

# American Beacon International Equity Fund

Quarterly Sub-Advisor Contributions to Fund Performance as of December 31, 2018

American Beacon®  
FUNDS

Institutional Class: AAIEX

Total Fund AUM: \$2.6 billion

	Sub-Advisors (%)	QTR	YTD	Total Net Return <sup>1</sup>				
				1 YR	3 YR	5 YR	10 YR	20 YR
<b>American Beacon International Equity Fund</b>		<b>-14.07</b>	<b>-16.37</b>	<b>-16.37</b>	<b>1.54</b>	<b>-0.89</b>	<b>5.90</b>	<b>4.74</b>
Causeway Capital Management LLC	33.6	-14.43	-17.63	-17.63	2.47	-0.29	7.69	7.02
Lazard Asset Management LLC	33.2	-11.79	-11.76	-11.76	1.68	0.85	6.69	—
Templeton Investment Counsel, LLC	33.2	-14.59	-16.71	-16.71	2.27	-1.84	5.55	5.47
<b>MSCI EAFE Index</b>		<b>-12.54</b>	<b>-13.79</b>	<b>-13.79</b>	<b>2.87</b>	<b>0.53</b>	<b>6.32</b>	<b>3.52</b>
<b>Morningstar category: Foreign Large Value</b>		<b>-12.36</b>	<b>-15.38</b>	<b>-15.38</b>	<b>2.20</b>	<b>-0.63</b>	<b>5.19</b>	<b>4.03</b>
<i>Better / (Worse) vs. MSCI EAFE Index</i>		<i>(1.53)</i>	<i>(2.58)</i>	<i>(2.58)</i>	<i>(1.33)</i>	<i>(1.42)</i>	<i>(0.42)</i>	<i>1.22</i>
<i>Better / (Worse) vs. Morningstar category: Foreign Large Value</i>		<i>(1.71)</i>	<i>(0.99)</i>	<i>(0.99)</i>	<i>(0.66)</i>	<i>(0.26)</i>	<i>0.71</i>	<i>0.71</i>

Periods more than one year have been annualized. Expense Ratio: 0.73%

<sup>1</sup>Sub-advisor returns are net of investment management fees only. Fund returns are net of all fees.

**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.**

## SUB-ADVISOR COMMENTARIES

### Causeway Capital Management LLC ("Causeway")

- The top-performing markets in Causeway's investable universe included Hong Kong, New Zealand, Singapore, Spain and Switzerland. The worst-performing markets included Austria, Belgium, Norway, Ireland and Germany.
- Relative underperformance was due to holdings in the United Kingdom, Canada and Italy, but some of it was offset from holdings in Germany, China and South Korea.
- The best-performing sectors in the benchmark were Utilities, Real Estate and Communication Services. The worst-performing sectors were Energy, Information Technology and Materials.
- The Causeway sleeve's holdings in the Insurance, Banks, Food Beverage & Tobacco, and Energy industry groups, as well as an underweight position in the Real Estate industry group detracted from relative performance. Holdings in the Materials, Automobiles & Components, Consumer Durables & Apparel, and Pharmaceuticals & Biotechnology industry groups, as well as an overweight allocation in Communication Services, offset some of the relative underperformance.

### Lazard Asset Management LLC

- Contributors:** Security selection in the Consumer Discretionary, Materials and Real Estate sectors contributed to performance. Security selection in Japan and a higher-than-benchmark allocation to the United Kingdom also contributed to performance.
- Detractors:** Security selection in the Financials, Consumer Staples and Energy sectors detracted from performance. Security selection in Continental Europe and a lower-than-benchmark allocation to Asia ex-Japan also detracted from performance.

### Templeton Investment Counsel, LLC

- Contributors:** In the Industrials sector, a combination of security selection and an underweight allocation – particularly in the Capital Goods industry group – made a solid contribution to relative returns. In the Information Technology sector, security selection contributed as well. From a regional perspective, in Denmark, an overweight allocation and security selection were the greatest contributors to relative performance.
- Detractors:** The Financials sector was a relative detractor due to security selection in the Banks and Insurance industry groups. In the Energy sector, an overweight allocation and security selection held back relative returns for the quarter. In the Health Care sector, security selection – primarily in the Pharmaceuticals, Biotechnology and Life Sciences industry groups – further dampened relative results. In the Materials sector, security selection weighed on relative performance. From a regional perspective, security selection in Israel and an overweight allocation to Ireland were the largest detractors.

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Any opinions herein, including forecasts, reflect our judgment as of the end of the quarter and are subject to change. This report is not a complete analysis of market conditions and therefore, should not be relied upon as investment advice.

***You should consider the investment objectives, risks, 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, call 800.967.9009 or visit americanbeaconfunds.com. The prospectus and summary prospectus should be read carefully before investing.***

Investing in **foreign securities** may involve heightened risk due to currency fluctuations and economic and political risks. Investing in **value stocks** may limit downside risk over time; however, the Fund may produce more modest gains than riskier stock funds as a trade-off for this potentially lower risk. The use of **futures contracts** for cash management may subject the Fund to losing more money than invested. The Fund participates in a **securities lending** program. Please see the prospectus for a complete discussion of the Fund's risks. There can be no assurances that the investment objectives of this Fund will be met.

**Important Information:** All investing involves risk, including possible loss of principal. Indexes are unmanaged and one cannot invest directly in an index.

A portion of fees charged to the Institutional Class of the Fund was waived from 2013 through 2015. Performance prior to waiving fees was lower than actual returns shown for 2013 through 2015. Specific information about any Fund may be found at [americanbeaconfunds.com](http://americanbeaconfunds.com) or in the prospectus.

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