

# American Beacon International Equity Fund

Quarterly Performance Attribution as of December 31, 2019

American Beacon®  
FUNDS

Institutional Class: AAIEX

Total Fund AUM: \$2.9 billion

## TOTAL RETURNS (%) & MORNINGSTAR RANKINGS

TOTAL RETURNS (%) & MORNINGSTAR RANKINGS	Expense Ratios (%)								
	Gross	Net	NAV	QTR	YTD	1YR	3YR	5YR	10YR
American Beacon International Equity Fund	0.74	0.74	18.46	9.03	19.45	19.45	7.63	4.20	5.03
MSCI EAFE Index				8.17	22.01	22.01	9.56	5.67	5.50
% Rank / # of funds in category: Foreign Large Value						29 / 346	35 / 304	38 / 253	26 / 165
Class Inception: 8/7/91. 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. To obtain performance as of the most recent month end, please visit [americanbeaconfunds.com](http://americanbeaconfunds.com) or call 800.967.9009. 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.*

## TOP 10 HOLDINGS (%)

TOP 10 HOLDINGS (%)	Fund	SECTOR WEIGHTINGS (%)	Fund	Index <sup>1</sup>	SUB-ADVISORS (%)	Fund	
Samsung Electronics Co., Ltd.	3.0	Financials	17.9	18.6	Causeway Capital Management LLC	34.1	
Royal Dutch Shell PLC	2.5	Industrials	17.4	15.1	Templeton Investment Counsel, LLC	33.6	
Volkswagen AG	2.4	Health Care	11.5	12.2	Lazard Asset Management LLC	32.3	
Novartis AG	2.3	Communication Services	9.7	5.2			
Takeda Pharmaceutical Co., Ltd.	2.1	Energy	9.2	4.9			
BNP Paribas S.A.	2.0	Materials	8.4	7.1			
Sanofi	1.8	Information Technology	7.6	7.0			
SAP SE	1.8	Consumer Staples	7.2	11.3			
ABB Ltd.	1.7	Consumer Discretionary	5.2	11.6			
BP PLC	1.7	Utilities	3.4	3.7			
<b>Total Fund Holdings</b>	<b>141</b>	Real Estate	2.6	3.5			
					PORTFOLIO STATISTICS	Fund	Index <sup>1</sup>
					Forward P/E Ratio	12.6	14.7
					P/B Ratio	1.4	1.7
					1-Year ROE	13.6	16.6
					Weighted Avg. Market Cap (\$ bil)	65.8	63.5

Ending weights as of 12/31/19. May not equal 100% due to rounding.

## TOP CONTRIBUTORS

TOP CONTRIBUTORS	Return (%)	Contribution to Fund <sup>2</sup>
Samsung Electronics Co., Ltd.	18.7	52 bps
BNP Paribas S.A.	21.3	43 bps
Volkswagen AG	16.0	38 bps
Prudential PLC	23.3	38 bps
ABB Ltd.	21.4	34 bps

## TOP DETRACTORS

TOP DETRACTORS	Return (%)	Contribution to Fund <sup>2</sup>
Anheuser-Busch InBev S.A./NV	-15.0	-17 bps
SES S.A.	-21.7	-12 bps
Gildan Activewear, Inc.	-17.0	-9 bps
Rolls-Royce Holdings PLC	-6.4	-6 bps
Daiwa House Industry Co., Ltd.	-4.1	-4 bps

## SECURITY-LEVEL ATTRIBUTION (INSTITUTIONAL CLASS)

Performance Commentary for the Quarter Ended December 31, 2019 (Attribution vs. MSCI EAFE Index)

Country: Security selection – positive / Country allocation – positive

- The Fund's security selections in Switzerland (**ABB Ltd.**, up 21.4%; **Aryzta AG**, up 47.9%) and Germany (**Volkswagen AG**, up 16.0%; **Siemens AG**, up 22.5%) added the most to performance. Security selections in Japan (**Mitsui Fudosan Co., Ltd.**, down 1.2%; **Daiwa House Industry Co., Ltd.**, down 4.1%) detracted from the Fund's relative performance.
- From an allocation perspective, an underweight allocation in Australia and an overweight allocation in the United Kingdom helped the Fund's performance. Conversely, an underweight allocation in Sweden partially offset relative performance.

Sector: Security selection – positive / Sector allocation – negative

- The Fund's security selections added to relative performance, particularly in the Financials sector (**BNP Paribas S.A.**, up 21.3%; **Prudential PLC**, up 23.3%) and the Information Technology sector (**Samsung Electronics Co., Ltd.**, up 18.7%; **SAP SE**, up 14.5%). Security selections in the Communications Services sector (**SES S.A.**, down 21.7%; **Vodafone Group PLC**, up 0.3%) offset the Fund's relative performance.
- From a sector allocation perspective, overweight allocations in the Energy and Communications Services sectors hurt the Fund's relative performance, while an underweight allocation in the Consumer Staples sector partially offset the relative underperformance.

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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: AAIEX

## Performance Attribution as of December 31, 2019

## THREE-YEAR RISK SUMMARY

## Fund

R2	0.97
Alpha	-2.61
Beta	1.09
Sharpe Ratio	0.49
Standard Deviation	12.10

## TOP FIVE COUNTRY WEIGHTINGS (%)

## Fund

Index<sup>1</sup>

United Kingdom	22.0	15.4
Japan	16.4	24.5
Germany	13.4	8.4
France	13.0	10.4
Switzerland	5.7	9.6

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

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

	Average Weights			Base Returns			Value Added		
	Fund	Index <sup>1</sup>	Difference	Fund	Index <sup>1</sup>	Difference	Allocation	Selection	Total <sup>3</sup>
Financials	18.42	18.48	-0.05	15.53	8.44	7.09	0.00	1.21	1.21
Industrials	17.21	14.73	2.48	11.22	9.73	1.49	0.04	0.24	0.28
Health Care	11.39	11.83	-0.44	11.97	12.42	-0.45	-0.01	-0.06	-0.07
Communication Services	9.74	5.32	4.42	2.35	4.86	-2.51	-0.14	-0.24	-0.37
Energy	9.09	4.98	4.11	3.38	3.86	-0.48	-0.17	-0.04	-0.21
Materials	8.28	7.00	1.28	7.64	10.53	-2.89	0.03	-0.22	-0.19
Consumer Staples	7.55	11.65	-4.10	2.69	1.96	0.73	0.25	0.05	0.30
Information Technology	7.11	6.84	0.27	16.85	12.61	4.23	0.02	0.29	0.30
Consumer Discretionary	5.08	11.60	-6.52	8.80	9.39	-0.59	-0.07	-0.04	-0.11
Utilities	3.44	3.73	-0.30	7.24	5.32	1.91	0.01	0.06	0.07
Real Estate	2.70	3.59	-0.89	0.05	4.33	-4.28	0.03	-0.11	-0.08

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 <sup>1</sup>	Difference	Fund	Index <sup>1</sup>	Difference	Allocation	Selection	Total <sup>3</sup>
Financials	19.70	18.89	0.81	24.30	18.51	5.79	-0.03	1.03	1.00
Industrials	16.30	14.45	1.85	25.73	26.22	-0.49	0.10	-0.03	0.07
Health Care	11.24	11.35	-0.11	23.98	31.37	-7.39	0.02	-0.62	-0.60
Communication Services	9.59	5.44	4.15	5.39	13.36	-7.97	-0.25	-0.68	-0.93
Energy	9.24	5.46	3.78	4.32	8.32	-4.00	-0.43	-0.36	-0.79
Materials	8.42	7.25	1.17	28.45	23.40	5.04	0.06	0.31	0.37
Consumer Staples	6.83	11.72	-4.89	18.24	19.42	-1.19	0.09	-0.07	0.02
Consumer Discretionary	6.71	11.26	-4.55	16.60	25.53	-8.93	-0.09	-0.54	-0.63
Information Technology	6.51	6.53	-0.02	40.49	38.03	2.46	0.04	0.17	0.21
Utilities	3.22	3.74	-0.52	21.53	19.83	1.70	0.05	0.04	0.10
Real Estate	2.23	3.68	-1.45	4.05	15.35	-11.30	0.08	-0.23	-0.14

May not equal 100% due to rounding.

**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](http://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.

On December 27, 2019, American Beacon Advisors announced the termination of Templeton Investment Counsel from their role managing assets of the Fund. Additionally, the Board of Trustees appointed American

Century Investment Management as a new sub-advisor to the Fund, effective on or about January 15, 2020.

A portion of fees charged to the Institutional Class 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.

<sup>1</sup>The MSCI® EAFE Index is a market capitalization weighted index of international stock performance composed of equities from developed markets excluding the U.S. and Canada. The MSCI information contained herein: (1) is provided "as is," (2) is proprietary to MSCI and/or its content providers, (3) may not be used to create any financial instruments or products or any indexes and (4) may not be copied or distributed without MSCI's express written consent. MSCI disclaims all warranties with respect to the information. Neither MSCI nor its content providers are responsible for any damages or losses arising from any use of this information.

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

<sup>3</sup>Contribution to the Fund's relative return on a gross basis.

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