

American Beacon

Large Cap Value Fund

Quarterly Performance Attribution as of December 31, 2019

American Beacon®
FUNDS

Institutional Class: AADEX

Total Fund AUM: \$5.4 billion

TOTAL RETURNS (%) & MORNINGSTAR RANKINGS

| | Expense Ratios (%) | | NAV | QTR | YTD | 1 YR | 3 YR | 5 YR | 10 YR |
|--|--------------------|------|-------|------|-------|-----------|-----------|----------|----------|
| | Gross | Net | | | | | | | |
| American Beacon Large Cap Value Fund | 0.62 | 0.62 | 27.38 | 8.27 | 29.67 | 29.67 | 10.14 | 7.80 | 11.21 |
| Russell 1000 Value Index ¹ | | | | 7.41 | 26.54 | 26.54 | 9.68 | 8.29 | 11.80 |
| % Rank / # of funds in category: Large Value | | | | | | 11 / 1209 | 47 / 1091 | 58 / 945 | 45 / 690 |
| Class Inception: 7/17/87. Periods more than one year have been annualized. | | | | | | | | | |

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. Please note that the recent performance of the securities market has helped produce short-term returns that are not typical and may not continue in the future. To obtain performance as of the most recent month end, please visit americanbeaconfunds.com or call 800.967.9009.

TOP 10 HOLDINGS (%)

| TOP 10 HOLDINGS (%) | | Fund | SECTOR WEIGHTINGS (%) | | Fund | Index¹ | SUB-ADVISORS (%) | | Fund | |
|------------------------------------|-----|------------------------|-----------------------|------|--|--------|------------------|-------|------|--------|
| Citigroup, Inc. | 2.6 | Financials | 24.6 | 23.9 | Massachusetts Financial Services Co. | | | 25.5 | | |
| JPMorgan Chase & Co. | 2.6 | Health Care | 13.7 | 13.0 | Hotchkis and Wiley Capital Mgmt., LLC | | | 25.2 | | |
| Medtronic PLC | 2.3 | Industrials | 12.1 | 9.7 | Barrow, Hanley, Mewhinney & Strauss, LLC | | | 25.0 | | |
| Wells Fargo & Co. | 2.2 | Energy | 11.9 | 8.2 | Brandywine Global Investment Mgmt., LLC | | | 24.3 | | |
| General Electric Co. | 2.0 | Information Technology | 9.5 | 6.3 | | | | | | |
| Comcast Corp. | 1.9 | Consumer Discretionary | 7.8 | 5.9 | | | | | | |
| American International Group, Inc. | 1.6 | Communication Services | 5.9 | 8.2 | | | | | | |
| Microsoft Corp. | 1.5 | Materials | 5.6 | 4.3 | | | | | | |
| Chevron Corp. | 1.5 | Consumer Staples | 4.2 | 8.9 | | | | | | |
| CVS Health Corp. | 1.3 | Utilities | 3.8 | 6.6 | | | | | | |
| Total Fund Holdings | 200 | Real Estate | 0.7 | 5.2 | | | | | | |
| | | | | | PORTFOLIO STATISTICS | | | | Fund | Index¹ |
| | | | | | Forward P/E Ratio | | 13.8 | 15.6 | | |
| | | | | | P/B Ratio | | 2.1 | 2.3 | | |
| | | | | | 1-Year ROE | | 16.5 | 12.6 | | |
| | | | | | Weighted Avg. Market Cap (\$ bil) | | 121.0 | 124.1 | | |

Excludes cash. Ending weights as of 12/31/19.

TOP CONTRIBUTORS

| | Return (%) | Contribution to Fund ² |
|-----------------------|------------|-----------------------------------|
| JPMorgan Chase & Co. | 19.7 | 53 bps |
| Citigroup, Inc. | 16.5 | 43 bps |
| General Electric Co. | 22.7 | 35 bps |
| Bank of America Corp. | 25.3 | 32 bps |
| Anthem Inc. | 26.1 | 24 bps |

TOP DETRACTORS

| | Return (%) | Contribution to Fund ² |
|------------------------------------|------------|-----------------------------------|
| American International Group, Inc. | -7.3 | -15 bps |
| Spirit AeroSystems Holdings, Inc. | -18.3 | -10 bps |
| DuPont de Nemours, Inc. | -9.7 | -9 bps |
| Travelers Cos., Inc. | -7.2 | -7 bps |
| Johnson Controls International PLC | -7.9 | -7 bps |

SECURITY-LEVEL ATTRIBUTION (INSTITUTIONAL CLASS)

Performance Commentary for the Quarter Ended December 31, 2019 (Attribution vs. Russell 1000 Value Index)

Sector: Security selection – positive / Sector allocation – positive

- Security selection helped the Fund's relative performance, particularly in the Energy sector (**Canadian Natural Resources Ltd.**, up 22.5%; **Halliburton Co.**, up 31.2%) and the Health Care sector (**UnitedHealth Group, Inc.**, up 35.0%; **Anthem, Inc.**, up 26.1%). Security selection in the Information Technology sector (**Oracle Corp.**, down 3.0%; **Texas Instruments, Inc.**, up 0.2%) weighed on the Fund's performance.
- From a sector allocation perspective, the Fund was helped most by underweight allocations to the Real Estate and Utilities sectors which were the two worst-performing sectors. Conversely, the Fund's overweight allocation to the Consumer Discretionary sector partially offset relative performance.

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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.

Institutional Class: AADEX

Performance Attribution as of December 31, 2019

THREE-YEAR RISK SUMMARY

| | Fund |
|--------------------|-------|
| R2 | 0.97 |
| Alpha | -0.75 |
| Beta | 1.15 |
| Sharpe Ratio | 0.60 |
| Standard Deviation | 14.04 |

MARKET-CAP EXPOSURE (%)

| | Fund | Index ¹ |
|--------------------------------|------|--------------------|
| \$750 million to \$1.5 billion | 0.0 | 0.1 |
| \$1.5 billion to \$7.5 billion | 4.0 | 7.5 |
| \$7.5 billion to \$15 billion | 11.0 | 10.6 |
| \$15 billion to \$50 billion | 27.4 | 25.8 |
| \$50 billion to \$100 billion | 21.2 | 16.5 |
| \$100 billion to \$300 billion | 27.1 | 26.1 |
| Greater than \$300 billion | 9.2 | 13.6 |

THREE-MONTH ATTRIBUTION – ECONOMIC SECTOR (September 30, 2019 – December 31, 2019)

| | Average Weights | | | Base Returns | | | Value Added | | |
|------------------------|-----------------|--------------------|------------|--------------|--------------------|------------|-------------|-----------|--------------------|
| | Fund | Index ¹ | Difference | Fund | Index ¹ | Difference | Allocation | Selection | Total ³ |
| Financials | 24.42 | 23.81 | 0.61 | 10.03 | 9.94 | 0.09 | 0.01 | 0.02 | 0.03 |
| Health Care | 13.48 | 12.65 | 0.83 | 13.56 | 12.02 | 1.54 | 0.04 | 0.18 | 0.22 |
| Industrials | 11.58 | 9.59 | 1.99 | 7.27 | 9.01 | -1.74 | 0.00 | -0.20 | -0.20 |
| Energy | 11.54 | 8.12 | 3.41 | 10.46 | 5.74 | 4.72 | -0.05 | 0.52 | 0.46 |
| Information Technology | 9.88 | 6.11 | 3.77 | 7.91 | 12.06 | -4.15 | 0.16 | -0.38 | -0.22 |
| Consumer Discretionary | 8.31 | 6.00 | 2.31 | 2.65 | 4.11 | -1.45 | -0.08 | -0.11 | -0.19 |
| Communication Services | 6.11 | 8.20 | -2.09 | 5.53 | 6.76 | -1.23 | 0.01 | -0.07 | -0.06 |
| Materials | 5.77 | 4.28 | 1.49 | 8.07 | 8.02 | 0.05 | 0.01 | 0.00 | 0.01 |
| Consumer Staples | 4.66 | 9.00 | -4.34 | 5.45 | 3.50 | 1.95 | 0.15 | 0.08 | 0.24 |
| Utilities | 3.84 | 6.78 | -2.94 | 4.00 | 0.54 | 3.46 | 0.19 | 0.13 | 0.33 |
| Real Estate | 0.40 | 5.45 | -5.05 | -0.09 | 0.13 | -0.22 | 0.34 | 0.01 | 0.35 |

May not equal 100% due to rounding.

12-MONTH ATTRIBUTION – ECONOMIC SECTOR (December 31, 2018 – December 31, 2019)

| | Average Weights | | | Base Returns | | | Value Added | | |
|------------------------|-----------------|--------------------|------------|--------------|--------------------|------------|-------------|-----------|--------------------|
| | Fund | Index ¹ | Difference | Fund | Index ¹ | Difference | Allocation | Selection | Total ³ |
| Financials | 24.72 | 22.98 | 1.73 | 37.51 | 30.80 | 6.71 | 0.01 | 1.33 | 1.35 |
| Health Care | 12.72 | 14.11 | -1.39 | 21.76 | 20.36 | 1.40 | 0.19 | 0.08 | 0.27 |
| Energy | 12.30 | 8.91 | 3.40 | 16.08 | 11.13 | 4.95 | -0.39 | 0.54 | 0.15 |
| Industrials | 10.96 | 8.52 | 2.44 | 33.91 | 35.18 | -1.28 | 0.18 | -0.13 | 0.04 |
| Information Technology | 10.15 | 8.15 | 2.00 | 42.28 | 37.33 | 4.95 | 0.10 | 0.40 | 0.50 |
| Consumer Discretionary | 8.35 | 5.59 | 2.76 | 30.40 | 25.19 | 5.20 | -0.04 | 0.40 | 0.35 |
| Communication Services | 6.34 | 7.54 | -1.20 | 30.98 | 28.76 | 2.21 | -0.04 | 0.16 | 0.12 |
| Consumer Staples | 5.70 | 8.32 | -2.61 | 23.60 | 26.94 | -3.34 | 0.02 | -0.18 | -0.16 |
| Materials | 5.32 | 4.12 | 1.20 | 28.40 | 18.71 | 9.70 | -0.08 | 0.41 | 0.33 |
| Utilities | 3.25 | 6.54 | -3.30 | 35.47 | 25.49 | 9.98 | 0.06 | 0.27 | 0.33 |
| Real Estate | 0.19 | 5.22 | -5.03 | 24.86 | 27.23 | -2.37 | -0.07 | -0.07 | -0.14 |

May not equal 100% due to rounding.

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. Investing in **foreign securities** may involve heightened risk due to currency fluctuations and economic and political risks. 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.

On December 27, 2019, American Beacon Advisors announced the termination of Brandywine Global Investment Management from their role managing assets of the Fund. The termination will be effective on or about January 15, 2020.

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²Contribution in basis points to the Fund's absolute return on a gross basis.

³Contribution to the Fund's relative return on a gross basis.

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