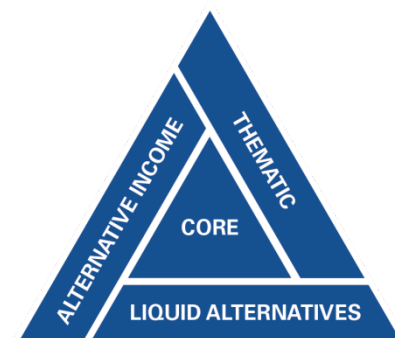


INSTITUTIONAL WISDOM, **ENDURING VALUE.**



# American Beacon Mid-Cap Value Fund



FOR FINANCIAL ADVISOR USE ONLY – NOT FOR USE WITH THE PUBLIC

June 30, 2018

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# Agenda

Firm Overview

Fund Overview

Fund Performance and Characteristics

Appendix

# Firm Overview

A decorative graphic consisting of a horizontal line and three perspective lines extending from the left side towards the right, creating a sense of depth and movement.

# Corporate Structure

In April 2017, the parent company of American Beacon Advisors was rebranded as **Resolute Investment Managers (“Resolute”)**.

## Resolute Investment Managers

### INVESTMENT AFFILIATES



*Wholly Owned*



*Majority Owned*



*Minority Owned*

CONTINUOUS  
CAPITAL

*Majority Owned*

**SHAPIRO CAPITAL  
MANAGEMENT LLC**

*Majority Owned*

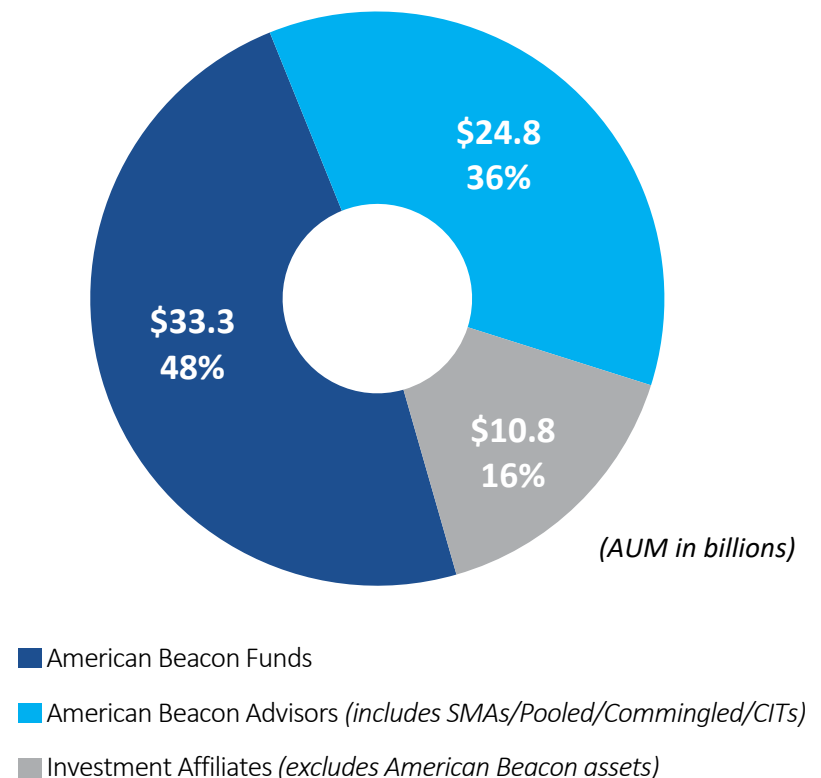
As a multi-affiliate investment management company, Resolute wholly owns American Beacon and partners with boutique asset management firms through minority and majority ownership positions alongside the firms' employee owners.

# Who We Are

A solutions-based firm offering innovative investment products with enduring value

- ▶ Since 1986, American Beacon has been delivering institutional-caliber equity, fixed-income and cash management solutions
- ▶ Established reputation based on:
  - Sub-advisory approach
  - Low-cost structure
  - Manager access
  - Added layer of due diligence
  - Fiduciary perspective
  - Strong long-term track record
- ▶ 115 employees, 15 investment professionals<sup>1</sup>

## Resolute Investment Managers Total firm AUM: \$68.9 billion<sup>1</sup>



<sup>1</sup>As of June 30, 2018.

Our understanding of the challenges faced by today's advisors and investors has led us to classify the American Beacon Funds into four categories:

## CORE

Funds in this category seek to provide risk-managed solutions for the foundation of an investor's portfolio.

## ALTERNATIVE INCOME

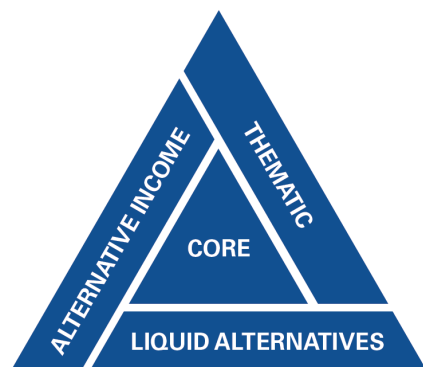
These funds may be appropriate for investors who fear rising interest rates in the near future, but need asset protection and income today.

## LIQUID ALTERNATIVES

These funds are designed to provide investors access to daily liquidity and may help to reduce portfolio risk.

## THEMATIC

This fund seeks to capitalize on powerful opportunities for growth associated with secular shifts and long-term trends.



### CORE EQUITY and CORE FIXED INCOME

- Acadian Emerging Markets Managed Volatility
- Alpha Quant Core
- Alpha Quant Dividend
- Alpha Quant Quality
- Alpha Quant Value
- Bahl & Gaynor Small Cap Growth
- Balanced
- Bridgeway Large Cap Growth
- Bridgeway Large Cap Value
- Garcia Hamilton Quality Bond
- International Equity
- Large Cap Value
- Mid-Cap Value
- SGA Global Growth
- Shapiro Equity Opportunities
- Shapiro SMID Cap Equity
- Small Cap Value
- Stephens Mid-Cap Growth
- Stephens Small Cap Growth
- The London Company Income Equity
- TwentyFour Strategic Income
- U.S. Government Money Market Select
- Zebra Small Cap Equity



### LIQUID ALTERNATIVES

- AHL Managed Futures Strategy
- Flexible Bond
- Grosvenor Long/Short
- Ionic Strategic Arbitrage
- Numeric Integrated Alpha



### ALTERNATIVE INCOME

- Crescent Short Duration High Income
- GLG Total Return
- Global Evolution Frontier Markets Income
- SiM High Yield Opportunities
- Sound Point Enhanced Income
- Sound Point Floating Rate Income



### THEMATIC

- ARK Transformational Innovation

# Investment Philosophy

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We use an innovative, diversified methodology to anticipate client needs and recognize investment opportunities while delivering experienced management and superior service.

## What we believe

- ▶ When choosing single or multiple sub-advisors for our funds, we are committed to partnering with those we judge to be “the best of the best.”
- ▶ Offering a variety of equity and fixed-income solutions provides new opportunities for shareholders to achieve their investment objectives.
- ▶ Actively managed strategies can add value.
- ▶ Our style-specific approach and disciplined investment philosophy seek to produce superior results over the long term.

## What we do

- ▶ Employ a manager-of-managers structure to diversify manager risk.
- ▶ Maintain a consistent, disciplined style to help minimize the impact of market declines.
- ▶ Search for growing companies at relatively low prices compared to earnings or corporate assets.
- ▶ Take a long-term view and remain true to our process.

# Investment Process

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

- ▶ Rigorous process for evaluating, selecting and monitoring investment managers
- ▶ Pursuit of consistent, long-term investment performance
- ▶ Independent thinking, discipline and consistency
- ▶ Experience managing corporate, institutional and individual assets since 1986



# Needs Analysis

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Our goal is to anticipate our clients' needs. Our experience allows us to recognize the opportunities to combine knowledgeable investment management with superior service.

- ▶ Anticipate client needs
- ▶ Determine capacity constraints
- ▶ Identify market opportunity
- ▶ Accommodate business considerations

# Manager Search

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## Identify potential investment managers

- ▶ Separate account databases
- ▶ Direct / indirect ABA relationships

## Screen managers vs. peer universe using separate account database

- ▶ Annualized performance
- ▶ Performance-based volatility / efficiency metrics
- ▶ Philosophy, process, investment team
- ▶ AUM (firm and product)
- ▶ Capacity, fees, minimum separate account size

# Manager Search

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Narrow the universe to a manageable number of firms

## Request for Information (RFI)

- ▶ Candidates will respond to 20- to 25-point questionnaire

## Request for Proposal (RFP)

- ▶ Four to six candidates will respond to 80- to 90-point questionnaire

## Finalist Presentations

- ▶ Two to three candidates
- ▶ In-person meeting with American Beacon Advisors investment committee

## Presentation to Fund Board of Trustees

- ▶ One candidate
- ▶ In-person meeting with investment committee of American Beacon Funds Board

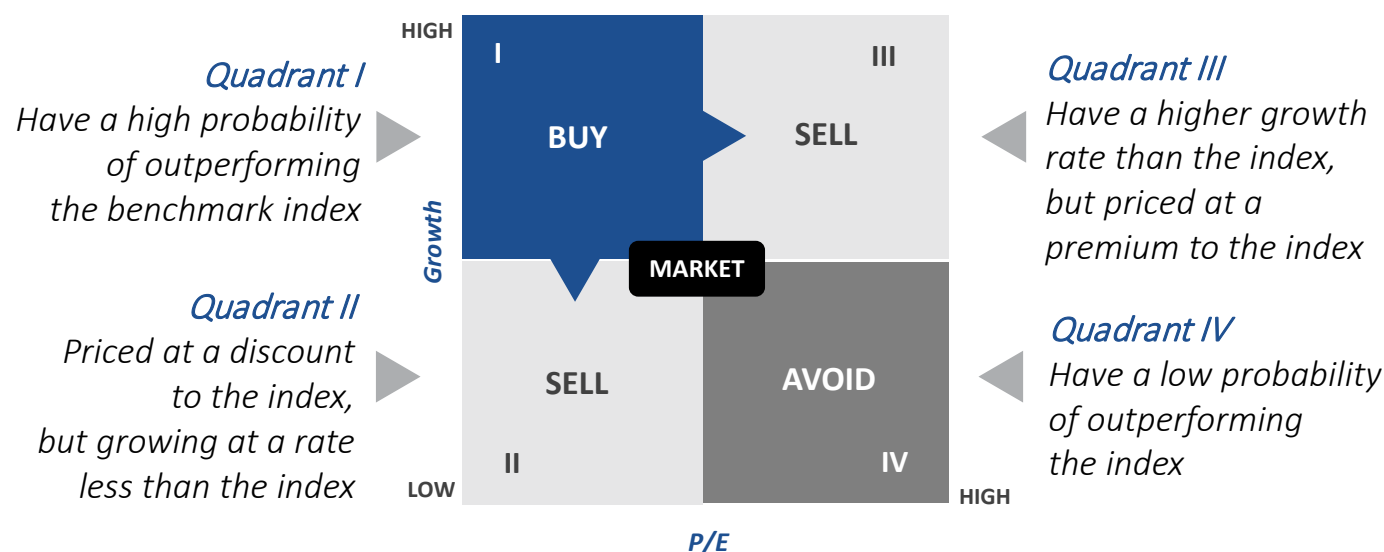
# Quadrant Analysis

The Quadrant Analysis approach in valuing equity portfolios compares the price-to-earnings ratio and investment growth rate of each company within the equity portfolio.

American Beacon Advisors selects sub-advisors that employ a value style designed to achieve strong, sustainable returns. The Fund's value style emphasizes securities that the sub-advisors believe have most or all of the following:

- ▶ below-average projected price-to-earnings or price-to-cash flow ratios
- ▶ below-average price-to-book value ratios
- ▶ above-average dividend yields
- ▶ above-average return on equity or earnings growth potential

## Our Equity Value Orientation



# Portfolio Construction

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## Diversification Guidelines

- ▶ Position size: 5% at cost, 10% maximum
- ▶ Sector weight: larger of 30% or benchmark weighting
- ▶ Industry weight: 15% maximum

## Sub-Advisor Allocation

- ▶ Goal is to maintain an equal allocation to each sub-advisor, subject to capacity limits
- ▶ Continuous rebalancing with cash flows; no tactical allocation (seeking to reduce allocation risk)

## Equitization of Cash

- ▶ Cash is exposed to the equity markets by purchasing stock index futures

# Monitoring

## Consistent oversight of sub-advisors

- ▶ Monthly summary reports
- ▶ Quarterly in-person presentations

	Monthly	Quarterly
Portfolio team changes	Requires immediate notification	
Investment process changes	Requires immediate notification	
Economic / market outlook	✓	✓
Portfolio performance	✓	✓
Portfolio attribution	✓	✓
Asset allocation	✓	✓
Portfolio characteristics	✓	✓
Significant changes to positions		✓
Purchases / sales		✓
Best / worst performing stocks		✓
Holdings		✓
Quadrant analysis		✓
Commissions, turnover		✓

This methodical, frequent review allows us to achieve an in-depth understanding of each firm's process and expected performance over time.

In addition to the review performed by the Asset Management group, American Beacon's Compliance team performs frequent reviews to ensure compliance with prospectus and investment guidelines.

# Risk Management

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## Manager-of-managers format

Assets are spread across two or more underlying sub-advisors

## Limits applied to each sub-advisor

Adherence to position, sector and industry weighting guidelines

## Maximum market capitalization

*(at time of purchase)*

Large Cap Value: 1.0%

Mid-Cap Value: 1.5%

Small Cap Value: 2.0%

## Liquidity

LCV: 7 day

SCV and MCV: 15 day/90%; 30 day/10%

## Exchanges

Stocks must be traded on U.S. exchanges

## Cash allocation

Generally less than 3%

All cash is equitized and receives a cash return and index return

## Turnover

Below-average turnover over last five years

# Risk Management

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## Sub-advisor risk management

- ▶ Extensive, ongoing monitoring of people, process and performance
- ▶ Daily compliance checks
- ▶ Quarterly in-person due diligence meetings
- ▶ Quarterly compliance questionnaire signed by portfolio managers
- ▶ Annual compliance review performed by American Beacon compliance personnel
- ▶ On-site inspection of each sub-advisor on a risk-based cycle

## Firm risk management

- ▶ Board oversight
- ▶ Separation of duties: investment management, business, compliance, sales/marketing
- ▶ Comprehensive business continuity plan
- ▶ Risk Management Committee comprised of American Beacon key personnel



# Striving to Exceed Expectations

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## Our style may outperform...

...during periods when investors focus on fundamentals, particularly the price paid for businesses, assets and earnings.

### Because...

...our disciplined, traditional value approach generally performs well during economic recoveries and expansions, protects the downside in normal down markets and usually outperforms over a full market cycle.

## Our style may underperform...

...in momentum-driven markets when investors seek stocks with strong price momentum and/or strong earnings growth history or prospects.

...in narrow markets where performance is driven by only one or two sectors of the market and prices of companies in these sectors become detached from the fundamentals.

### Because...

...stock valuation, the price the investor pays for current earnings or asset values, is completely ignored. These environments represent a short-term challenge for our portfolios.

# The Advantage

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## Why we stand apart

- ▶ Manager-of-managers approach
- ▶ Style purity
- ▶ Competitive pricing
- ▶ Manager access
- ▶ Ongoing due diligence
- ▶ Fiduciary perspective
- ▶ Strong long-term track record

# Fund Overview

A decorative graphic consisting of a horizontal line and several perspective lines extending from the left side towards the right, creating a sense of depth and movement.

# Mid-Cap Value Fund

## Fund Sub-Advisors

► **Barrow, Hanley, Mewhinney & Strauss, LLC**

[Barrow] (June 2004)

► **Pzena Investment Management, LLC**

[Pzena] (June 2004)

► **WEDGE Capital Management, LLP**

[WEDGE] (May 2015)

## Objective

Long-term capital appreciation and current income

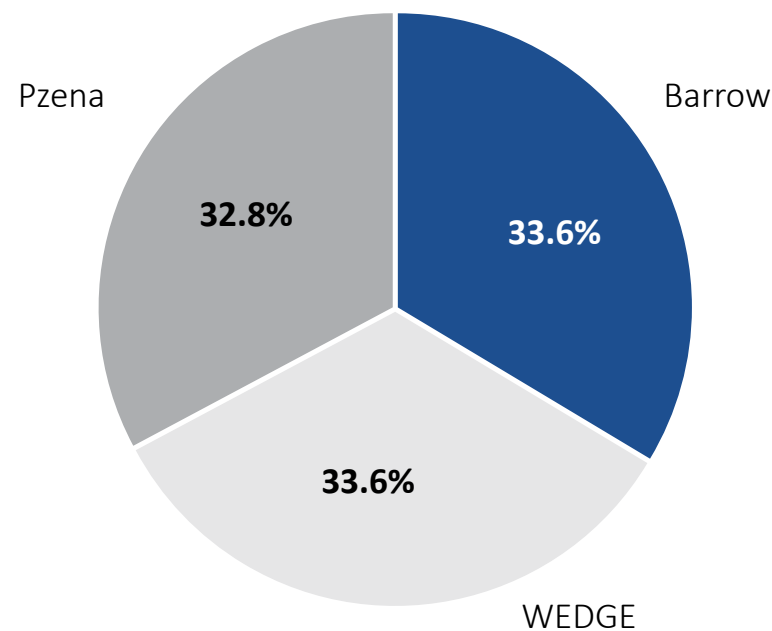
## Strategy

The Fund seeks to achieve its objective primarily through investment in U.S. stocks with market capitalizations within the market capitalization range of the companies in the Russell Midcap Index at the time of investment.

## Investment Style

Primary emphasis on undervalued securities with above-average earnings growth expectations

## Sub-Advisor Portfolio Distribution



Data as of June 30, 2018

Barrow bases their approach to the equity market on an underlying philosophy that market inefficiencies can be exploited through adherence to a value-oriented process dedicated to bottom-up security selection. Their portfolios consistently reflect all three traditional value characteristics: low price/earnings ratio, low price/book value ratio and high dividend yield.

## Quantitative Screens

- ▶ **Market capitalization:** Greater than \$1 billion
- ▶ Companies must have 12-month trailing P/E and P/B values lower than the market and dividend yield above the market

## Fundamental Research

- ▶ Seek to identify companies with the three quantitative value characteristics, whose businesses also exhibit high or improving profitability
- ▶ Analyze company's profitability to produce reliable five-year projections of ROE, which are used to forecast EPS, BV and dividend yield for the same five-year period
- ▶ Face-to-face meetings with senior management of candidate companies
- ▶ Assumptions and forecasts installed in a *Dividend Discount* model to screen for companies that will, over a five-year period, provide a rate of return greater than the market and a *Relative Return* model that compares a company's forecasted P/E with its forecasted IGR

## Portfolio Construction

- ▶ Companies that appear attractively valued on both models are candidates for purchase
- ▶ Limit industry weighting to 15% at cost
- ▶ Sector weightings are a residual of the selection process and may vary widely from the benchmark
- ▶ Portfolios have 40 to 50 stocks and are fully invested

Pzena uses a disciplined, research-driven process to invest in deeply undervalued stocks. Companies considered for investment must have a competitive advantage, such as a superior distribution network, low cost structure, or simply, tangible assets. Pzena believes these advantages ultimately serve to help protect the investment.

## Quantitative Screens

- ▶ **Market capitalization:** Capitalization range of the Russell Midcap Value Index
- ▶ Rank companies from cheapest to most expensive by price/normalized earnings
- ▶ Focus research efforts on the most undervalued quintile, those exhibiting a group or sector theme and those offering portfolio diversification benefits

## Fundamental Research

- ▶ Analysts perform rigorous, in-depth analysis that includes discussions with company management and/or onsite visits. Analysts approach each situation with the following question in mind, *“Would we buy the entire business at the current price?”*
- ▶ Analysts use the information gathered to refine the earnings model, develop a final estimate of normalized earnings and make a final investment decision.
- ▶ Analysts continually monitor and evaluate each position, asking *“Did we get it right?”*
- ▶ Generally, a security will be sold when it reaches fair value, there are more attractive opportunities or there is a change in company fundamentals

## Portfolio Construction

- ▶ The portfolio consists of 30 to 40 holdings on average, each of which represents 1% to 5% of the portfolio at cost
- ▶ Maximum sector weight is 25% in any economic sector
- ▶ Companies and industries receive higher weightings when analysis leads to reasonable estimates about costs and demand trends. Little or no weight is given to situations where a stock is clearly cheap, but the underlying resolution of the cheapness is unlikely to be determined. All else being equal, higher weight is given to positions that will diversify the portfolio

WEDGE believes that a fundamentally sound, value-oriented discipline, employing independent fundamental analysis and enhanced by rigorous quantitative research, will produce superior long-term returns. Furthermore, WEDGE believes that strong buy and sell disciplines are required to ensure consistency and style integrity over time. WEDGE is primarily focused on identifying pricing discrepancies or unrecognized value among high quality, market-leading companies, with a defensible competitive advantage. Secondly, the firm seeks to add incremental value by overweighting or underweighting specific sectors of the market, based on the firm's perception of broader industry and economic factors, as well as company specific fundament.

## Quantitative Screens

- ▶ **Market capitalization:** Between \$1 billion and \$20 billion
- ▶ *Fundamental Value Model* identifies stocks with the greatest profit potential based on value, quality, capital use and momentum factors
- ▶ *A Financial Quality Model* – which focuses on earnings growth, profitability, leverage and liquidity – eliminates financially unsound companies
- ▶ Both models rank the stocks for relative attractiveness, with approximately 35% of the initial universe eligible for subsequent research

## Fundamental Research

- ▶ Research analysts employ comprehensive, qualitative and quantitative analysis, seeking stocks with unrecognized value
- ▶ Independent earnings forecasts and financial statement analysis, an evaluation of free cash flow generation and return on invested capital, absolute and relative valuations, industry analysis and competitive positioning, and management capabilities and incentives
- ▶ Bottom-up analysis is combined with macroeconomic research, focusing on the current and future stages of the economic cycle and its potential on the profitability and performance of broad sectors and specific industries

## Portfolio Construction

- ▶ Sectors are limited to the greater of an absolute value of 25%, or the benchmark weight plus 5%
- ▶ Typical security weightings are 1 to 4% and are held to a maximum of 5%
- ▶ Portfolio consists of 30 to 45 securities

# Fund Performance and Characteristics

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# Fund Performance

Total Returns (%) (as of June 30, 2018)	Expense Ratio (%)							
	Gross	Net	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Institutional Class (AACIX)	0.90	0.90	0.84	-3.28	6.33	7.65	10.39	11.05
Russell Midcap Value Index	—	—	2.41	-0.16	7.60	8.80	11.27	10.06
Morningstar category: Mid-Cap Value	—	—	2.55	0.30	8.94	7.72	10.08	9.02

Periods longer than one year have been annualized.

Calendar-Year Returns (%)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Institutional Class (AACIX)	17.77	17.58	-3.87	8.45	39.99	16.00	0.33	21.69	41.29	-36.22
Russell Midcap Value Index	13.34	20.00	-4.78	14.75	33.46	18.51	-1.38	24.75	34.21	-38.45
Morningstar category: Mid-Cap Value	13.22	18.06	-5.41	9.31	35.14	16.60	-3.96	21.92	35.41	-36.77

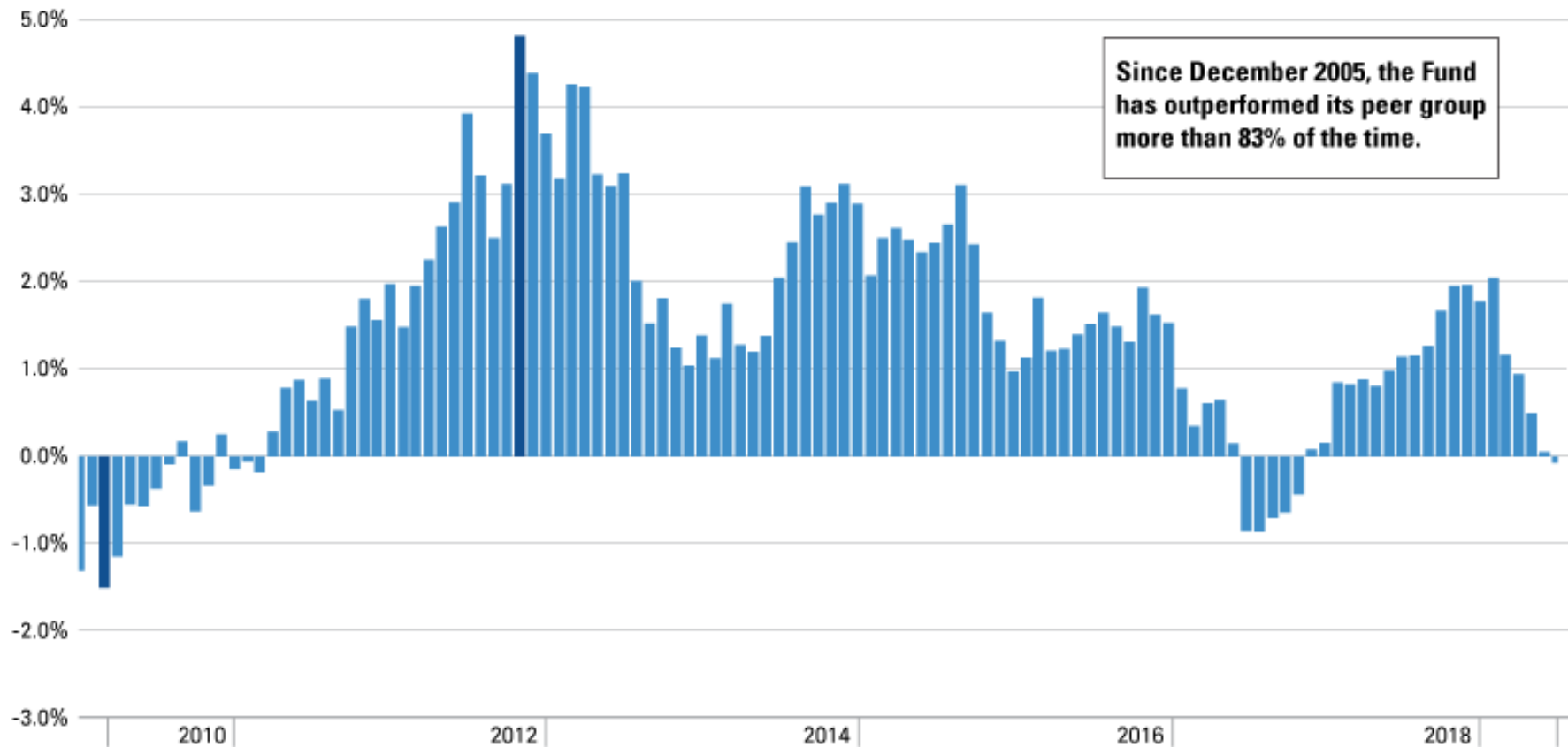
Performance shown is historical and is not indicative of future returns. Investment returns and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Performance shown is as of date indicated, and current performance may be lower or higher than the performance data quoted. To obtain performance as of the most recent month end, please visit [americanbeaconfunds.com](http://americanbeaconfunds.com) or call 800.967.9009.

Morningstar Rankings	Total Return % Rank / # Funds in Category			
	1 YR	3 YR	5 YR	10 YR
Morningstar category: Mid-Cap Value	77 / 409	59 / 365	48 / 307	15 / 221

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# Fund Performance

## Three-Year Rolling Period Total Returns: Institutional Class (AACIX) vs. Morningstar Mid-Cap Value Category (Fund Inception – June 30, 2018)



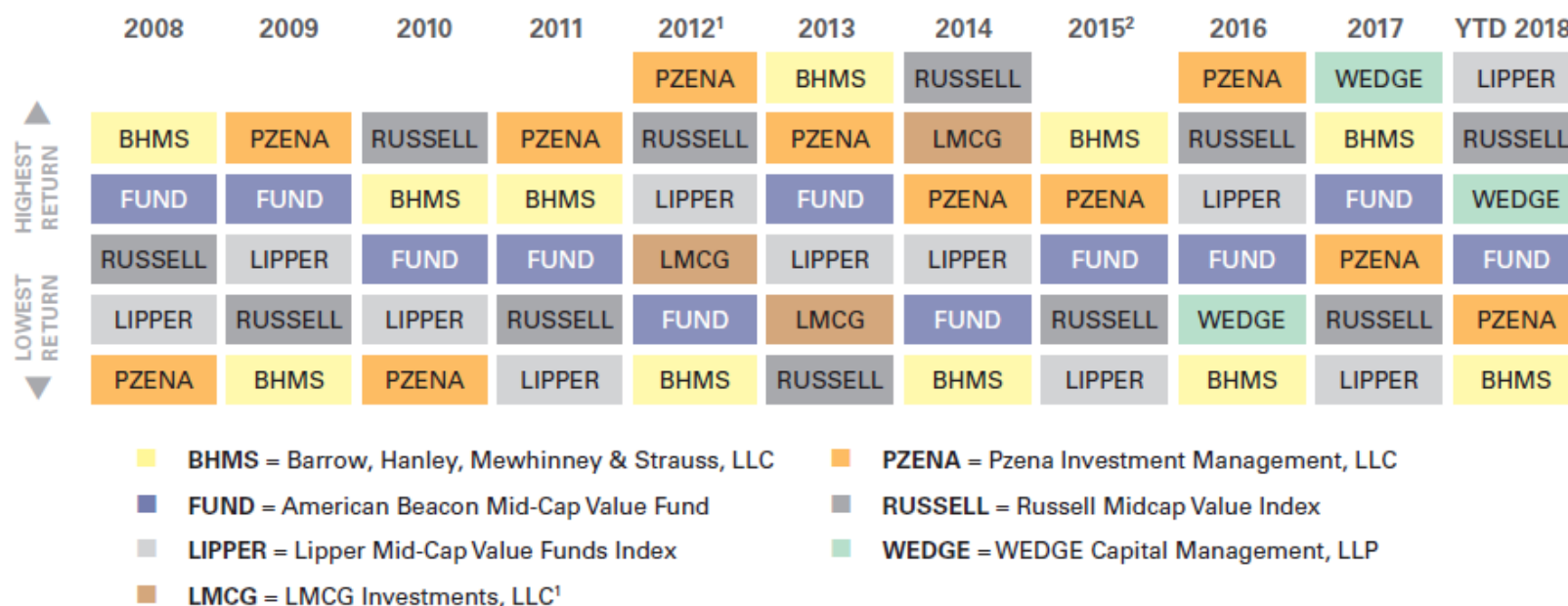
Source: Morningstar

# Fund Performance

Institutional Class (AACIX)

Data as of June 30, 2018

Using multiple sub-advisors within a single fund helps to lessen portfolio volatility long term.



*Past performance is no guarantee of future results. In constructing the chart, sub-advisor performance gross of Fund fees was used, while Fund performance net of fees was used. The position of each block in a column shows only the relative performance of the various components for that year and does not imply that performance was positive.* <sup>1</sup>LMCG was added in June 2011. As of January 1, 2015, Lee Munder changed its name to LMCG Investments, LLC. <sup>2</sup>WEDGE Capital Management, LLP replaced LMCG Investments, LLC in May 2015. Neither of these sub-advisors has a full year of performance.

*Securities of the Fund may only be sold by offering the Fund's prospectus and summary prospectus. You should consider the investment objectives, risk, charges and expenses of the Fund carefully before investing. The prospectus and summary prospectus contain this and additional information regarding the Fund. To obtain a prospectus and summary prospectus, visit [americanbeaconfunds.com](http://americanbeaconfunds.com) or call 800.967.9009. The prospectus and summary prospectus should be read carefully before investing.*

# Fund Characteristics

## Fund Basics as of June 30, 2018

Inception Date	11/30/05	CUSIP	02368A315
Total Fund Assets (mil)	\$845.7	Investment Minimum	\$250,000
NAV	\$16.83	Index	Russell Midcap Value

## Portfolio Statistics

	Fund	Index	Sector Weightings (%)	Fund	Index
Forward P/E Ratio	13.1	15.3	Financials	23.9	18.1
P/B Ratio	1.9	2.0	Industrials	16.1	11.8
1-Year ROE	11.9	11.1	Consumer Discretionary	15.4	11.6
Weighted Avg. Market Cap (\$ bil)	11.7	14.1	Energy	9.7	7.7

## 3-Year Risk Summary

	Fund		Fund	Index
R2	0.92	Information Technology	9.3	8.9
Alpha	-2.51	Health Care	7.4	6.4
Beta	1.17	Utilities	6.5	10.0
Sharpe Ratio	0.55	Real Estate	5.8	13.3
Standard Deviation	12.77	Materials	4.1	6.3
		Consumer Staples	1.7	5.1
		Telecommunication Services	0.0	0.6

## Top 10 Holdings (%)

Fund	
KeyCorp	1.8
Murphy Oil Corp.	1.8
Fifth Third Bancorp	1.8
Willis Towers Watson PLC	1.7
Cardinal Health, Inc.	1.5
Axis Capital Holdings Ltd.	1.4
FNF Group	1.4
MGM Growth Properties LLC	1.4
Microchip Technology, Inc.	1.4
Dover Corp.	1.4
<b>Total Fund Holdings</b>	<b>119</b>

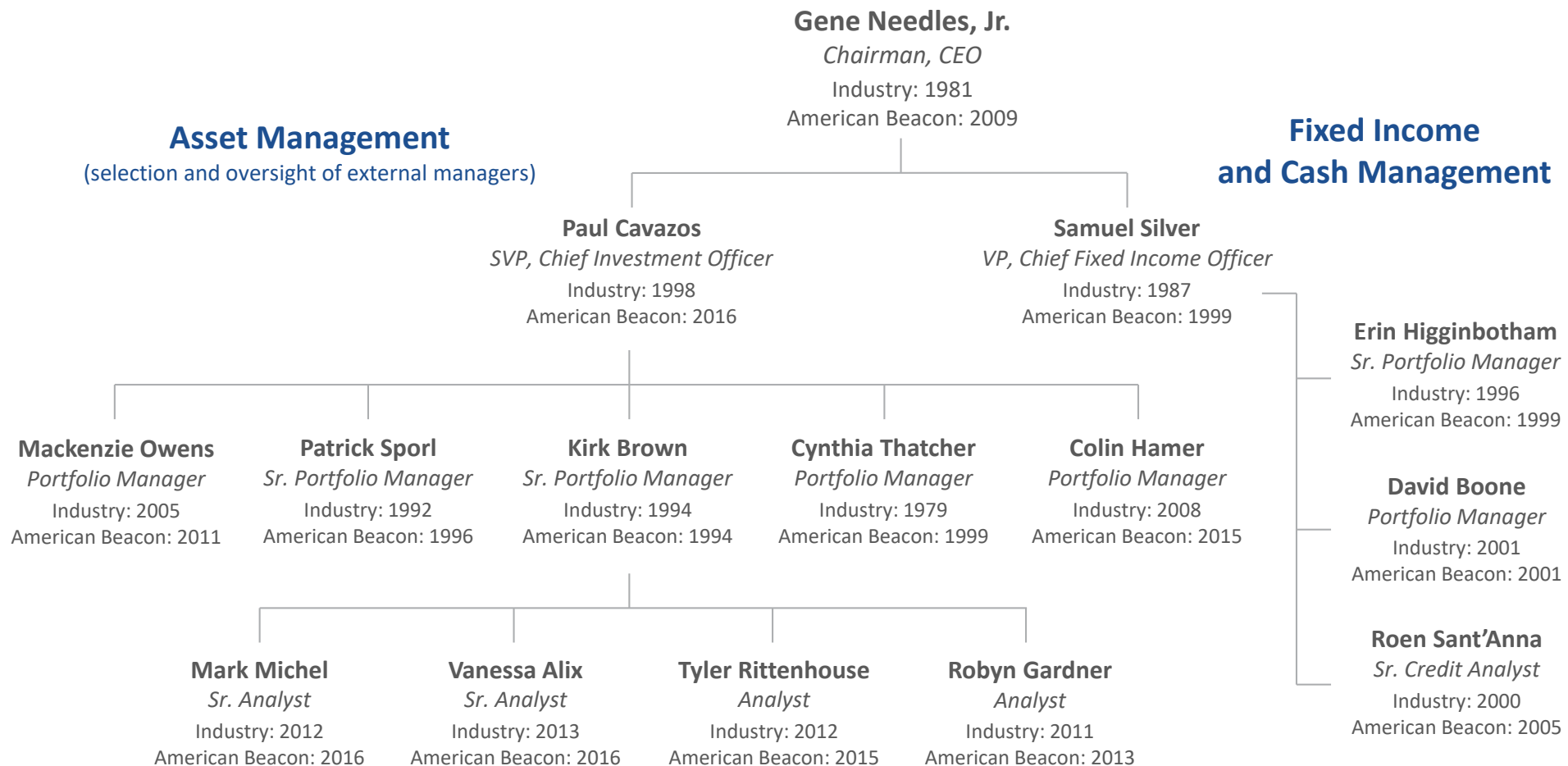
## Expense Ratios (%)

	Gross	Net
Institutional	0.90	0.90
Investor	1.10	1.10
Advisor	1.41	1.41
Y	0.98	0.98
A	1.28	1.28
C	2.05	2.05
R6	0.89	0.89

# Appendix

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# Investment Team Structure



# Institutional Investment Managers

Our sub-advised approach gives investors access to a variety of investment styles and strategies from highly respected asset-management firms.

Acadian Asset Management LLC	GLG LLC (“Man GLG”)	Shapiro Capital Management LLC
AHL Partners LLP	Global Evolution USA, LLC	Sound Point Capital Management, LP
Alpha Quant Advisors, LLC	Grosvenor Capital Management, LP	Stephens Investment Management Group, LLC
ARK Investment Management LLC	Hillcrest Asset Management, LLC	Strategic Income Management, LLC (“SiM”)
Bahl & Gaynor Investment Counsel, Inc.	Hotchkis and Wiley Capital Management, LLC	Sustainable Growth Advisers, LP (“SGA”)
Barrow, Hanley, Mewhinney & Strauss, LLC	Ionic Capital Management LLC	Templeton Investment Counsel, LLC
Brandywine Global Investment Management, LLC	Lazard Asset Management LLC	BNY Mellon Asset Management North America Corporation (“BNY Mellon AMNA”)
Bridgeway Capital Management, Inc.	Massachusetts Financial Services Company	The London Company of Virginia, LLC
Causeway Capital Management LLC	Numeric Investors, LLC	TwentyFour Asset Management (US) LP
Crescent Capital Group LP	Payden & Rygel	WEDGE Capital Management, LLP
Foundry Partners, LLC	PIMCO	Zebra Capital Management, LLC
Garcia Hamilton & Associates, LP	Pzena Investment Management, LLC	

# Assets Under Management

Total American Beacon Advisors AUM: **\$58.1 billion** as of June 30, 2018

Core Equity and Core Fixed Income	AUM (USD)
Acadian Emerging Markets Managed Volatility	\$34 million
Alpha Quant Core	\$3 million
Alpha Quant Dividend	\$2 million
Alpha Quant Quality	\$2 million
Alpha Quant Value	\$4 million
Bahl & Gaynor Small Cap Growth	\$47 million
Balanced	\$321 million
Bridgeway Large Cap Growth	\$267 million
Bridgeway Large Cap Value	\$5,102 million
Diversified	\$607 million
Garcia Hamilton Quality Bond	\$156 million
International Equity	\$3,095 million
Large Cap Value	\$6,630 million
Mid-Cap Value	\$844 million
SGA Global Growth	\$51 million
Shapiro Equity Opportunities	\$70 million
Shapiro SMID Cap Equity	\$6 million
Small Cap Value	\$7,266 million
Stephens Mid-Cap Growth	\$133 million
Stephens Small Cap Growth	\$536 million
The London Company Income Equity	\$988 million
TwentyFour Strategic Income	\$39 million
U.S. Government Money Market Select	\$1,522 million
Zebra Small Cap Equity	\$73 million
<b>Total</b>	<b>\$27.8 billion</b>

Liquid Alternatives	AUM (USD)
AHL Managed Futures Strategy	\$797 million
Flexible Bond	\$122 million
Grosvenor Long/Short	\$19 million
Ionic Strategic Arbitrage	\$95 million
Numeric Integrated Alpha	\$189 million
<b>Total</b>	<b>\$1.2 billion</b>

Alternative Income and Thematic	AUM (USD)
ARK Transformational Innovation	\$24 million
Crescent Short Duration High Income	\$90 million
Frontier Markets Income	\$263 million
GLG Total Return	\$733 million
SiM High Yield Opportunities	\$1,150 million
Sound Point Floating Rate Income	\$2,027 million
<b>Total</b>	<b>\$4.3 billion</b>

SMAs/Pooled/Commingled/CITs	AUM (USD)
Fixed-Income SMAs and Employee Benefit Plans	\$23,409 million
Private Equity Partners	\$48 million
Large Cap Value (separate account)	\$485 million
Bridgeway Large Cap Value CIT	\$166 million
International Equity CIT	\$586 million
Small Cap Value CIT	\$137 million
<b>Total</b>	<b>\$24.8 billion</b>



# Key Biographies

## Gene L. Needles, Jr.

American Beacon Advisors, Inc.  
Chairman and Chief Executive Officer

Gene L. Needles, Jr. serves as chairman and CEO of Resolute Investment Managers, the parent company of American Beacon Advisors, Inc. He also serves as chairman and CEO of American Beacon Advisors and president of American Beacon Funds, and holds additional senior leadership positions with other organizations affiliated with the company. Prior to joining American Beacon Advisors in 2009, he served as president of Touchstone Investments, part of the Western & Southern Financial Group. From 1993 through 2007, Mr. Needles was with AIM Investments and subsequently Invesco (through the merger of AIM and Invesco), progressing from regional vice president to president and CEO of Invesco Distributors in 2004. In this role, he was responsible for distributing products that included mutual funds, exchange-traded funds, separate accounts, variable annuities, sub-advised portfolios, collective trusts, offshore funds, retirement plans and college savings plans. In addition, he worked as a vice president at Putnam Investments and MetLife State Street before moving to AIM. Mr. Needles received his B.A. in English from Iowa State University in 1978.

## Paul Cavazos

American Beacon Advisors, Inc.  
Chief Investment Officer

Paul Cavazos joined American Beacon Advisors as chief investment officer and senior vice president in June 2016. Mr. Cavazos is responsible for overseeing corporate pension plan investments and the investment sub-advisors to the American Beacon Funds. His comprehensive background includes leading defined-benefit plans of varying sizes, conducting investment manager searches, due diligence and risk-control oversight. Before joining American Beacon, Mr. Cavazos served as chief investment officer and assistant treasurer at DTE Energy Company in Detroit. He was responsible for the development of asset allocation strategies, as well as fiduciary oversight for DTE's \$10 billion in retirement trust assets. In 2014, Mr. Cavazos received the prestigious CIO Industry Innovation Award of the Year from Chief Investment Officer magazine. Previously, Mr. Cavazos served as chief investment officer at Navistar, where he was responsible for all investment aspects of the company's \$5 billion in retirement trust assets. His experience also includes investment and finance roles at The Boeing Company and Chrysler Corporation. Mr. Cavazos is a member of the Committee on Investment of Employee Benefit Assets ("CIEBA"), which is a plan sponsor organization representing \$1.5 trillion in retirement assets. He has served on CIEBA's Executive Board and as a working group member. Mr. Cavazos earned a B.S. in Finance from Oakland University in Rochester, Michigan. He also holds an MBA in Finance from The University of Texas at Austin.

# Key Biographies

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## **Cynthia M. Thatcher, CFA<sup>®</sup>**

American Beacon Advisors, Inc.  
Portfolio Manager, Asset Management

Cynthia M. Thatcher joined American Beacon Advisors in December 1999 and serves as a portfolio manager for the firm. Ms. Thatcher is responsible for asset management activities associated with client pension plans, several American Beacon Funds and securities lending for both the American Beacon Funds and client pension plans. Ms. Thatcher's professional experience includes eight years as a financial consultant with Merrill Lynch, Pierce, Fenner and Smith. She received a B.A. in Mathematics from Indiana University and an MBA with honors in Finance from the University of Dallas. She is a CFA<sup>®</sup> charterholder.

## **Colin Hamer, CFA<sup>®</sup>**

American Beacon Advisors, Inc.  
Associate Portfolio Manager, Asset Management

Colin Hamer joined American Beacon in January 2015. He serves as a portfolio manager on the firm's Asset Management team and as an associate portfolio manager for the Fund. Mr. Hamer is responsible for monitoring the sub-advisors of several American Beacon Funds and employee benefit plans sponsored by a large corporation and its affiliates. Prior to joining the firm, Mr. Hamer worked in various capacities for Fidelity Investments from January 2008 to December 2014. Mr. Hamer has a BBA in Entrepreneurial Management from Texas Christian University. He is a CFA<sup>®</sup> charterholder.

# Key Biographies

## James P. Barrow

Barrow, Hanley, Mewhinney & Strauss, LLC  
Portfolio Manager and Executive Director

James P. Barrow co-founded Barrow, Hanley, Mewhinney & Strauss, LLC in 1979. During his decades-long investment career, he has worked as a securities analyst and portfolio manager for several major institutions, including Citizens & Southern Bank of South Carolina, Atlantic Richfield and Reliance Insurance. In 1973, he joined Republic National Bank of Dallas as a portfolio manager. He was later placed in charge of the Employee Benefit Portfolio Group and was a member of the Trust Investment Committee. Mr. Barrow is a graduate of the University of South Carolina.

## Richard S. Pzena

Pzena Investment Management, LLC  
Managing Principal, CEO, Co-Chief Investment Officer and Founder

Richard S. Pzena, prior to forming Pzena Investment Management, LLC in 1995, was the director of U.S. Equity Investments and chief research officer for Sanford C. Bernstein & Company. He joined Bernstein in 1986 as an oil industry analyst and was named to the Institutional Investor All America Research Team from 1988 to 1990. During 1990 and 1991, Mr. Pzena served as chief investment officer, Small Cap Equities, and assumed his broader domestic equity role in 1991. Prior to joining Bernstein, Mr. Pzena worked for the Amoco Corporation in various financial and planning roles. He earned a B.S., summa cum laude, and an MBA from the Wharton School of the University of Pennsylvania in 1979 and 1980, respectively.

## Mark Giambrone, CPA

Barrow, Hanley, Mewhinney & Strauss, LLC  
Portfolio Manager and Managing Director

Mark Giambrone joined Barrow, Hanley, Mewhinney & Strauss, LLC as an equity analyst in December 1998. Previously, he served as a portfolio consultant with HOLT Value Associates and as a senior auditor/tax specialist for KPMG Peat Marwick and Ernst & Young. Mr. Giambrone graduated summa cum laude from Indiana University with a B.S. in Accounting and received an MBA from the University of Chicago.

## John Flynn

Pzena Investment Management, LLC  
Principal, Portfolio Manager

John Flynn is a co-portfolio manager for the U.S. mid-cap strategies and small-cap focused value at Pzena Investment Management, LLC. He joined the firm in 2005 as a research analyst and was promoted to portfolio manager in 2011. Mr. Flynn has co-managed a portion of the American Beacon Mid-Cap Value Fund since June 2015. Prior to joining the firm, he was an associate at Weston Presidio, a middle-market private equity investment firm. Mr. Flynn earned a B.A. in Music from Yale University in 2000 and an MBA with distinction from the Harvard Business School in 2005.

# Key Biographies

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## **Ben Silver, CFA<sup>®</sup>**

Pzena Investment Management, LLC  
Principal, Portfolio Manager

Ben Silver serves as co-portfolio manager for Pzena Investment Management's U.S. Mid Cap, Large Cap and Global strategies, as well as the firm's Focused Value and Small Cap Focused Value services. Prior to joining the firm in 2001, Mr. Silver was a research analyst at Levitas & Company. He also was a manager for Ernst & Young LLP's Financial Services Group. Mr. Silver earned a B.S., magna cum laude, in Accounting from the Sy Syms School of Business at Yeshiva University in New York. He is a CFA<sup>®</sup> charterholder and a Certified Public Accountant.

## **Brian J. Pratt, CFA<sup>®</sup>**

WEDGE Capital Management, LLP  
General Partner

Brian J. Pratt is responsible for WEDGE Capital Management LLP's equity research on companies with market capitalizations between \$1 and \$20 billion. He is a member of the firm's Investment Policy Committee. Prior to joining the firm in 2007, Mr. Pratt worked as a litigation consultant with Tucker Alan and Navigant Consulting where he provided financial and accounting advisory services in large commercial disputes. He received a B.A. in Economics and Philosophy from Vanderbilt University and an MBA from the Darden Graduate School of Business at the University of Virginia.

## **Richard Wells**

WEDGE Capital Management, LLP  
Executive Vice President

Richard Wells is responsible for WEDGE Capital Management LLP's portfolio management and client service. Prior to joining the firm in 2011, Mr. Wells was a partner and director of National Sales with DePrince, Race & Zollo, Inc., in Winter Park, Florida, from 1998 to 2011. Formerly, he was associated with PaineWebber, Inc., Salomon Brothers, and the First Boston Company. He received his B.S. with a concentration in Finance from Virginia Commonwealth University.

## **John Carr**

WEDGE Capital Management, LLP  
Executive Vice President

John Carr is responsible for WEDGE Capital Management LLP's portfolio management and client service. Prior to joining the firm in 2011, Mr. Carr was a partner and senior vice president at Callan Associates where he managed the southern region, in the Atlanta office, from 2006 to 2011. He has former portfolio management experience with INVESCO Institutional and Trusco Capital Management. He received a B.A. with a concentration in Finance from Emory University.

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