heightened when investing in emerging markets.

Investing in high yield securities involves additional risks when compared to investing in investment grade securities. These include a greater risk of default or bankruptcy and an increased sensitivity to financial difficulties or changes in interest rates. Investing in debt securities entails interest rate risk, which is the risk that debt securities will decrease in value with increases in market interest rates.

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The Russell 1000 Value Index is an unmanaged index of those stocks in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. The Russell 1000® Index is a registered trademark of Frank Russell Company.

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