

# 2020 ANNUAL REPORT

**October 31, 2020**

**LARGE CAP VALUE FUND**

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund or your financial intermediary electronically by going to [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com) and clicking on "Quick Links" and then "Register for E-Delivery."

You may elect to receive all future reports in paper free of charge. You can inform the Fund that you wish to continue receiving paper copies of your shareholder reports by calling 1-800-658-5811, option 1, or you may directly inform your financial intermediary of your wish. A notice that will be mailed to you each time a report is posted will also include instructions for informing the Fund that you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held with the American Beacon Funds Complex or your financial intermediary, as applicable.

## About American Beacon Advisors

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Since 1986, American Beacon Advisors, Inc. has offered a variety of products and investment advisory services to numerous institutional and retail clients, including a variety of mutual funds, corporate cash management, and separate account management.

Our clients include defined benefit plans, defined contribution plans, foundations, endowments, corporations, financial planners, and other institutional investors. With American Beacon Advisors, you can put the experience of a multi-billion dollar asset management firm to work for your company.

### LARGE CAP VALUE FUND 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. 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.

Any opinions herein, including forecasts, reflect our judgment as of the end of the reporting period and are subject to change. Each advisor's strategies and the Fund's portfolio composition will change depending on economic and market conditions. This report is not a complete analysis of market conditions and therefore, should not be relied upon as investment advice. Although economic and market information has been compiled from reliable sources, American Beacon Advisors, Inc. makes no representation as to the completeness or accuracy of the statements contained herein.

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## President's Message

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Dear Shareholders,

For much of this reporting period, headlines pertaining to the COVID-19 pandemic and the U.S. presidential election dominated the 24-hour news cycle. Chances are, the media coverage about these ongoing headwinds - including sickness and death, healthcare insurance and vaccines, unemployment and underemployment, food and housing insecurities, civil unrest and disobedience, and the transition of government leadership - has left you feeling adrift and fearful.

During such uncertainty, we recognize that fear of loss can be a powerful emotion, leading many investors to make short-term decisions subject to a variety of potential error-leading biases. Unfortunately, short-term investment decisions may capsize future plans. We encourage investors to

remain focused on the horizon by working with financial professionals to make thoughtful adjustments based on changing needs and long-term financial goals.

Our three Ds - direction, discipline and diversification - may help you navigate this conversation.

- ▶ **Direction:** Achieving your long-term financial goals requires an individualized plan of action. You may want your plan to provide some measure of protection against periods of geopolitical turmoil, economic uncertainty, market volatility and job insecurity. Your plan should be reviewed annually and be adjusted in the event your long-range needs change.
- ▶ **Discipline:** Long-term, systematic participation in an investment portfolio requires your resolution to maintain your bearing. Spending time in the market - rather than trying to time the market - may place you in a better position to reach your long-term financial goals.
- ▶ **Diversification:** By investing in different investment styles and asset classes, you may be able to help mitigate financial risks across your investment portfolio. By allocating your investment portfolio according to your risk-tolerance level, you may be better positioned to weather storms and achieve your long-term financial goals.

Since 1986, American Beacon has endeavored to provide investors with a disciplined approach to realizing long-term financial goals. As a manager of managers, we strive to provide investment products that may enable investors to participate during market upswings while potentially insulating against market downswings. The investment teams behind our mutual funds seek to produce consistent, long-term results rather than focus only on short-term movements in the markets. In managing our investment products, we emphasize identifying opportunities that offer the potential for long-term rewards.

Thank you for continuing to stay the course with American Beacon. For additional information about our investment products or to access your account information, please visit our website at [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com).

Best Regards,

Gene L. Needles, Jr.  
President  
American Beacon Funds



# Domestic Equity Market Overview

October 31, 2020 (Unaudited)

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For the 12 months ended October 31, 2020, U.S. equity markets have experienced volatility not seen since the Great Depression. Initially propelled higher toward the end of 2019, equities dramatically reversed course in the first quarter of 2020 due to the COVID-19 pandemic. After their dramatic decline, equities have staged a powerful rebound that has been almost entirely driven by mega-cap growth and momentum stocks. In this environment, the S&P 500 Index was up 9.71% and the Russell 1000 Index was up 10.87%. Mid- and small-cap stocks fared slightly worse with the Russell Midcap Index up 4.12% and the Russell 2000 Index down -0.14%.

Growth outperformed Value across all market capitalizations as investors shunned all things cyclical in their single-minded pursuit of growth. In the process, they bid up valuations of a narrow group of favorites to record levels. The price-to-forward earnings valuations for expensive stocks reached 60 times earnings as compared to the price-to-forward earnings valuations of six-and-a-half times earnings for cheap stocks. Momentum in the Growth names was key in further widening valuation dispersions between cheap and expensive stocks to record levels, surpassing the dispersion levels of the 1999-2000 internet bubble by a wide margin.

Six of the largest momentum stocks in the Information Technology and Consumer Discretionary sectors accounted for 36% of the market capitalization of the Russell 1000 Index and virtually all of its performance. On the downside, the Energy, Financials and Real Estate sectors fell sharply. As investors avoided cyclical business at all costs, record-wide valuation dispersions like those mentioned above occurred.

Faced with a rapidly collapsing economy in the second quarter due to the pandemic-related shutdown, the Federal Reserve and the federal government initiated massive stimulus programs aimed at supporting both businesses and individuals. The programs initially had a dramatic effect, helping economic activity recover somewhat from levels last seen in the second quarter of 2017.

In summary, despite the pandemic and economic uncertainties, the equity markets have continued to recover as investors increasingly look through the current recession toward recovery for physical and fiscal health. Highly valued growth stocks and heavily discounted cyclical businesses have set the stage for a possible rotation to cheaper stocks as they show stronger earnings growth in a recovering economy.

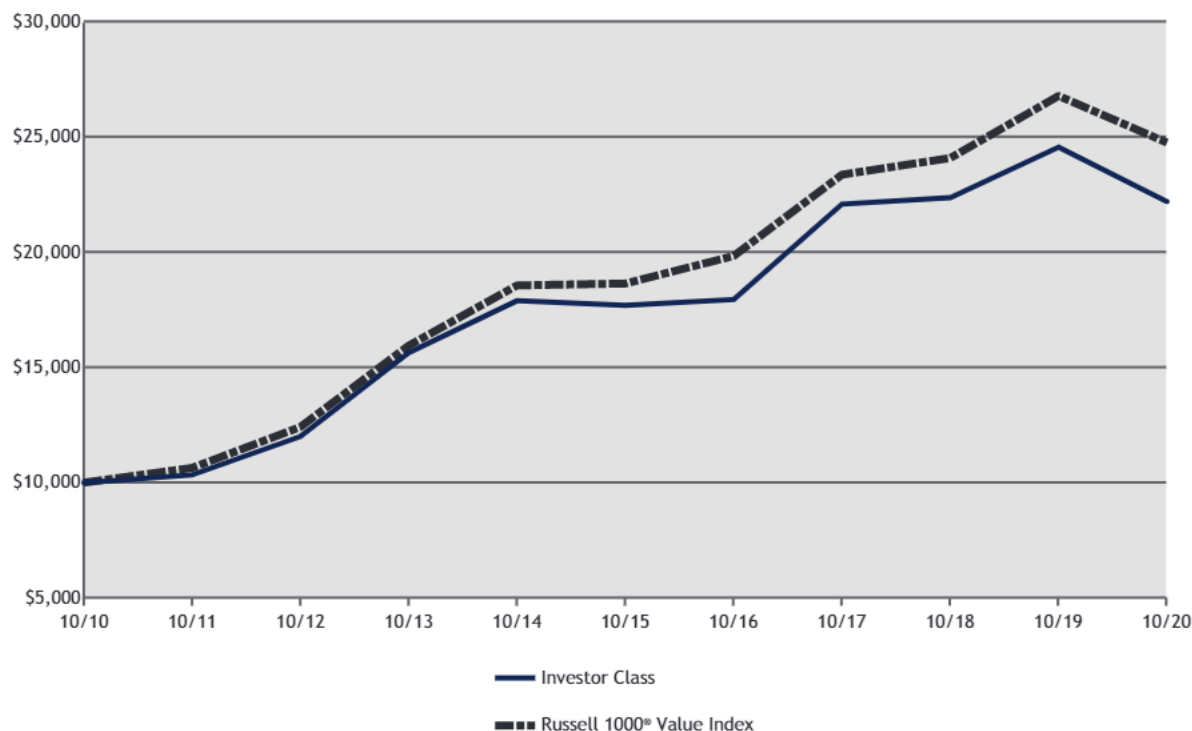
# American Beacon Large Cap Value Fund<sup>SM</sup>

## Performance Overview

October 31, 2020 (Unaudited)

The Investor Class of the American Beacon Large Cap Value Fund (the "Fund") returned -9.63% for the twelve months ended October 31, 2020, underperforming the Russell 1000<sup>®</sup> Value Index (the "Index") return of -7.57% for the same period.

Comparison of Change in Value of a \$10,000 Investment for the period from 10/31/2010 through 10/31/2020



### Total Returns for the Period ended October 31, 2020

		1 Year	3 Years	5 Years	10 Years	Value of \$10,000 10/31/2010- 10/31/2020
R5 Class** (1,6)	AADEX	(9.33)%	0.47%	4.97%	8.66%	\$22,944
Y Class (1,6)	ABLYX	(9.35)%	0.39%	4.89%	8.58%	\$22,770
Investor Class (1,6)	AAGPX	(9.63)%	0.14%	4.62%	8.29%	\$22,173
Advisor Class (1,6)	AVASX	(9.69)%	(0.01)%	4.47%	8.13%	\$21,859
A Class without sales charge (1,2,6)	ALVAX	(9.65)%	0.10%	4.58%	8.20%	\$21,983
A Class with sales charge (1,2,6)	ALVAX	(14.86)%	(1.85)%	3.35%	7.56%	\$20,724
C Class without sales charge (1,3,6)	ALVCX	(10.26)%	(0.56)%	3.86%	7.41%	\$20,434
C Class with sales charge (1,3,6)	ALVCX	(11.26)%	(0.56)%	3.86%	7.41%	\$20,434
R6 Class (1,4,6)	AALRX	(9.23)%	0.51%	5.00%	8.67%	\$22,970
Russell 1000 <sup>®</sup> Value Index (5)		(7.57)%	1.94%	5.82%	9.48%	\$24,732

\*\* Prior to February 28, 2020, the R5 Class was known as Institutional Class.

- 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 calculated based on the published end of day net asset values 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 [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com) or call 1-800-967-9009. Fund performance in the table above does not reflect the deduction of taxes a shareholder would pay on distributions or the redemption of shares. Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only; and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Performance Overview

October 31, 2020 (Unaudited)

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2. *A Class shares have a maximum sales charge of 5.75%.*
3. *A portion of the fees charged to the C Class was waived from 2010 through 2012, partially recovered in 2013 and 2014, and waived in 2018. Performance prior to waiving fees was lower than the actual returns shown for 2010 through 2012 and for 2018. C Class shares have a maximum contingent deferred sales charge of 1.00% for shares redeemed within one year of the date of purchase.*
4. *Fund performance for the five-year and ten-year periods represents the returns achieved by the R5 Class from 10/31/10 through 2/28/17, the inception date of the R6 Class, and the returns of the R6 Class since its inception. Expenses of the R6 Class are lower than those of the R5 Class. As a result, total returns shown may be lower than they would have been had the R6 Class been in existence since 10/31/10. A portion of the fees charged to the R6 Class of the Fund has been waived since Class inception. Performance prior to waiving fees was lower than the actual returns shown since 2017.*
5. *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. Russell 1000 Value Index and Russell 1000 Index are registered trademarks of Frank Russell Company. American Beacon Funds is not promoted, sponsored or endorsed by, nor in any way affiliated with the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. LSE Group is not responsible for and has not reviewed the American Beacon Large Cap Value Fund nor any associated literature or publications and LSE Group makes no representation or warranty, express or implied, as to their accuracy, or completeness, or otherwise. All rights in the Russell 1000 Value Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell 1000® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by the Manager. One cannot directly invest in an index.*
6. *The Total Annual Fund Operating Expense ratios set forth in the most recent Fund prospectus for the R5, Y, Investor, Advisor, A, C and R6 Class shares were 0.63%, 0.70%, 0.96%, 1.10%, 1.01%, 1.70% and 0.60%, respectively. The expense ratios above may vary from the expense ratios presented in other sections of this report that are based on expenses incurred during the period covered by this report.*

The Fund underperformed the Index as both sector allocation and stock selections detracted value for the twelve-month period.

The Fund's investments in the Financials and Health Care sectors hurt the most with respect to stock selection. Within Financials, positions in Wells Fargo + Co. (down 56.9%) and American International Group (down 37.1%) detracted most from the Fund's relative performance. Positions in GlaxoSmithKline Plc. Sponsored ADR (down 23.1%) and Merck + Co. (down 13.8%) weighed on the Fund's returns within the Health Care sector. Meanwhile, in the Information Technology sector, the Fund's positions in Microsoft Corp. (up 44.6%) and Texas Instruments Inc. (up 25.9%) aided the Fund's performance over the period.

Sector allocation weighed on relative performance as an overweight to Energy (down 46.3%) and an underweight to Consumer Staples (up 4.0%) hurt relative performance compared to the Index. The Fund's underweight position in the Real Estate sector (down 22.6%) somewhat muted relative underperformance during the period.

The sub-advisors continue to invest in a broadly diversified portfolio of companies that they believe have attractive valuations and above-average earnings growth potential. This approach should allow the Fund to benefit over the longer term.

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Performance Overview

October 31, 2020 (Unaudited)

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### Top Ten Holdings (% Net Assets)

American International Group, Inc.	2.7
Citigroup, Inc.	2.4
Medtronic PLC	2.3
JPMorgan Chase & Co.	2.2
Comcast Corp., Class A	2.2
Goldman Sachs Group, Inc.	2.0
General Electric Co.	1.8
Stanley Black & Decker, Inc.	1.8
Texas Instruments, Inc.	1.8
Wells Fargo & Co.	1.7

Total Fund Holdings	166
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### Sector Allocation (% Equities)

Financials	25.7
Industrials	16.5
Health Care	13.8
Information Technology	11.4
Consumer Discretionary	7.9
Energy	5.4
Utilities	5.4
Communication Services	5.2
Consumer Staples	4.0
Materials	3.9
Real Estate	0.8



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Expense Examples

October 31, 2020 (Unaudited)

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### Fund Expense Example

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments and redemption fees, if applicable, and (2) ongoing costs, including management fees, distribution (12b-1) fees, sub-transfer agent fees, and other Fund expenses. The Examples are intended to help you understand the ongoing cost (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The Examples are based on an investment of \$1,000 invested at the beginning of the period in each Class and held for the entire period from May 1, 2020 through October 31, 2020.

### Actual Expenses

The “Actual” lines of the tables provide information about actual account values and actual expenses. You may use the information on this page, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = \$8.60), then multiply the result by the “Expenses Paid During Period” to estimate the expenses you paid on your account during this period. Shareholders of the Investor and R5 Classes that invest in the Funds through an IRA or Roth IRA may be subject to a custodial IRA fee of \$15 that is typically deducted each December. If your account was subject to a custodial IRA fee during the period, your costs would have been \$15 higher.

### Hypothetical Example for Comparison Purposes

The “Hypothetical” lines of the tables provide information about hypothetical account values and hypothetical expenses based on the Funds’ actual expense ratio and an assumed 5% per year rate of return before expenses (not the Funds’ actual return). You may compare the ongoing costs of investing in the Funds with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. Shareholders of the Investor and R5 Classes that invest in the Funds through an IRA or Roth IRA may be subject to a custodial IRA fee of \$15 that is typically deducted each December. If your account was subject to a custodial IRA fee during the period, your costs would have been \$15 higher.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs charged by the Funds, such as sales charges (loads) or redemption fees, as applicable. Similarly, the expense examples for other funds do not reflect any transaction costs charged by those funds, such as sales charges (loads), redemption fees or exchange fees. Therefore, the “Hypothetical” lines of the tables are useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. If you were subject to any transaction costs during the period, your costs would have been higher.

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Expense Examples

October 31, 2020 (Unaudited)

### American Beacon Large Cap Value Fund

	Beginning Account Value 5/1/2020	Ending Account Value 10/31/2020	Expenses Paid During Period 5/1/2020-10/31/2020*
<b>R5 Class**</b>			
Actual	\$1,000.00	\$1,091.60	\$3.21
Hypothetical***	\$1,000.00	\$1,022.07	\$3.10
<b>Y Class</b>			
Actual	\$1,000.00	\$1,090.90	\$3.57
Hypothetical***	\$1,000.00	\$1,021.72	\$3.46
<b>Investor Class</b>			
Actual	\$1,000.00	\$1,089.40	\$4.94
Hypothetical***	\$1,000.00	\$1,020.41	\$4.77
<b>Advisor Class</b>			
Actual	\$1,000.00	\$1,088.80	\$5.67
Hypothetical***	\$1,000.00	\$1,019.71	\$5.48
<b>A Class</b>			
Actual	\$1,000.00	\$1,089.40	\$5.15
Hypothetical***	\$1,000.00	\$1,020.21	\$4.98
<b>C Class</b>			
Actual	\$1,000.00	\$1,085.30	\$8.70
Hypothetical***	\$1,000.00	\$1,016.79	\$8.42
<b>R6 Class</b>			
Actual	\$1,000.00	\$1,091.60	\$3.10
Hypothetical***	\$1,000.00	\$1,022.17	\$3.00

\* Expenses are equal to the Fund's annualized expense ratios for the six-month period of 0.61%, 0.68%, 0.94%, 1.08%, 0.98%, 1.66%, and 0.59% for the R5, Y, Investor, Advisor, A, C, and R6 Classes, respectively, multiplied by the average account value over the period, multiplied by the number derived by dividing the number of days in the most recent fiscal half-year (184) by days in the year (366) to reflect the half-year period.

\*\* Formerly known as Institutional Class.

\*\*\* 5% return before expenses.

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Report of Independent Registered Public Accounting Firm

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To the Shareholders and the Board of Trustees of  
American Beacon Large Cap Value Fund

### *Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities of American Beacon Large Cap Value Fund (the "Fund") (one of the funds constituting American Beacon Funds (the "Trust")), including the schedule of investments, as of October 31, 2020, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund at October 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

### *Basis for Opinion*

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust's internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2020, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Ernst & Young LLP*

We have served as the auditor of one or more American Beacon investment companies since 1987.

Dallas, Texas  
December 30, 2020

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>COMMON STOCKS - 97.86%</b>		
Communication Services - 5.11%		
Diversified Telecommunication Services - 0.15%		
Verizon Communications, Inc. . . . .	101,154	\$ 5,764,766
<b>Interactive Media &amp; Services - 0.71%</b>		
Alphabet, Inc., Class A <sup>A</sup> . . . . .	16,700	26,989,037
<b>Media - 3.73%</b>		
Comcast Corp., Class A . . . . .	1,954,065	82,539,705
Discovery, Inc., Class C <sup>A</sup> . . . . .	890,700	16,317,624
Interpublic Group of Cos., Inc. . . . .	364,800	6,599,232
News Corp., Class A . . . . .	1,542,400	20,251,712
Omnicom Group, Inc. . . . .	139,378	6,578,642
ViacomCBS, Inc., Class B . . . . .	295,403	8,439,664
		<b>140,726,579</b>
<b>Wireless Telecommunication Services - 0.52%</b>		
Vodafone Group PLC, Sponsored ADR . . . . .	1,463,950	19,777,965
<b>Total Communication Services</b>		<b>193,258,347</b>
<b>Consumer Discretionary - 7.74%</b>		
Auto Components - 1.01%		
Adient PLC <sup>A</sup> . . . . .	152,298	3,231,764
Goodyear Tire & Rubber Co. . . . .	681,600	5,643,648
Magna International, Inc. . . . .	575,500	29,413,805
		<b>38,289,217</b>
<b>Automobiles - 1.42%</b>		
General Motors Co. . . . .	1,225,232	42,307,261
Harley-Davidson, Inc. . . . .	340,212	11,186,170
		<b>53,493,431</b>
<b>Hotels, Restaurants &amp; Leisure - 1.60%</b>		
Aramark . . . . .	1,344,782	37,304,253
Las Vegas Sands Corp. . . . .	398,685	19,160,801
Marriott International, Inc., Class A . . . . .	41,106	3,817,925
		<b>60,282,979</b>
<b>Household Durables - 0.73%</b>		
Lennar Corp., Class A . . . . .	394,516	27,706,859
<b>Internet &amp; Direct Marketing Retail - 0.30%</b>		
Booking Holdings, Inc. <sup>A</sup> . . . . .	7,100	11,519,750
<b>Multiline Retail - 0.36%</b>		
Dollar General Corp. . . . .	65,039	13,574,290
<b>Specialty Retail - 2.32%</b>		
Advance Auto Parts, Inc. . . . .	248,081	36,537,370
Lowe's Cos., Inc. . . . .	324,216	51,258,549
		<b>87,795,919</b>
<b>Total Consumer Discretionary</b>		<b>292,662,445</b>
<b>Consumer Staples - 3.90%</b>		
Beverages - 1.51%		
Coca-Cola European Partners PLC . . . . .	854,815	30,525,444
Diageo PLC, Sponsored ADR . . . . .	132,610	17,263,170

See accompanying notes



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>COMMON STOCKS - 97.86% (continued)</b>		
<b>Consumer Staples - 3.90% (continued)</b>		
<b>Beverages - 1.51% (continued)</b>		
PepsiCo, Inc. ....	69,116	\$ 9,212,471
		<u>57,001,085</u>
<b>Food Products - 1.22%</b>		
Archer-Daniels-Midland Co. ....	160,992	7,444,270
Danone S.A., Sponsored ADR ....	355,178	3,942,476
JM Smucker Co. ....	32,885	3,689,697
Mondelez International, Inc., Class A ....	145,700	7,739,584
Nestle S.A., Sponsored ADR ....	208,564	23,415,480
		<u>46,231,507</u>
<b>Household Products - 0.54%</b>		
Colgate-Palmolive Co. ....	36,257	2,860,315
Kimberly-Clark Corp. ....	87,338	11,580,145
Reckitt Benckiser Group PLC, Sponsored ADR ....	346,344	6,112,972
		<u>20,553,432</u>
<b>Personal Products - 0.47%</b>		
Unilever PLC, Sponsored ADR <sup>B</sup> ....	312,400	17,753,692
<b>Tobacco - 0.16%</b>		
Philip Morris International, Inc. ....	82,544	5,862,275
<b>Total Consumer Staples</b>		<u>147,401,991</u>
<b>Energy - 5.27%</b>		
<b>Energy Equipment &amp; Services - 0.96%</b>		
Baker Hughes Co. ....	478,400	7,065,968
Halliburton Co. ....	818,900	9,875,934
National Oilwell Varco, Inc. ....	1,473,600	12,378,240
Schlumberger N.V. ....	479,500	7,163,730
		<u>36,483,872</u>
<b>Oil, Gas &amp; Consumable Fuels - 4.31%</b>		
Apache Corp. ....	1,403,500	11,649,050
Chevron Corp. ....	327,544	22,764,308
ConocoPhillips ....	230,672	6,601,833
EOG Resources, Inc. ....	115,913	3,968,861
Hess Corp. ....	953,644	35,494,630
Marathon Oil Corp. ....	4,665,386	18,474,929
Marathon Petroleum Corp. ....	375,880	11,088,460
Murphy Oil Corp. ....	359,070	2,772,020
Phillips 66 ....	624,378	29,133,477
Pioneer Natural Resources Co. ....	50,640	4,028,918
Royal Dutch Shell PLC, Class A, Sponsored ADR <sup>B</sup> ....	655,422	16,746,032
		<u>162,722,518</u>
<b>Total Energy</b>		<u>199,206,390</u>
<b>Financials - 25.17%</b>		
<b>Banks - 10.29%</b>		
Bank of America Corp. ....	1,274,762	30,211,859
CIT Group, Inc. ....	166,600	4,906,370
Citigroup, Inc. ....	2,151,613	89,119,811
Citizens Financial Group, Inc. ....	746,453	20,340,844
Fifth Third Bancorp ....	390,500	9,067,410

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>COMMON STOCKS - 97.86% (continued)</b>		
<b>Financials - 25.17% (continued)</b>		
<b>Banks - 10.29% (continued)</b>		
JPMorgan Chase & Co. ....	866,285	\$ 84,930,582
PNC Financial Services Group, Inc. ....	231,100	25,855,468
Truist Financial Corp. ....	292,345	12,313,571
US Bancorp ....	1,257,793	48,991,037
Wells Fargo & Co. ....	2,943,561	63,139,384
		<b>388,876,336</b>
<b>Capital Markets - 4.68%</b>		
Bank of New York Mellon Corp. ....	298,800	10,266,768
BlackRock, Inc. ....	27,273	16,342,254
Goldman Sachs Group, Inc. ....	398,146	75,265,520
Moody's Corp. ....	27,169	7,142,730
Morgan Stanley ....	189,478	9,123,366
Nasdaq, Inc. ....	169,218	20,473,686
Northern Trust Corp. ....	233,588	18,282,933
State Street Corp. ....	218,437	12,865,939
T Rowe Price Group, Inc. ....	54,296	6,877,131
		<b>176,640,327</b>
<b>Consumer Finance - 1.74%</b>		
American Express Co. ....	331,511	30,247,064
Discover Financial Services ....	172,400	11,207,724
Navient Corp. ....	1,275,336	10,215,441
SLM Corp. ....	1,535,259	14,109,030
		<b>65,779,259</b>
<b>Diversified Financial Services - 0.46%</b>		
Equitable Holdings, Inc. ....	814,800	17,510,052
<b>Insurance - 7.66%</b>		
American International Group, Inc. ....	3,232,381	101,787,678
Aon PLC, Class A ....	152,736	28,104,951
Chubb Ltd. ....	379,318	49,277,201
Hartford Financial Services Group, Inc. ....	430,500	16,582,860
Marsh & McLennan Cos., Inc. ....	231,590	23,960,301
Travelers Cos., Inc. ....	370,101	44,674,892
Willis Towers Watson PLC ....	135,983	24,814,178
		<b>289,202,061</b>
<b>Thriffs &amp; Mortgage Finance - 0.34%</b>		
New York Community Bancorp, Inc. ....	1,546,387	12,850,476
<b>Total Financials</b>		<b>950,858,511</b>
<b>Health Care - 13.45%</b>		
<b>Biotechnology - 0.15%</b>		
Biogen, Inc. <sup>A</sup> ....	23,000	5,797,610
<b>Health Care Equipment &amp; Supplies - 4.10%</b>		
Abbott Laboratories ....	196,436	20,647,388
Boston Scientific Corp. <sup>A</sup> ....	292,543	10,025,448
Danaher Corp. ....	116,281	26,691,141
Medtronic PLC ....	881,899	88,692,582
Zimmer Biomet Holdings, Inc. ....	67,067	8,859,551
		<b>154,916,110</b>

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>COMMON STOCKS - 97.86% (continued)</b>		
<b>Health Care - 13.45% (continued)</b>		
<b>Health Care Providers &amp; Services - 5.09%</b>		
Anthem, Inc. . . . .	225,820	\$ 61,603,696
Centene Corp. <sup>A</sup> . . . . .	196,800	11,630,880
Cigna Corp. . . . .	158,016	26,383,932
CVS Health Corp. . . . .	468,364	26,270,537
Humana, Inc. . . . .	22,600	9,023,728
McKesson Corp. . . . .	76,657	11,306,141
UnitedHealth Group, Inc. . . . .	150,667	45,974,528
		<b>192,193,442</b>
<b>Life Sciences Tools &amp; Services - 0.74%</b>		
Thermo Fisher Scientific, Inc. . . . .	59,287	<b>28,049,865</b>
<b>Pharmaceuticals - 3.37%</b>		
Bristol-Myers Squibb Co. . . . .	163,900	9,579,955
GlaxoSmithKline PLC, Sponsored ADR . . . . .	478,234	15,982,580
Johnson & Johnson . . . . .	344,181	47,190,657
Merck & Co., Inc. . . . .	218,309	16,419,020
Pfizer, Inc. . . . .	631,300	22,398,524
Roche Holding AG, Sponsored ADR . . . . .	151,458	6,056,806
Sanofi, ADR . . . . .	213,664	9,678,979
		<b>127,306,521</b>
<b>Total Health Care</b>		<b>508,263,548</b>
<b>Industrials - 16.18%</b>		
<b>Aerospace &amp; Defense - 2.65%</b>		
Boeing Co. . . . .	22,500	3,248,775
Embraer S.A., Sponsored ADR <sup>A B</sup> . . . . .	261,400	1,076,968
General Dynamics Corp. . . . .	203,786	26,763,215
Lockheed Martin Corp. . . . .	37,413	13,099,414
Northrop Grumman Corp. . . . .	89,564	25,957,439
Raytheon Technologies Corp. . . . .	548,779	29,809,675
		<b>99,955,486</b>
<b>Air Freight &amp; Logistics - 0.71%</b>		
FedEx Corp. . . . .	103,900	<b>26,958,933</b>
<b>Building Products - 1.11%</b>		
Johnson Controls International PLC . . . . .	357,004	15,069,139
Masco Corp. . . . .	239,444	12,834,198
Trane Technologies PLC . . . . .	105,836	14,049,729
		<b>41,953,066</b>
<b>Construction &amp; Engineering - 1.17%</b>		
AECOM <sup>A</sup> . . . . .	486,175	21,800,087
Fluor Corp. . . . .	212,100	2,407,335
Quanta Services, Inc. . . . .	317,060	19,794,056
		<b>44,001,478</b>
<b>Electrical Equipment - 0.81%</b>		
Eaton Corp. PLC . . . . .	171,681	17,818,771
Emerson Electric Co. . . . .	197,269	12,781,058
		<b>30,599,829</b>
<b>Industrial Conglomerates - 2.69%</b>		
General Electric Co. . . . .	9,371,500	69,536,530
Honeywell International, Inc. . . . .	193,886	31,981,496
		<b>101,518,026</b>

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>COMMON STOCKS - 97.86% (continued)</b>		
<b>Industrials - 16.18% (continued)</b>		
<b>Machinery - 5.39%</b>		
CNH Industrial N.V. <sup>A</sup> . . . . .	2,652,739	\$ 20,611,782
Cummins, Inc. . . . .	140,497	30,893,885
Deere & Co. . . . .	124,620	28,152,904
Illinois Tool Works, Inc. . . . .	128,641	25,198,199
Otis Worldwide Corp. . . . .	66,963	4,103,493
PACCAR, Inc. . . . .	73,451	6,271,246
Stanley Black & Decker, Inc. . . . .	417,162	69,332,325
Westinghouse Air Brake Technologies Corp. . . . .	322,166	19,104,444
		<b>203,668,278</b>
<b>Professional Services - 0.25%</b>		
Equifax, Inc. . . . .	70,281	<b>9,600,384</b>
<b>Road &amp; Rail - 1.40%</b>		
Canadian National Railway Co. . . . .	82,258	8,180,558
JB Hunt Transport Services, Inc. . . . .	213,959	26,047,369
Union Pacific Corp. . . . .	105,896	18,763,712
		<b>52,991,639</b>
<b>Total Industrials</b>		<b>611,247,119</b>
<b>Information Technology - 11.17%</b>		
<b>Communications Equipment - 0.70%</b>		
F5 Networks, Inc. <sup>A</sup> . . . . .	50,200	6,673,588
Telefonaktiebolaget LM Ericsson, Sponsored ADR . . . . .	1,761,920	19,751,123
		<b>26,424,711</b>
<b>Electronic Equipment, Instruments &amp; Components - 1.02%</b>		
Corning, Inc. . . . .	681,440	21,785,637
TE Connectivity Ltd. . . . .	173,100	16,769,928
		<b>38,555,565</b>
<b>IT Services - 2.47%</b>		
Accenture PLC, Class A . . . . .	144,407	31,323,322
Cognizant Technology Solutions Corp., Class A . . . . .	414,257	29,586,235
Fidelity National Information Services, Inc. . . . .	126,645	15,778,701
Fiserv, Inc. <sup>A</sup> . . . . .	175,086	16,715,460
		<b>93,403,718</b>
<b>Semiconductors &amp; Semiconductor Equipment - 4.54%</b>		
Analog Devices, Inc. . . . .	73,222	8,679,004
Broadcom, Inc. . . . .	125,933	44,029,955
Intel Corp. . . . .	255,605	11,318,189
NXP Semiconductors N.V. . . . .	94,360	12,749,923
QUALCOMM, Inc. . . . .	228,779	28,222,178
Texas Instruments, Inc. . . . .	459,844	66,488,844
		<b>171,488,093</b>
<b>Software - 1.92%</b>		
Microsoft Corp. . . . .	148,808	30,129,156
Oracle Corp. . . . .	753,291	42,267,158
		<b>72,396,314</b>
<b>Technology Hardware, Storage &amp; Peripherals - 0.52%</b>		
Hewlett Packard Enterprise Co. . . . .	2,276,744	<b>19,671,068</b>
<b>Total Information Technology</b>		<b>421,939,469</b>

See accompanying notes



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>COMMON STOCKS - 97.86% (continued)</b>		
<b>Materials - 3.85%</b>		
<b>Chemicals - 3.43%</b>		
Air Products and Chemicals, Inc. ....	101,851	\$ 28,135,320
Corteva, Inc. ....	891,857	29,413,444
DuPont de Nemours, Inc. ....	583,206	33,172,758
PPG Industries, Inc. ....	175,224	22,730,057
Sherwin-Williams Co. ....	23,504	16,170,282
		<b>129,621,861</b>
<b>Containers &amp; Packaging - 0.42%</b>		
International Paper Co. ....	362,486	15,858,762
<b>Total Materials</b>		<b>145,480,623</b>
<b>Real Estate - 0.78%</b>		
<b>Equity Real Estate Investment Trusts (REITs) - 0.78%</b>		
MGM Growth Properties LLC, Class A ....	928,105	24,548,377
Public Storage ....	21,025	4,816,197
		<b>29,364,574</b>
<b>Total Real Estate</b>		<b>29,364,574</b>
<b>Utilities - 5.24%</b>		
<b>Electric Utilities - 4.72%</b>		
American Electric Power Co., Inc. ....	136,012	12,231,559
Duke Energy Corp. ....	334,092	30,773,214
Edison International ....	385,802	21,620,344
Entergy Corp. ....	115,349	11,675,626
Exelon Corp. ....	739,627	29,503,721
PPL Corp. ....	1,141,254	31,384,485
Southern Co. ....	574,388	32,998,591
Xcel Energy, Inc. ....	116,087	8,129,573
		<b>178,317,113</b>
<b>Multi-Utilities - 0.52%</b>		
Dominion Energy, Inc. ....	243,283	19,545,356
<b>Total Utilities</b>		<b>197,862,469</b>
<b>Total Common Stocks (Cost \$3,497,591,923)</b>		<b>3,697,545,486</b>
<b>SHORT-TERM INVESTMENTS - 2.23% (Cost \$84,250,125)</b>		
<b>Investment Companies - 2.23%</b>		
American Beacon U.S. Government Money Market Select Fund, 0.01% <sup>C D</sup> ....	84,250,125	84,250,125
<b>TOTAL INVESTMENTS - 100.09% (Cost \$3,581,842,048)</b>		<b>3,781,795,611</b>
<b>LIABILITIES, NET OF OTHER ASSETS - (0.09%)</b>		<b>(3,554,522)</b>
<b>TOTAL NET ASSETS - 100.00%</b>		<b>\$ 3,778,241,089</b>

Percentages are stated as a percent of net assets.

<sup>A</sup> Non-income producing security.

<sup>B</sup> All or a portion of this security is on loan, collateralized by either cash and/or U.S. Treasuries, at October 31, 2020 (Note 9).

<sup>C</sup> The Fund is affiliated by having the same investment advisor.

<sup>D</sup> 7-day yield.

ADR - American Depositary Receipt.

LLC - Limited Liability Company.

PLC - Public Limited Company.

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

### Long Futures Contracts Open on October 31, 2020:

#### Equity Futures Contracts

Description	Number of Contracts	Expiration Date	Notional Amount	Contract Value	Unrealized Appreciation (Depreciation)
S&P 500 E-Mini Index Futures . . . . .	523	December 2020	\$ 89,418,233	\$ 85,371,905	\$ (4,046,328)
			<u>\$ 89,418,233</u>	<u>\$ 85,371,905</u>	<u>\$ (4,046,328)</u>

#### Index Abbreviations:

S&P 500                      S&P 500 Index - U.S. Equity Large-Cap Index.

The Fund's investments are summarized by level based on the inputs used to determine their values. As of October 31, 2020, the investments were classified as described below:

Large Cap Value Fund	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Common Stocks . . . . .	\$ 3,697,545,486	\$ -	\$ -	\$ 3,697,545,486
Short-Term Investments . . . . .	84,250,125	-	-	84,250,125
Total Investments in Securities - Assets . . . . .	<u>\$ 3,781,795,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,781,795,611</u>
<b>Financial Derivative Instruments - Liabilities</b>				
Futures Contracts . . . . .	\$ (4,046,328)	\$ -	\$ -	\$ (4,046,328)
Total Financial Derivative Instruments - Liabilities . . . . .	<u>\$ (4,046,328)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,046,328)</u>

U.S. GAAP requires transfers between all levels to/from level 3 be disclosed. During the year ended October 31, 2020, there were no transfers into or out of Level 3.

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Statement of Assets and Liabilities

October 31, 2020

### Assets:

Investments in unaffiliated securities, at fair value <sup>†</sup>	\$ 3,697,545,486
Investments in affiliated securities, at fair value <sup>‡</sup>	84,250,125
Cash	112,000
Cash collateral held at broker for futures contracts	7,610,000
Dividends and interest receivable	5,210,250
Deposits with broker for futures contracts	3,008,858
Receivable for investments sold	1,194,019
Receivable for fund shares sold	1,927,932
Receivable for tax reclaims	447,050
Prepaid expenses	60,398
<b>Total assets</b>	<b>3,801,366,118</b>

### Liabilities:

Payable for investments purchased	1,376,521
Payable for fund shares redeemed	13,332,934
Payable for expense recoupment (Note 2)	35,402
Management and sub-advisory fees payable (Note 2)	3,841,297
Service fees payable (Note 2)	70,464
Transfer agent fees payable (Note 2)	41,683
Custody and fund accounting fees payable	71,938
Professional fees payable	86,806
Trustee fees payable (Note 2)	38,482
Payable for prospectus and shareholder reports	81,224
Payable for variation margin from open futures contracts (Note 5)	4,045,182
Other liabilities	103,096
<b>Total liabilities</b>	<b>23,125,029</b>

**Net assets** **\$ 3,778,241,089**

### Analysis of net assets:

Paid-in-capital	\$ 3,144,489,687
Total distributable earnings (deficits) <sup>A</sup>	633,751,402

**Net assets** **\$ 3,778,241,089**

### Shares outstanding at no par value (unlimited shares authorized):

R5 Class <sup>B</sup>	77,383,914
Y Class	7,689,522
Investor Class	33,211,216
Advisor Class	2,196,080
A Class	1,230,439
C Class	225,940
R6 Class	43,152,412

### Net assets:

R5 Class <sup>B</sup>	\$ 1,807,587,315
Y Class	\$ 178,065,442
Investor Class	\$ 707,970,431
Advisor Class	\$ 46,049,690
A Class	\$ 25,792,400
C Class	\$ 4,687,004
R6 Class	\$ 1,008,088,807

### Net asset value, offering and redemption price per share:

R5 Class <sup>B</sup>	\$ 23.36
Y Class	\$ 23.16
Investor Class	\$ 21.32
Advisor Class	\$ 20.97
A Class	\$ 20.96
A Class (offering price)	\$ 22.24
C Class	\$ 20.74
R6 Class	\$ 23.36

<sup>†</sup> Cost of investments in unaffiliated securities \$ 3,497,591,923

<sup>‡</sup> Cost of investments in affiliated securities \$ 84,250,125

<sup>§</sup> Fair value of securities on loan \$ 32,794,699

<sup>A</sup> The Fund's investments in affiliated securities did not have unrealized appreciation (depreciation) at year end.

<sup>B</sup> Formerly known as Institutional Class.

*See accompanying notes*

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Statement of Operations

For the year ended October 31, 2020

### Investment income:

Dividend income from unaffiliated securities (net of foreign taxes) <sup>†</sup>	\$ 111,036,931
Dividend income from affiliated securities (Note 2)	833,698
Interest income	5,442
Income derived from securities lending (Note 9)	302,299
<b>Total investment income</b>	<b>112,178,370</b>

### Expenses:

Management and sub-advisory fees (Note 2)	24,355,791
Transfer agent fees:	
R5 Class (Note 2) <sup>A</sup>	742,646
Y Class (Note 2)	213,393
Investor Class	44,037
Advisor Class	3,094
A Class	1,668
R6 Class	34,517
Custody and fund accounting fees	492,567
Professional fees	319,200
Registration fees and expenses	142,842
Service fees (Note 2):	
Investor Class	3,177,910
Advisor Class	139,109
A Class	48,190
C Class	5,086
Distribution fees (Note 2):	
Advisor Class	138,989
A Class	78,875
C Class	57,931
Prospectus and shareholder report expenses	283,242
Trustee fees (Note 2)	386,947
Loan expense (Note 10)	32,594
Other expenses	558,925
<b>Total expenses</b>	<b>31,257,553</b>
Net fees waived and expenses (reimbursed) (Note 2)	(258,091)
<b>Net expenses</b>	<b>30,999,462</b>
<b>Net investment income</b>	<b>81,178,908</b>

### Realized and unrealized gain (loss) from investments:

Net realized gain (loss) from:	
Investments in unaffiliated securities <sup>B</sup>	453,549,400
Commission recapture (Note 1)	30,861
Foreign currency transactions	(3,821)
Futures contracts	14,198,430
Change in net unrealized appreciation (depreciation) of:	
Investments in unaffiliated securities <sup>C</sup>	(993,690,876)
Futures contracts	(6,650,238)
<b>Net (loss) from investments</b>	<b>(532,566,244)</b>
<b>Net (decrease) in net assets resulting from operations</b>	<b>\$ (451,387,336)</b>

<sup>†</sup> Foreign taxes	\$ 1,051,882
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<sup>A</sup> Formerly known as Institutional Class.

<sup>B</sup> The Fund did not recognize net realized gains (losses) from the sale of investments in affiliated securities.

<sup>C</sup> The Fund's investments in affiliated securities did not have a change in unrealized appreciation (depreciation) at year end.

See accompanying notes



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Statement of Changes in Net Assets

	Year Ended October 31, 2020	Year Ended October 31, 2019
<b>Increase (decrease) in net assets:</b>		
<b>Operations:</b>		
Net investment income . . . . .	\$ 81,178,908	\$ 112,171,181
Net realized gain from investments in unaffiliated securities, commission recapture, foreign currency transactions and futures contracts . . . . .	467,774,870	366,356,359
Change in net unrealized appreciation (depreciation) of investments in unaffiliated securities and futures contracts . . . . .	(1,000,341,114)	37,685,667
<b>Net increase (decrease) in net assets resulting from operations . . . . .</b>	<b>(451,387,336)</b>	<b>516,213,207</b>
<b>Distributions to shareholders:</b>		
Total retained earnings:		
R5 Class <sup>A</sup> . . . . .	(273,627,748)	(307,696,338)
Y Class . . . . .	(29,187,098)	(24,499,396)
Investor Class . . . . .	(110,555,842)	(128,259,878)
Advisor Class . . . . .	(6,464,926)	(5,201,321)
A Class . . . . .	(4,077,104)	(4,356,396)
C Class . . . . .	(658,758)	(544,161)
R6 Class . . . . .	(76,992,021)	(48,893,430)
<b>Net distributions to shareholders . . . . .</b>	<b>(501,563,497)</b>	<b>(519,450,920)</b>
<b>Capital share transactions (Note 11):</b>		
Proceeds from sales of shares . . . . .	1,238,519,195	777,784,227
Reinvestment of dividends and distributions . . . . .	461,617,755	486,264,603
Cost of shares redeemed . . . . .	(2,384,380,519)	(2,033,070,711)
<b>Net (decrease) in net assets from capital share transactions . . . . .</b>	<b>(684,243,569)</b>	<b>(769,021,881)</b>
<b>Net (decrease) in net assets . . . . .</b>	<b>(1,637,194,402)</b>	<b>(772,259,594)</b>
<b>Net assets:</b>		
Beginning of period . . . . .	5,415,435,491	6,187,695,085
<b>End of period . . . . .</b>	<b>\$ 3,778,241,089</b>	<b>\$ 5,415,435,491</b>

<sup>A</sup> Formerly known as Institutional Class.

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

October 31, 2020

### 1. Organization and Significant Accounting Policies

American Beacon Funds (the “Trust”) is organized as a Massachusetts business trust. The Fund, a series within the Trust, is registered under the Investment Company Act of 1940, as amended (the “Act”), as a diversified, open-end management investment company. As of October 31, 2020, the Trust consists of twenty-seven active series, one of which is presented in this filing: American Beacon Large Cap Value Fund (the “Fund”). The remaining twenty-six active series are reported in separate filings.

American Beacon Advisors, Inc. (the “Manager”) is a Delaware corporation and a wholly-owned subsidiary of Resolute Investment Managers, Inc. (“RIM”) organized in 1986 to provide business management, advisory, administrative, and asset management consulting services to the Trust and other investors. The Manager is registered as an investment advisor under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). RIM is, in turn, a wholly-owned subsidiary of Resolute Acquisition, Inc., which is a wholly-owned subsidiary of Resolute Topco, Inc., a wholly-owned subsidiary of Resolute Investment Holdings, LLC (“RIH”). RIH is owned primarily by Kelso Investment Associates VIII, L.P., KEP VI, LLC and Estancia Capital Partners L.P., investment funds affiliated with Kelso & Company, L.P. (“Kelso”) or Estancia Capital Management, LLC (“Estancia”), which are private equity firms.

#### *Recently Adopted Accounting Pronouncements*

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-04, which provides optional expedients and exceptions for contracts, hedging relationships and other transactions affected by the transitioning away from the London Interbank Offered Rate (LIBOR) and other reference rates that are expected to be discontinued. The amendments in this Update are effective for all entities as of March 12, 2020 through December 31, 2022. At this time, management is evaluating the implications of these changes on the financial statements.

#### *Class Disclosure*

Prior to February 28, 2020, the R5 Class was known as the Institutional Class.

The Fund has multiple classes of shares designed to meet the needs of different groups of investors. The following table sets forth the differences amongst the classes:

Class	Eligible Investors	Minimum Initial Investments
R5 Class	Large institutional investors - sold directly or through intermediary channels.	\$250,000
Y Class	Large institutional retirement plan investors - sold directly or through intermediary channels.	\$100,000
Investor Class	All investors using intermediary organizations, such as broker-dealers or retirement plan sponsors.	\$ 2,500
Advisor Class	All investors who invest through intermediary organizations, such as broker-dealers or third party administrators.	\$ 2,500
A Class	All investors who invest through intermediary organizations, such as broker-dealers or third party administrator. Retail investors who invest directly through a financial intermediary such as a broker, bank, or registered investment advisor which may include a front-end sales charge and a contingent deferred sales charge (“CDSC”).	\$ 2,500
C Class	Retail investors who invest directly through a financial intermediary such as a broker or through employee directed benefit plans with applicable sales charges which may include CDSC.	\$ 1,000
R6 Class	Large institutional retirement plan investors - sold through retirement plan sponsors.	None

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

October 31, 2020

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Each class offered by the Trust has equal rights as to assets and voting privileges. Income and non-class specific expenses are allocated daily to each class based on the relative net assets. Realized and unrealized capital gains and losses of each class are allocated daily based on the relative net assets of each class of the respective Fund. Class specific expenses, where applicable, currently include service, distribution, transfer agent fees, and sub-transfer agent fees that vary amongst the classes as described more fully in Note 2.

### *Significant Accounting Policies*

The following is a summary of significant accounting policies, consistently followed by the Fund in preparation of the financial statements. The Fund is considered an investment company and accordingly, follows the investment company accounting and reporting guidance of the FASB Accounting Standards Codification Topic 946, *Financial Services - Investment Companies*, a part of Generally Accepted Accounting Principles ("U.S. GAAP").

### *Security Transactions and Investment Income*

Security transactions are recorded as of the trade date for financial reporting purposes. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled beyond a standard settlement period for the security after the trade date.

Dividend income, net of foreign taxes, is recorded on the ex-dividend date, except certain dividends from foreign securities which are recorded as soon as the information is available to the Fund. Interest income, net of foreign taxes, is earned from settlement date, recorded on the accrual basis, and adjusted, if necessary, for accretion of discounts and amortization of premiums. Realized gains (losses) from securities sold are determined based on specific lot identification.

### *Distributions to Shareholders*

The Fund distributes most or all of its net earnings and realized gains, if any, each taxable year in the form of dividends from net investment income and distributions of realized net capital gains and net gains from foreign currency transactions on an annual basis. The Fund does not have a fixed dividend rate and does not guarantee that it will pay any distributions in any particular period. Dividends to shareholders are determined in accordance with federal income tax regulations, which may differ in amount and character from net investment income and realized gains recognized for purposes of U.S. GAAP. To the extent necessary to fully distribute capital gains, the Fund may designate earnings and profits distributed to shareholders on the redemption of shares.

### *Commission Recapture*

The Fund has established brokerage commission recapture arrangements with certain brokers or dealers. If the Fund's investment advisor chooses to execute a transaction through a participating broker, the broker rebates a portion of the commission back to the Fund. Any collateral benefit received through participation in the commission recapture program is directed exclusively to the Fund. This amount is reported with the net realized gain (loss) in the Fund's Statement of Operations, if applicable.

### *Allocation of Income, Trust Expenses, Gains, and Losses*

Investment income, realized and unrealized gains and losses from investments of the Fund is allocated daily to each class of shares based upon the relative proportion of net assets of each class to the total net assets of the Fund. Expenses directly charged or attributable to the Fund will be paid from the assets of the Fund. Generally, expenses of the Trust will be allocated among and charged to the assets of the Fund on a basis that the Trust's Board of Trustees (the "Board") deems fair and equitable, which may be based on the relative net assets of the Fund or nature of the services performed and relative applicability to the Fund.



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

October 31, 2020

### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimated.

### Other

Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In the normal course of business, the Trust enters into contracts that provide indemnification to the other party or parties against potential costs or liabilities. The Trust's maximum exposure under these arrangements is dependent on claims that may be made in the future and, therefore, cannot be estimated. The Trust has had no prior claims or losses pursuant to any such agreement.

## 2. Transactions with Affiliates

### Management and Investment Sub-Advisory Agreements

The Fund and the Manager are parties to a Management Agreement that obligates the Manager to provide the Fund with investment advisory and administrative services. As compensation for performing the duties under the Management Agreement, the Manager will receive an annualized management fee based on a percentage of the Fund's average daily net assets that is calculated and accrued daily according to the following schedule:

First \$15 billion .....	0.35%
Next \$15 billion .....	0.325%
Over \$30 billion .....	0.30%

The Trust, on behalf of the Fund, and the Manager have entered into Investment Advisory Agreements with Barrow, Hanley, Mewhinney & Strauss, LLC; Hotchkis and Wiley Capital Management, LLC; and Massachusetts Financial Services Company ("Sub-Advisors") pursuant to which the Fund has agreed to pay an annualized sub-advisory fee that is calculated and accrued daily based on the Fund's average daily net assets.

The Management and Sub-Advisory Fees paid by the Fund for the year ended October 31, 2020 were as follows:

	Effective Fee Rate	Amount of Fees Paid
Management Fees .....	0.35%	\$ 15,579,605
Sub-Advisor Fees .....	0.20%	8,776,186
Total .....	0.55%	\$ 24,355,791

As compensation for services provided by the Manager in connection with securities lending activities conducted by the Fund, the lending Fund pays to the Manager, with respect to cash collateral posted by borrowers, a fee of 10% of the net monthly interest income (the gross interest income earned by the investment of cash collateral, less the amount paid to borrowers and related expenses) from such activities and, with respect to loan fees paid by borrowers, a fee of 10% of such loan fees. Securities lending income is generated from the demand premium (if any) paid by the borrower to borrow a specific security and from the return on investment of cash collateral, reduced by negotiated rebate fees paid to the borrower and transaction costs. To the extent that a loan is secured by non-cash collateral, securities lending income is generated as a demand premium reduced by transaction costs. These fees are included in "Income derived from securities lending" and "Management and investment advisory fees" on the Statement of Operations. During the year ended October 31, 2020, the Manager received securities lending fees of \$31,383 for the securities lending activities of the Fund.



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

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### Distribution Plans

The Fund, except for the Advisor, A, and C Classes of the Fund, has adopted a “defensive” Distribution Plan (the “Plan”) in accordance with Rule 12b-1 under the Act, pursuant to which no separate fees may be charged to the Fund for distribution purposes. However, the Plan authorizes the management fee received by the Manager and the investment advisors hired by the Manager to be used for distribution purposes. Under this Plan, the Fund does not intend to compensate the Manager or any other party, either directly or indirectly, for the distribution of Fund shares.

Separate Distribution Plans (the “Distribution Plans”) have been adopted pursuant to Rule 12b-1 under the Act for the Advisor, A, and C Classes of the Fund. Under the Distribution Plans, as compensation for distribution and shareholder servicing assistance, the Manager receives an annual fee of 0.25% of the average daily net assets of the Advisor and A Classes and 1.00% of the average daily net assets of the C Class. The fee will be payable without regard to whether the amount of the fee is more or less than the actual expenses incurred in a particular month by the Manager for distribution assistance.

### Service Plans

The Manager and the Trust entered into a Service Plan that obligates the Manager to oversee additional shareholder servicing of the Investor, Advisor, A, and C Classes of the Fund. As compensation for performing the duties required under the Service Plan, the Manager receives an annualized fee up to 0.25% of the average daily net assets of the Advisor, A and C Classes, and up to 0.375% of the average daily net assets of the Investor Class of the Fund.

### Sub-Transfer Agent Fees

The Manager has entered into agreements, which include servicing agreements, with financial intermediaries that provide recordkeeping, processing, shareholder communications and other services to customers of the intermediaries that hold positions in the R5 and Y Classes of the Fund and has agreed to compensate the intermediaries for providing these services. Intermediaries transact with the Fund primarily through the use of omnibus accounts on behalf of its customers who hold positions in the Fund. Certain services would have been provided by the Fund’s transfer agent and other service providers if the shareholders’ accounts were maintained directly by the Fund’s transfer agent. Accordingly, the Fund, pursuant to Board approval, has agreed to reimburse the Manager for certain non-distribution shareholder services provided by financial intermediaries for the R5 and Y Classes. The reimbursement amounts (sub-transfer agent fees) paid to the Manager are subject to a fee limit of up to 0.10% of an intermediary’s average net assets in the R5 and Y Classes on an annual basis. During the year ended October 31, 2020, the sub-transfer agent fees, as reflected in “Transfer agent fees” on the Statement of Operations, were as follows:

<u>Fund</u>	<u>Sub-Transfer Agent Fees</u>
Large Cap Value .....	\$ 862,512

As of October 31, 2020, the Manager owed the Fund the following reimbursement of sub-transfer agent fees, as reflected in “Transfer agent fees payable” on the Statement of Assets and Liabilities:

<u>Fund</u>	<u>Reimbursement Sub-Transfer Agent Fees*</u>
Large Cap Value .....	\$ 842

\* This balance is presented as a contra expense as of October 31, 2020.

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

October 31, 2020

### Investments in Affiliated Funds

The Fund may invest in the American Beacon U.S. Government Money Market Select Fund (the “USG Select Fund”). The Fund held the following shares with an October 31, 2020 fair value and dividend income earned from the investment in the USG Select Fund: Cash collateral received by the Fund in connection with securities lending may also be invested in the USG Select Fund. The Fund listed below held the following shares with an October 31, 2020 fair value and dividend income earned from the investment in the USG Select Fund.

<u>Affiliated Security</u>	<u>Type of Transaction</u>	<u>Fund</u>	<u>October 31, 2020 Shares/Principal</u>	<u>Change in Unrealized Gain (Loss)</u>	<u>Realized Gain (Loss)</u>	<u>Dividend Income</u>	<u>October 31, 2020 Fair Value</u>
U.S. Government Money Market Select Fund . . . . .	Direct	Large Cap Value	\$ 84,250,125	\$ -	\$ -	\$833,698	\$84,250,125

The Fund and the USG Select Fund have the same investment advisor and therefore, are considered to be affiliated. The Manager serves as investment advisor to the USG Select Fund and receives management fees and administrative fees totaling 0.10% of the average daily net assets of the USG Select Fund. During the year ended October 31, 2020, the Manager earned fees on the Fund’s direct investments and securities lending collateral investments in the USG Select Fund as shown below:

<u>Fund</u>	<u>Direct Investments in USG Select Fund</u>	<u>Securities Lending Collateral Investments in USG Select Fund</u>	<u>Total</u>
Large Cap Value . . . . .	\$ 113,196	\$ 14,770	\$ 127,966

### Interfund Credit Facility

Pursuant to an exemptive order issued by the U.S. Securities and Exchange Commission (“SEC”), the Fund, along with other registered investment companies having management contracts with the Manager, may participate in a credit facility whereby each fund, under certain conditions, is permitted to lend money directly to and borrow directly from other participating funds for temporary purposes. The interfund credit facility is advantageous to the funds because it provides added liquidity and eliminates the need to maintain higher cash balances to meet redemptions. This situation could arise when shareholder redemptions exceed anticipated volumes and certain funds have insufficient cash on hand to satisfy such redemptions or when sales of securities do not settle as expected, resulting in a cash shortfall for a fund. When a fund liquidates portfolio securities to meet redemption requests, they often do not receive payment in settlement for up to two days (or longer for certain foreign transactions). Redemption requests normally are satisfied on the next business day. The credit facility provides a source of immediate, short-term liquidity pending settlement of the sale of portfolio securities. The credit facility is administered by a credit facility team consisting of professionals from the Manager’s asset management, compliance, and accounting areas who report the activities of the credit facility to the Board. During the year ended October 31, 2020, the Fund participated as a lender by loaning an average amount of \$3,154,902 for 122 days at an average interest rate of 1.57% with interest charges earned of \$14,369. This amount is included in “Interest income” on the Statement of Operations.

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

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### Expense Reimbursement Plan

The Manager contractually agreed to reduce fees and/or reimburse expenses for the classes of the Fund to the extent that total operating expenses exceed the Fund's expense cap. During the year ended October 31, 2020, the Manager waived and/or reimbursed expenses as follows:

Fund	Class	Expense Cap	Reimbursed Expenses	(Recouped) Expenses	Expiration of Reimbursed Expenses
		11/1/2019 - 10/31/2020			
Large Cap Value . . . . .	R6	0.59%	\$ 321,322	\$ (222,760)*	2022 - 2023

\* Of this amount, \$159,529 represents Recouped Expenses from prior fiscal years and is reflected in Total Expenses on the Statement of Operations.

Of these amounts, \$35,402 was disclosed as a payable to the Manager on the Statement of Assets and Liabilities at October 31, 2020.

The Fund has adopted an Expense Reimbursement Plan whereby the Manager may seek repayment of such fee or voluntary reductions and expense reimbursements. Under the policy, the Manager can be reimbursed by the Fund for any contractual or voluntary fee reductions or expense reimbursements if reimbursement to the Manager (a) occurs within three years from the date of the Manager's waiver/reimbursement and (b) does not cause the Fund's annual operating expenses to exceed the lesser of the contractual percentage limit in effect at the time of the waiver/reimbursement or time of recoupment. The reimbursed expenses listed above will expire in 2022 and 2023. The carryover of excess expenses potentially reimbursable to the Manager, but not recorded as a liability are as follows:

Fund	Recouped Expenses	Excess Expense Carryover	Expired Expense Carryover	Expiration of Reimbursed Expenses
Large Cap Value . . . . .	\$ 159,529	\$ -	\$ -	2021 - 2022

### Sales Commissions

The Fund's Distributor, Resolute Investment Distributors, Inc. ("RID" or "Distributor"), may receive a portion of Class A sales charges from broker dealers which may be used to offset distribution related expenses. During the year ended October 31, 2020, RID collected \$1,157 from the sale of Class A Shares of the Fund.

A CDSC of 0.50% will be deducted with respect to Class A Shares on certain purchases of \$1,000,000 or more that are redeemed in whole or part within 18 months of purchase, unless waived as discussed in the Fund's Prospectus. Any applicable CDSC will be 0.50% of the lesser of the original purchase price or the value of the redemption of the Class A Shares redeemed. During the year ended October 31, 2020, there were no CDSC fees collected for the Class A Shares of the Fund.

A CDSC of 1.00% will be deducted with respect to Class C Shares redeemed within 12 months of purchase, unless waived as discussed in the Fund's Prospectus. Any applicable CDSC will be 1.00% of the lesser of the original purchase price or the value of the redemption of the Class C Shares redeemed. During the year ended October 31, 2020, CDSC fees of \$117,156 were collected for Class C Shares of the Fund.

### Trustee Fees and Expenses

Effective January 1, 2020, as compensation for their service to the American Beacon Funds Complex, including the Trust (collectively, the "Trusts"), each Trustee is compensated from the Trusts as follows: (1) an annual retainer of \$120,000; (2) meeting attendance fee (for attendance in person or via teleconference) of (a) \$12,000 for in person attendance, or \$5,000 for telephonic attendance, by Board members for each regularly scheduled or special Board meeting, (b) \$2,500 for attendance by Committee members at meetings of the Audit



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## Notes to Financial Statements

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Committee and the Investment Committee, (c) \$1,500 for attendance by Committee members at meetings of the Nominating and Governance Committee; and (d) \$2,500 for attendance by Board members for each special telephonic Board meeting; and (3) reimbursement of reasonable expenses incurred in attending Board meetings, Committee meetings, and relevant educational seminars. The Trustees also may be compensated for attendance at special Board and/or Committee meetings from time to time. For her service as Board Chair, Ms. Cline receives an additional annual retainer of \$50,000. Although she attends several committee meetings at each quarterly Board meeting, she receives only a single \$2,500 fee each quarter for her attendance at those meetings. The chairpersons of the Audit Committee and the Investment Committee each receive an additional annual retainer of \$25,000 and the Chair of the Nominating and Governance Committee receives an additional annual retainer of \$15,000.

### 3. Security Valuation and Fair Value Measurements

The price of the Fund's shares is based on its net asset value ("NAV") per share. The Fund's NAV is computed by adding total assets, subtracting all the Fund's liabilities, and dividing the result by the total number of shares outstanding.

The NAV of each class of the Fund's shares is determined based on a pro rata allocation of the Fund's investment income, expenses and total capital gains and losses. The Fund's NAV per share is determined each business day as of the regular close of trading on the New York Stock Exchange ("NYSE" or "Exchange"), which is typically 4:00 p.m. Eastern Time ("ET"). However, if trading on the NYSE closes at a time other than 4:00 p.m. ET, the Fund's NAV per share typically would still be determined as of the regular close of trading on the NYSE. The Fund does not price its shares on days that the NYSE is closed. Foreign exchanges may permit trading in foreign securities on days when the Fund is not open for business, which may result in the value of the Fund's portfolio investments being affected at a time when you are unable to buy or sell shares.

Equity securities, including shares of closed-end funds and exchange-traded funds ("ETFs"), are valued at the last sale price or official closing price taken from the primary exchange in which each security trades. Investments in other mutual funds are valued at the closing NAV per share on the day of valuation. Debt securities are valued at bid quotes from broker/dealers or evaluated bid prices from pricing services, who may consider a number of inputs and factors, such as prices of comparable securities, yield curves, spreads, credit ratings, coupon rates, maturity, default rates, and underlying collateral. Futures are valued based on their daily settlement prices. Exchange-traded and over-the-counter ("OTC") options are valued at the last sale price. Options with no last sale for the day are priced at mid quote. Swaps are valued at evaluated mid prices from pricing services.

The valuation of securities traded on foreign markets and certain fixed-income securities will generally be based on prices determined as of the earlier closing time of the markets on which they primarily trade unless a significant event has occurred. When the Fund holds securities or other assets that are denominated in a foreign currency, the Fund will normally use the currency exchange rates as of 4:00 p.m. ET.

Securities may be valued at fair value, as determined in good faith and pursuant to procedures approved by the Board, under certain limited circumstances. For example, fair value pricing will be used when market quotations are not readily available or reliable, as determined by the Manager, such as when (i) trading for a security is restricted or stopped; (ii) a security's trading market is closed (other than customary closings); or (iii) a security has been de-listed from a national exchange. A security with limited market liquidity may require fair value pricing if the Manager determines that the available price does not reflect the security's true market value. In addition, if a significant event that the Manager determines to affect the value of one or more securities held by the Fund occurs after the close of a related exchange but before the determination of the Fund's NAV, fair value pricing may be used on the affected security or securities. Securities of small-capitalization companies are also more likely to require a fair value determination using these procedures because they are more thinly traded and less liquid than the securities of larger-capitalization companies. The Fund may fair value securities as a result of significant events occurring after the close of the foreign markets in which the Fund invests as described below. In addition, the Fund may invest in illiquid securities requiring these procedures.

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The Fund may use fair value pricing for securities primarily traded in non-U.S. markets because most foreign markets close well before the Fund's pricing time of 4:00 p.m. ET. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those securities. If the Manager determines that the last quoted prices of non-U.S. securities will, in its judgment, materially affect the value of some or all its portfolio securities, the Manager can adjust the previous closing prices to reflect what it believes to be the fair value of the securities as of the close of the Exchange. In deciding whether it is necessary to adjust closing prices to reflect fair value, the Manager reviews a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. These securities are fair valued using a pricing service, using methods approved by the Board, that considers the correlation of the trading patterns of the foreign security to intraday trading in the U.S. markets, based on indices of domestic securities and other appropriate indicators such as prices of relevant American Depositary Receipts ("ADRs") and futures contracts. The Valuation Committee, established by the Board, may also fair value securities in other situations, such as when a particular foreign market is closed but the Fund is open. The Fund uses outside pricing services to provide closing prices and information to evaluate and/or adjust those prices. As a means of evaluating its security valuation process, the Valuation Committee routinely compares closing prices, the next day's opening prices in the same markets and adjusted prices.

Attempts to determine the fair value of securities introduce an element of subjectivity to the pricing of securities. As a result, the price of a security determined through fair valuation techniques may differ from the price quoted or published by other sources and may not accurately reflect the market value of the security when trading resumes. If a reliable market quotation becomes available for a security formerly valued through fair valuation techniques, the Manager compares the new market quotation to the fair value price to evaluate the effectiveness of the Fund's fair valuation procedures. If any significant discrepancies are found, the Manager may adjust the Fund's fair valuation procedures.

### *Valuation Inputs*

Various inputs may be used to determine the fair value of the Fund's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Prices determined using other significant observable inputs. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3 - Prices determined using other significant unobservable inputs. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in pricing an investment.

### *Level 1 and Level 2 trading assets and trading liabilities, at fair value*

Common stocks, preferred securities and financial derivative instruments, such as futures contracts that are traded on a national securities exchange, are stated at the last reported sale or settlement price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy. Preferred securities and other equities traded on inactive markets or valued by reference to similar instruments are generally categorized as Level 2 of the fair value hierarchy.

Investments in registered open-end investment management companies will be valued based upon the NAVs of such investments and are categorized as Level 1 of the fair value hierarchy.



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

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### 4. Securities and Other Investments

#### *American Depositary Receipts and Non-Voting Depositary Receipts*

ADRs are depositary receipts for foreign issuers in registered form traded in U.S. securities markets. Non-Voting Depositary Receipts (“NVDRs”) represent financial interests in an issuer but the holder is not entitled to any voting rights. Depositary receipts may not be denominated in the same currency as the securities into which they may be converted. Investing in depositary receipts entails substantially the same risks as direct investment in foreign securities. There is generally less publicly available information about foreign companies and there may be less governmental regulation and supervision of foreign stock exchanges, brokers, and listed companies. In addition, such companies may use different accounting and financial standards (and certain currencies may become unavailable for transfer from a foreign currency), resulting in the Fund’s possible inability to convert immediately into U.S. currency proceeds realized upon the sale of portfolio securities of the affected foreign companies. In addition, the Fund may invest in unsponsored depositary receipts, the issuers of which are not obligated to disclose material information about the underlying securities to investors in the United States. Ownership of unsponsored depositary receipts may not entitle the Fund to the same benefits and rights as ownership of a sponsored depositary receipt or the underlying security.

#### *Common Stock*

Common stock generally takes the form of shares in a corporation which represent an ownership interest. It ranks below preferred stock and debt securities in claims for dividends and for assets of the company in a liquidation or bankruptcy. The value of a company’s common stock may fall as a result of factors directly relating to that company, such as decisions made by its management or decreased demand for the company’s products or services. A stock’s value may also decline because of factors affecting not just the company, but also companies in the same industry or sector. The price of a company’s stock may also be affected by changes in financial markets that are relatively unrelated to the company, such as changes in interest rates, currency exchange rates or industry regulation. Companies that elect to pay dividends on their common stock generally only do so after they invest in their own business and make required payments to bondholders and on other debt and preferred stock. Therefore, the value of a company’s common stock will usually be more volatile than its bonds, other debt and preferred stock. Common stock may be exchange-traded or OTC. OTC stock may be less liquid than exchange-traded stock.

#### *Other Investment Company Securities and Other Exchange-Traded Products*

The Fund may invest in shares of other investment companies, including open-end funds, closed-end funds, business development companies (“BDCs”), ETFs, unit investment trusts, and other investment companies of the Trust. The Fund may invest in securities of an investment company advised by the Manager or a sub-advisor. Investments in the securities of other investment companies may involve duplication of advisory fees and certain other expenses. By investing in another investment company, the Fund becomes a shareholder of that investment company. As a result, the Fund’s shareholders indirectly will bear the Fund’s proportionate share of the fees and expenses paid by shareholders of the other investment company, in addition to the fees and expenses the Fund’s shareholders directly bear in connection with the Fund’s own operations. These other fees and expenses are reflected as Acquired Fund Fees and Expenses and are included in the Fees and Expenses Table for the Fund in its Prospectus, if applicable. Investments in other investment companies may involve the payment of substantial premiums above the value of such issuer’s portfolio securities.

#### *Publicly Traded Partnerships; Master Limited Partnerships*

The Fund may invest in publicly traded partnerships such as master limited partnerships (“MLPs”). MLPs issue units that are registered with the SEC and are freely tradable on a securities exchange or in the OTC market. An MLP may have one or more general partners, who conduct the business, and one or more limited partners, who contribute capital. An MLP also may be an entity similar to a limited partnership, such as a limited liability company, which has a manager or managing member and non-managing members (who are like limited partners).

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## Notes to Financial Statements

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The general partner or partners are jointly and severally responsible for the liabilities of the MLP. A Fund invests as a limited partner and normally would not be liable for the debts of an MLP beyond the amount the Fund has invested therein but it would not be shielded to the same extent that a shareholder of a corporation would be. In certain instances, creditors of an MLP would have the right to seek a return of capital that had been distributed to a limited partner. The right of an MLP's creditors would continue even after a Fund had sold its investment in the partnership. MLPs typically invest in real estate and oil and gas equipment leasing assets, but they also finance entertainment, research and development, and other projects.

### *Real Estate Investment Trusts*

The Fund may own shares of real estate investment trusts ("REITs") which report information on the source of their distributions annually. The Fund re-characterizes distributions received from REIT investments based on information provided by the REITs into the following categories: ordinary income, long-term capital gains, and return of capital. If information is not available on a timely basis from the REITs, the re-characterization will be estimated based on available information, which may include the previous year allocation. If new or additional information becomes available from the REITs at a later date, a re-characterization will be made the following year.

## 5. Financial Derivative Instruments

The Fund may utilize derivative instruments to gain market exposure on cash balances or reduce market exposure in anticipation of liquidity needs. When considering the Fund's use of derivatives, it is important to note that the Fund does not use derivatives for the purpose of creating financial leverage.

### *Futures Contracts*

Futures contracts are contracts to buy or sell a standard quantity of securities at a specified price on a future date. The Fund may enter into financial futures contracts as a method for keeping assets readily convertible to cash if needed to meet shareholder redemptions or for other needs while maintaining exposure to the stock or bond market, as applicable. The primary risks associated with the use of futures contracts are the possibility of illiquid markets or imperfect correlation between the values of the contracts and the underlying securities or that the counterparty will fail to perform its obligations.

Upon entering into a futures contract, the Fund is required to set aside or deposit with a broker an amount, termed the initial margin, which typically represents a portion of the face value of the futures contract. The Fund usually reflects this amount on the Schedule of Investments as a U.S. Treasury Bill held as collateral for futures contracts or as cash deposited with broker on the Statement of Assets and Liabilities. Payments to and from the broker, known as variation margin, are required to be made on a daily basis as the price of the futures contract fluctuates. Changes in initial settlement values are accounted for as unrealized appreciation (depreciation) until the contracts are terminated, at which time realized gains and losses are recognized. Futures contracts are valued at the most recent settlement price established each day by the exchange on which they are traded.

During the year ended October 31, 2020, the Fund entered into futures contracts primarily for exposing cash to markets.

The Fund's average futures contracts outstanding fluctuate throughout the operating year as required to meet strategic requirements. The following table illustrates the average quarterly volume of futures contracts. For the purpose of this disclosure, volume is measured by contracts outstanding at each quarter end.

<u>Average Futures Contracts Outstanding</u>	
<u>Fund</u>	<u>Year Ended October 31, 2020</u>
Large Cap Value .....	773

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

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The following is a summary of the fair valuations of the Fund's derivative instruments categorized by risk exposure<sup>(1)</sup>:

### *Fair values of financial instruments on the Statement of Assets and Liabilities as of October 31, 2020:*

	Derivatives not accounted for as hedging instruments					
	Credit contracts	Foreign exchange contracts	Commodity contracts	Interest rate contracts	Equity contracts	Total
<b>Liabilities:</b>						
Payable for variation margin from open futures contracts <sup>(2)</sup> . . . . .	\$ -	\$ -	\$ -	\$ -	\$ (4,046,328)	\$ (4,046,328)

### *The effect of financial derivative instruments on the Statement of Operations as of October 31, 2020:*

	Derivatives not accounted for as hedging instruments					
	Credit contracts	Foreign exchange contracts	Commodity contracts	Interest rate contracts	Equity contracts	Total
<b>Realized gain (loss) from derivatives recognized as a result of operations</b>						
Futures contracts . . . . .	\$ -	\$ -	\$ -	\$ -	\$ 14,198,430	\$ 14,198,430
<b>Net change in unrealized appreciation (depreciation) of derivatives recognized as a result from operations:</b>						
Futures contracts . . . . .	\$ -	\$ -	\$ -	\$ -	\$ (6,650,238)	\$ (6,650,238)

<sup>(1)</sup> See Note 3 in the Notes to Financial Statements for additional information.

<sup>(2)</sup> Includes cumulative appreciation (depreciation) of futures contracts as reported in the Fund's Schedule of Investments footnotes. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

### *Offsetting Assets and Liabilities*

The Fund is a party to enforceable master netting agreements between brokers and counterparties which provide for the right to offset under certain circumstances. The Fund employs multiple money managers and counterparties and has elected not to offset qualifying financial and derivative instruments on the Statement of Assets and Liabilities, as such all financial and derivative instruments are presented on a gross basis. The impacts of netting arrangements that provide the right to offset are detailed below, if applicable. The net amount represents the net receivable or payable that would be due from or to the counterparty in the event of default. Exposure from borrowings and other financing agreements such as repurchase agreements can only be netted across transactions governed by the same Master Agreement with the same legal entity. All amounts reported below represent the balance as of the report date, October 31, 2020.

### *Offsetting of Financial and Derivative Assets as of October 31, 2020:*

	Assets	Liabilities
Futures Contracts . . . . .	\$ -	\$ 4,046,328
Total derivative assets and liabilities in the Statement of Assets and Liabilities . . . . .	\$ -	\$ 4,046,328
Derivatives not subject to a Master Netting Agreement or similar agreement ("MNA") . . . . .	\$ -	\$ (4,046,328)

## 6. Principal Risks

Investing in the Fund may involve certain risks including, but not limited to, those described below.

### *Equity Investments Risk*

Equity securities are subject to market risk. The Fund's investments in equity securities may include common stocks, preferred stocks, securities convertible into or exchangeable for common stocks, REITs, depositary receipts, and U.S. dollar-denominated foreign stocks traded on U.S. exchanges. Such investments may expose the Fund to additional risk. The value of a company's common stock may fall as a result of factors affecting the



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

October 31, 2020

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company, companies in the same industry or sector, or the financial markets overall. Common stock generally is subordinate to preferred stock upon the liquidation or bankruptcy of the issuing company. Preferred stocks and convertible securities are sensitive to movements in interest rates. Preferred stocks may be less liquid than common stocks and, unlike common stocks, participation in the growth of an issuer may be limited. Distributions on preferred stocks generally are payable at the discretion of an issuer and after required payments to bond holders. Convertible securities are subject to the risk that the credit standing of the issuer may have an effect on the convertible securities' investment value. Investments in REITs are subject to the risks associated with investing in the real estate industry such as adverse developments affecting the real estate industry and real property values. Depositary receipts and U.S. dollar-denominated foreign stocks traded on U.S. exchanges are subject to certain of the risks associated with investing directly in foreign securities, including, but not limited to, currency exchange rate fluctuations, political and financial instability in the home country of a particular depositary receipt, less liquidity and more volatility, less government regulation and supervision and delays in transaction settlement.

### *Foreign Investing and Emerging Markets Risk*

Non-U.S. investments carry potential risks not associated with U.S. investments. Such risks include, but are not limited to: (1) currency exchange rate fluctuations, (2) political and financial instability, (3) less liquidity, (4) lack of uniform accounting, auditing and financial reporting standards, (5) increased price volatility, (6) less government regulation and supervision of foreign stock exchanges, brokers and listed companies, and (7) delays in transaction settlement in some foreign markets. To the extent the Fund invests a significant portion of its assets in securities of a single country or region, it is more likely to be affected by events or conditions of that country or region. In addition, the economies and political environments of emerging market countries tend to be more unstable than those of developed countries, resulting in more volatile rates of return than the developed markets and substantially greater risk to investors. There may be very limited oversight of certain foreign banks or securities depositories that hold foreign securities and currency and the laws of certain countries may limit the ability to recover such assets if a foreign bank or depository or their agents goes bankrupt. When investing in emerging markets, the risks of investing in foreign securities are heightened. Emerging markets have unique risks that are greater than, or in addition to, investing in developed markets because emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of the U.S. and other developed markets. There are also risks of: greater political uncertainties; an economy's dependence on revenues from particular commodities or on international aid or development assistance; currency transfer restrictions; a limited number of potential buyers for such securities, resulting in increased volatility and limited liquidity for emerging market securities; trading suspensions; and delays and disruptions in securities settlement procedures. In addition, there may be less information available to make investment decisions and more volatile rates of return.

### *Futures Contracts Risk*

Futures contracts are derivative instruments where one party pays a fixed price for an agreed amount of securities or other underlying assets at an agreed date. The use of such derivative instruments may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives. There may at times be an imperfect correlation between the movement in the prices of futures contracts and the value of their underlying instruments or indexes. There can be no assurance that any strategy used will succeed. There also can be no assurance that, at all times, a liquid market will exist for offsetting a futures contract that a Fund has previously bought or sold and this may result in the inability to close a futures contract when desired. Futures contracts may experience potentially dramatic price changes, which will increase the volatility of the Fund and may involve a small investment of cash (the amount of initial and variation margin) relative to the magnitude of the risk assumed (the potential increase or decrease in the price of the futures contract).

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## Notes to Financial Statements

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### *Market Risk*

The Fund is subject to the risk that the securities markets will move down, sometimes rapidly and unpredictably, based on overall economic conditions and other factors, which may negatively affect the Fund's performance. Equity securities generally have greater price volatility than fixed income securities, although under certain market conditions fixed income securities may have comparable or greater price volatility. During a general downturn in the securities markets, multiple assets may decline in value simultaneously. Prices in many financial markets have increased significantly over the last decade, but there have also been periods of adverse market and financial developments and cyclical change during that timeframe, which have resulted in unusually high levels of volatility in domestic and foreign financial markets that has caused losses for investors and may occur again in the future. The value of a security may decline due to adverse issuer-specific conditions, general market conditions unrelated to a particular issuer, or factors that affect a particular industry or industries. Changes in the financial condition of a single issuer or market segment also can impact the market as a whole. Geopolitical and other events, including war, terrorism, economic uncertainty, trade disputes, pandemics, public health crises, natural disasters and related events have led, and in the future may continue to lead, to instability in world economies and markets generally and reduced liquidity in equity, credit and fixed-income markets, which may disrupt economies and markets and adversely affect the value of your investment. Changes in value may be temporary or may last for extended periods. Policy changes by the U.S. government and/or Federal Reserve and political events within the U.S. and abroad, including the U.S. presidential election, may affect investor and consumer confidence and may adversely impact financial markets and the broader economy, perhaps suddenly and to a significant degree.

Markets and market participants are increasingly reliant upon both publicly available and proprietary information data systems. Data imprecision, software or other technology malfunctions, programming inaccuracies, unauthorized use or access, and similar circumstances may impair the performance of these systems and may have an adverse impact upon a single issuer, a group of issuers, or the market at large. The financial markets generally move in cycles, with periods of rising prices followed by periods of declining prices. The value of your investment may reflect these fluctuations.

### *Multiple Sub-Advisor Risk*

The Manager may allocate the Fund's assets among multiple sub-advisors, each of which is responsible for investing its allocated portion of the Fund's assets. To a significant extent, the Fund's performance will depend on the success of the Manager in allocating the Fund's assets to sub-advisors and its selection and oversight of the sub-advisors. Because each sub-advisor manages its allocated portion of the Fund independently from another sub-advisor, the same security may be held in different portions of the Fund, or may be acquired for one portion of the Fund at a time when a sub-advisor to another portion deems it appropriate to dispose of the security from that other portion, resulting in higher expenses without accomplishing any net result in the Fund's holdings. Similarly, under some market conditions, one sub-advisor may believe that temporary, defensive investments in short-term instruments or cash are appropriate when another sub-advisor believes continued exposure to the equity or debt markets is appropriate for its allocated portion of the Fund. Because each sub-advisor directs the trading for its own portion of the Fund, and does not aggregate its transactions with those of the other sub-advisors, the Fund may incur higher brokerage costs than would be the case if a single sub-adviser were managing the entire Fund. In addition, while the Manager seeks to allocate the Fund's assets among the Fund's sub-advisors in a manner that it believes is consistent with achieving the Fund's investment objective(s), the Manager may be subject to potential conflicts of interest in allocating the Fund's assets among sub-advisors, due to factors that could impact the Manager's revenues and profits.

### *Other Investment Companies Risk*

The Fund may invest in shares of other registered investment companies, including money market fund that are advised by the Manager. To the extent that the Fund invest in shares of other registered investment companies, the Fund will indirectly bear the fees and expenses, including for example advisory and administrative fees, charged by those investment companies in addition to the Fund's direct fees and expenses and will be subject



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## Notes to Financial Statements

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to the risks associated with investments in those companies. For example, the Fund's investments in money market funds are subject to interest rate risk, credit risk, and market risk. The Fund must rely on the investment company in which it invests to achieve its investment objective. If the investment company fails to achieve its investment objective, the value of the Fund's investment will decline, adversely affecting the Fund's performance. To the extent the Fund invests in other investment companies that invest in equity securities, fixed-income securities and/or foreign securities, or that track an index, the Fund is subject to the risks associated with the underlying investments held by the investment company or the index fluctuations to which the investment company is subject.

### *Recent Market Events Risk*

An outbreak of infectious respiratory illness caused by a novel coronavirus, known as COVID-19, was first detected in China in December 2019 and has subsequently spread globally. The transmission of COVID-19 and efforts to contain its spread have resulted, and may continue to result, in significant disruptions to business operations, widespread business closures and layoffs, travel restrictions and closed borders, prolonged quarantines and stay-at-home orders, disruption of and delays in healthcare service preparation and delivery, service and event changes, and lower consumer demand, as well as general concern and uncertainty that has negatively affected the global economy. The impact of the COVID-19 pandemic may last for an extended period of time and may result in a sustained economic downturn or recession. The U.S. Federal Reserve and the U.S. federal government have taken numerous measures to address the economic impact of the COVID-19 pandemic and stimulate the U.S. economy. The ultimate effects of these and other efforts that may be taken may not be known for some time. The Federal Reserve has spent hundreds of billions of dollars to keep credit flowing through short-term money markets and has signaled that it plans to maintain its interventions at an elevated level. Amid these ongoing efforts, concerns about the markets' dependence on the Federal Reserve's provision of liquidity have grown. The U.S. government has reduced the federal corporate income tax rate, and future legislative, regulatory and policy changes may result in more restrictions on international trade, less stringent prudential regulation of certain players in the financial markets, and significant new investments in infrastructure and national defense. High public debt in the U.S. and other countries creates ongoing systemic and market risks and policymaking uncertainty. A rise in protectionist trade policies, slowing global economic growth, risks associated with the United Kingdom's departure from the European Union on January 31, 2020, commonly referred to as "Brexit," and trade agreement negotiations during the transition period, the risks associated with ongoing trade negotiations with China, the possibility of changes to some international trade agreements, tensions or open conflict between nations, or political or economic dysfunction within some nations that are major producers of oil could affect the economies of many nations, including the United States, in ways that cannot necessarily be foreseen at the present time. Economists and others have expressed increasing concern about the potential effects of global climate change on property and security values. Certain issuers, industries and regions may be adversely affected by the impacts of climate change, including on the demand for and the development of goods and services and related production costs, and the impacts of legislation, regulation and international accords related to climate change, as well as any indirect consequences of regulation or business trends driven by climate change.

### *Sector Risk*

Sector risk is the risk associated with a Fund holding a significant amount of investments in similar businesses, which would be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of the equity and debt securities of companies in a particular sector of the market to change. To the extent a Fund has substantial holdings within a particular sector, the risks to a Fund associated with that sector increase.

To the extent a Fund invests significantly in the financial services sector, the value of the Fund's shares may be particularly vulnerable to factors affecting that sector, such as the availability and cost of capital funds, changes in interest rates, the rate of corporate and consumer debt defaults, extensive government regulation and price competition. The value of a Fund's shares could experience significantly greater volatility than investment companies investing more broadly.

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### Securities Lending Risk

A Fund may lend its portfolio securities to brokers, dealers and financial institutions to seek income. There is a risk that a borrower may default on its obligations to return loaned securities; however, a Fund's securities lending agent indemnifies the Fund against that risk. There is a risk that the assets of a Fund's securities lending agent may be insufficient to satisfy any contractual indemnification requirements to the Fund. Borrowers of a Fund's securities typically provide collateral in the form of cash that is reinvested in securities. A Fund will be responsible for the risks associated with the investment of cash collateral, including any collateral invested in an affiliated money market fund. A Fund may lose money on its investment of cash collateral or may fail to earn sufficient income on its investment to meet obligations to the borrower. In addition, delays may occur in the recovery of securities from borrowers, which could interfere with a Fund's ability to vote proxies or to settle transactions and there is the risk of possible loss of rights in the collateral should the borrower fail financially. In any case in which the loaned securities are not returned to the Fund before an ex-dividend date, the payment in lieu of the dividend that the Fund receives from the securities' borrower would not be treated as a dividend for federal income tax purposes and thus would not qualify for treatment as "qualified dividend income".

## 7. Federal Income and Excise Taxes

It is the policy of the Fund to qualify as a regulated investment company ("RIC"), by complying with all applicable provisions of Subchapter M of the Internal Revenue Code, as amended, and to make distributions of taxable income sufficient to relieve it from substantially all federal income and excise taxes. For federal income tax purposes, the Fund is treated as a single entity for the purpose of determining such qualification.

The Fund does not have any unrecorded tax liabilities in the accompanying financial statements. Each of the tax years in the four year period ended October 31, 2020 remain subject to examination by the Internal Revenue Service. If applicable, the Fund recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in "Other expenses" on the Statement of Operations.

The Fund may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on returns of income earned or gains realized or repatriated. Taxes are accrued and applied to net investment income, net realized capital gains and net unrealized appreciation (depreciation), as applicable, as the income is earned or capital gains are recorded.

Dividends are categorized in accordance with income tax regulations which may treat certain transactions differently than U.S. GAAP. Accordingly, the character of distributions and composition of net assets for tax purposes may differ from those reflected in the accompanying financial statements.

The tax character of distributions paid were as follows:

	Year Ended October 31, 2020	Year Ended October 31, 2019
Distributions paid from:		
Ordinary income*		
R5 Class**	\$ 65,160,967	\$ 82,267,452
Y Class	6,822,201	6,344,886
Investor Class	23,290,880	30,326,749
Advisor Class	1,302,556	1,133,733
A Class	837,320	1,059,821
C Class	102,714	88,990
R6 Class	18,513,208	13,223,221

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

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	Year Ended October 31, 2020	Year Ended October 31, 2019
<b>Long-term capital gains</b>		
R5 Class**	\$ 208,466,781	\$ 225,428,886
Y Class	22,364,897	18,154,510
Investor Class	87,264,962	97,933,129
Advisor Class	5,162,370	4,067,588
A Class	3,239,784	3,296,575
C Class	556,044	455,171
R6 Class	58,478,813	35,670,209
<b>Total distributions paid</b>	<b>\$ 501,563,497</b>	<b>\$ 519,450,920</b>

\* For tax purposes, short-term capital gains are considered ordinary income distributions.

\*\*Formerly known as Institutional Class.

As of October 31, 2020 the components of distributable earnings (deficits) on a tax basis were as follows:

<u>Fund</u>	<u>Tax Cost</u>	<u>Unrealized Appreciation</u>	<u>Unrealized (Depreciation)</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
Large Cap Value	\$ 3,703,450,718	\$ 468,752,383	\$ (390,407,490)	\$ 78,344,893

<u>Fund</u>	<u>Net Unrealized Appreciation (Depreciation)</u>	<u>Undistributed Ordinary Income</u>	<u>Undistributed Long-Term Capital Gains</u>	<u>Accumulated Capital and Other (Losses)</u>	<u>Other Temporary Differences</u>	<u>Distributable Earnings</u>
Large Cap Value	\$ 78,344,893	\$ 68,291,636	\$ 487,114,873	\$ -	\$ -	\$ 633,751,402

Financial reporting records are adjusted for permanent book/tax differences to reflect tax character. Financial records are not adjusted for temporary differences. The temporary differences between financial reporting and tax-basis reporting of unrealized appreciation (depreciation) are attributable primarily to the tax deferral of losses from wash sales, the realization for tax purposes of unrealized gains (losses) on certain derivative instruments, and reclassifications of income from investments in real estate securities, publicly traded partnerships, and other securities.

Due to inherent differences in the recognition of income, expenses, and realized gains (losses) under U.S. GAAP and federal income tax regulations, permanent differences between book and tax reporting have been identified and appropriately reclassified on the Statement of Assets and Liabilities.

Accordingly, the following amounts represent current year permanent differences derived from nondeductible expenses from investments in publicly traded partnerships as of October 31, 2020:

<u>Fund</u>	<u>Paid-In-Capital</u>	<u>Distributable Earnings/(Deficits)</u>
Large Cap Value	\$ 154	\$ (154)

Under the Regulated Investment Company Modernization Act of 2010 ("RIC MOD"), net capital losses recognized by the Fund in taxable years beginning after December 22, 2010 are carried forward indefinitely and retain their character as short-term and/or long-term losses.

As of October 31, 2020, the Fund did not have any capital loss carryforwards.



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

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### 8. Investment Transactions

The aggregate cost of purchases and proceeds from sales and maturities of investments, other than short-term obligations, for the year ended October 31, 2020 were as follows:

Fund	Purchases (non-U.S. Government Securities)	Sales (non-U.S. Government Securities)
Large Cap Value .....	\$ 2,886,113,080	\$ 3,892,280,271

A summary of the Fund's transactions in the USG Select Fund for the year ended October 31, 2020 were as follows:

Fund	Type of Transaction	October 31, 2019 Shares/Fair Value	Purchases	Sales	October 31, 2020 Shares/Fair Value
Large Cap Value .....	Direct	\$ 167,279,955	\$ 2,190,309,924	\$ 2,273,339,754	\$ 84,250,125
Large Cap Value .....	Securities Lending	20,296,656	314,933,578	335,230,234	-

### 9. Securities Lending

The Fund may lend its securities to qualified financial institutions, such as certain broker-dealers, to earn additional income. The borrowers are required to secure their loans continuously with collateral in an amount at least equal to the fair value of the securities loaned, initially in an amount at least equal to 102% of the fair value of domestic securities loaned and 105% of the fair value of international securities loaned. Collateral is monitored and marked-to-market daily. Daily mark-to-market amounts are required to be paid to the borrower or received from the borrower by the end of the following business day. This one day settlement for mark-to-market amounts may result in the collateral being temporarily less than the value of the securities on loan or temporarily more than the required minimum collateral.

To the extent that a loan is collateralized by cash, such cash collateral shall be invested by the securities lending agent (the "Agent") in money market mutual funds and other short-term investments, provided the investments meet certain quality and diversification requirements. Securities purchased with cash collateral proceeds are listed in the Fund's Schedule of Investments and the collateral is shown on the Statement of Assets and Liabilities as a payable.

Securities lending income is generated from the demand premium (if any) paid by the borrower to borrow a specific security and from the return on investment of cash collateral, reduced by negotiated rebate fees paid to the borrower and transaction costs. To the extent that a loan is secured by non-cash collateral, securities lending income is generated as a demand premium reduced by transaction costs. The Fund, the Agent, and the Manager retained 80%, 10%, and 10%, respectively, of the income generated from securities lending.

While securities are on loan, the Fund continues to receive certain income associated with that security and any gain or loss in the market price that may occur during the term of the loan. In the case of domestic equities, the value of any dividend is received in the form of a substitute payment approximately equal to the dividend. In the case of foreign securities, a negotiated amount is received that is less than the actual dividend, but higher than the dividend amount minus the foreign tax that the Fund would be subject to on the dividend.

Securities lending transactions pose certain risks to the Fund, including that the borrower may not provide additional collateral when required or return the securities when due, that the value of the short-term investments will be less than the amount of cash collateral required to be returned to the borrower, that non-cash collateral may be subject to legal constraints in the event of a borrower bankruptcy, and that the cash collateral investments

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

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could become illiquid and unable to be used to return collateral to the borrower. The Fund could also experience delays and costs in gaining access to the collateral. The Fund bears the risk of any deficiency in the amount of the cash collateral available for return to the borrower and any action which impairs its ability to liquidate non-cash collateral to satisfy a borrower default.

As of October 31, 2020, the value of outstanding securities on loan and the value of collateral were as follows:

<u>Fund</u>	<u>Market Value of Securities on Loan</u>	<u>Cash Collateral Received</u>	<u>Non-Cash Collateral Received</u>	<u>Total Collateral Received</u>
Large Cap Value . . . . .	\$ 32,794,699	\$ -	\$ 33,253,922	\$ 33,253,922

Cash collateral is listed on the Fund's Schedule of Investments and is shown on the Statement of Assets and Liabilities. Income earned on these investments is included in "Income derived from securities lending" on the Statement of Operations.

Non-cash collateral received by the Fund may not be sold or re-pledged except to satisfy a borrower default. Therefore, non-cash collateral is not included on the Fund's Schedule of Investments or Statement of Assets and Liabilities.

### 10. Borrowing Arrangements

Effective November 12, 2020 (the "Effective Date"), the Fund, along with certain other funds managed by the Manager ("Participating Funds"), renewed a committed revolving line of credit (the "Committed Line") agreement with State Street Bank and Trust Company (the "Bank") to be used to facilitate portfolio liquidity. The maximum borrowing amount under the Committed Line is \$150 million with interest at a rate equal to the higher of (a) Overnight Bank Funding Rate ("OBFR") daily fluctuating rate per annum equal to 1.25% plus the sum of 0.10% or (b) the Federal Funds daily fluctuating rate per annum on amounts borrowed. Each of the Participating Funds paid a proportional amount of a closing fee of \$100,000 on the Effective Date and a quarterly commitment fee at a rate of 0.25% per annum on the unused portion of the Committed Line amount. The Committed Line expires November 11, 2021, unless extended by the Bank or terminated by the Participating Funds in accordance with the agreement.

On the Effective Date, the Fund, along with certain other Participating Funds managed by the Manager, also renewed an uncommitted discretionary demand revolving line of credit (the "Uncommitted Line") agreement with the Bank to be used to facilitate portfolio liquidity. The maximum borrowing amount under the Uncommitted Line is \$50 million with interest at a rate equal to the higher of (a) Overnight Bank Funding Rate ("OBFR") daily fluctuating rate per annum equal to 1.25% plus the sum of 0.10% or (b) the Federal Funds daily fluctuating rate per annum on amounts borrowed on each outstanding loan. Each of the Participating Funds paid a proportional amount of a closing fee of \$35,000 on the Effective Date. The Uncommitted Line expires November 11, 2021 unless extended by the Bank or terminated by the Participating Funds in accordance with the agreement.

The Participating Funds paid administration, legal and arrangement fees, which are recognized as a component of "Loan expenses" on the Statement of Operations, along with commitment fees, that have been allocated among the Participating Funds based on average daily net assets.

During the year ended October 31, 2020, the Fund did not utilize this facility.



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## Notes to Financial Statements

October 31, 2020

### 11. Capital Share Transactions

The tables below summarize the activity in capital shares for each Class of the Fund:

		R5 Class <sup>A</sup>			
		Year Ended October 31,			
		2020		2019	
		Shares	Amount	Shares	Amount
<u>Large Cap Value Fund</u>					
Shares sold		14,583,865	\$ 345,640,279	12,472,307	\$ 327,028,863
Reinvestment of dividends		8,842,185	241,214,794	12,176,926	280,069,287
Shares redeemed		(56,846,970)	(1,416,115,045)	(44,099,255)	(1,164,568,728)
Net (decrease) in shares outstanding		(33,420,920)	\$ (829,259,972)	(19,450,022)	\$ (557,470,578)

		Y Class			
		Year Ended October 31,			
		2020		2019	
		Shares	Amount	Shares	Amount
<u>Large Cap Value Fund</u>					
Shares sold		4,619,593	\$ 106,515,177	2,802,221	\$ 72,004,319
Reinvestment of dividends		1,043,006	28,234,181	1,034,674	23,631,954
Shares redeemed		(8,700,548)	(223,599,140)	(3,676,176)	(96,626,161)
Net increase (decrease) in shares outstanding		(3,037,949)	\$ (88,849,782)	160,719	\$ (989,888)

		Investor Class			
		Year Ended October 31,			
		2020		2019	
		Shares	Amount	Shares	Amount
<u>Large Cap Value Fund</u>					
Shares sold		4,873,178	\$ 102,511,782	4,427,172	\$ 107,951,684
Reinvestment of dividends		4,323,502	107,957,844	5,946,641	126,187,719
Shares redeemed		(19,147,457)	(414,908,921)	(24,387,033)	(587,725,924)
Net (decrease) in shares outstanding		(9,950,777)	\$ (204,439,295)	(14,013,220)	\$ (353,586,521)

		Advisor Class			
		Year Ended October 31,			
		2020		2019	
		Shares	Amount	Shares	Amount
<u>Large Cap Value Fund</u>					
Shares sold		549,199	\$ 11,028,542	607,878	\$ 13,597,178
Reinvestment of dividends		209,035	5,140,176	232,028	4,858,669
Shares redeemed		(1,135,706)	(25,190,406)	(686,434)	(16,861,299)
Net increase (decrease) in shares outstanding		(377,472)	\$ (9,021,688)	153,472	\$ 1,594,548

		A Class			
		Year Ended October 31,			
		2020		2019	
		Shares	Amount	Shares	Amount
<u>Large Cap Value Fund</u>					
Shares sold		224,146	\$ 5,007,909	993,379	\$ 22,618,536
Reinvestment of dividends		164,301	4,035,240	206,632	4,320,676
Shares redeemed		(684,117)	(13,767,798)	(1,316,813)	(31,831,074)
Net (decrease) in shares outstanding		(295,670)	\$ (4,724,649)	(116,802)	\$ (4,891,862)

		C Class			
		Year Ended October 31,			
		2020		2019	
		Shares	Amount	Shares	Amount
<u>Large Cap Value Fund</u>					
Shares sold		24,726	\$ 531,337	63,051	\$ 1,486,421
Reinvestment of dividends		25,018	611,677	24,012	500,403
Shares redeemed		(91,652)	(1,912,256)	(85,733)	(2,081,682)
Net increase (decrease) in shares outstanding		(41,908)	\$ (769,242)	1,330	\$ (94,858)

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Notes to Financial Statements

October 31, 2020

	R6 Class			
	Year Ended October 31,			
	2020		2019	
Large Cap Value Fund	Shares	Amount	Shares	Amount
Shares sold . . . . .	26,236,020	\$ 667,284,169	8,939,449	\$ 233,097,226
Reinvestment of dividends . . . . .	2,730,148	74,423,843	2,031,139	46,695,895
Shares redeemed . . . . .	(11,934,191)	(288,886,953)	(4,956,502)	(133,375,843)
Net increase in shares outstanding . . . . .	17,031,977	\$ 452,821,059	6,014,086	\$ 146,417,278

<sup>A</sup> Formerly known as Institutional Class.

## 12. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through the date the financial statements are issued. Management has determined that there are no material events that would require disclosure in the Fund's financial statements through this date.

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	R5 Class <sup>A B</sup>				
	Year Ended October 31,				
	2020 <sup>C</sup>	2019	2018	2017	2016
Net asset value, beginning of period . . . . .	\$ 28.32	\$ 28.41	\$ 30.98	\$ 25.80	\$ 28.38
Income (loss) from investment operations:					
Net investment income . . . . .	0.65	0.63	0.63	0.59	0.61
Net gains (losses) on investments (both realized and unrealized) . . .	(2.89)	1.69	(0.07)	5.41	(0.29)
Total income (loss) from investment operations . . . . .	(2.24)	2.32	0.56	6.00	0.32
Less distributions:					
Dividends from net investment income . . . . .	(0.62)	(0.55)	(0.55)	(0.60)	(0.52)
Distributions from net realized gains . . . . .	(2.10)	(1.86)	(2.58)	(0.22)	(2.38)
Total distributions . . . . .	(2.72)	(2.41)	(3.13)	(0.82)	(2.90)
Net asset value, end of period . . . . .	\$ 23.36	\$ 28.32	\$ 28.41	\$ 30.98	\$ 25.80
Total return <sup>D</sup> . . . . .	(9.29)%	10.14%	1.51%	23.60%	1.69%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 1,807,587,315	\$ 3,137,789,485	\$ 3,700,700,522	\$ 4,765,771,483	\$ 5,137,688,375
Ratios to average net assets:					
Expenses, before reimbursements . .	0.63%	0.63%	0.62%	0.60%	0.60%
Expenses, net of reimbursements . .	0.63%	0.63%	0.62%	0.60%	0.60%
Net investment income, before expense reimbursements . . . . .	1.90%	2.07%	1.83%	1.78%	2.16%
Net investment income, net of reimbursements . . . . .	1.90%	2.07%	1.83%	1.78%	2.16%
Portfolio turnover rate . . . . .	67%	23%	23%	25%	25%

<sup>A</sup> Prior to February 28, 2020, the R5 Class was known as Institutional Class.

<sup>B</sup> On May 31, 2016, the AMR Class closed and the assets were merged into the Institutional Class.

<sup>C</sup> On January 17, 2020, Brandywine Global Investment Management, LLC was terminated and ceased managing assets of the Fund.

<sup>D</sup> Based on net asset value, which does not reflect the sales charge, redemption fee, or contingent deferred sales charge, if applicable. May include adjustments in accordance with U.S. GAAP and as such, the net asset value for reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions.

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	Y Class				
	Year Ended October 31,				
	2020 <sup>A</sup>	2019	2018	2017	2016
Net asset value, beginning of period . . . . .	\$ 28.10	\$ 28.20	\$ 30.78	\$ 25.64	\$ 28.21
Income (loss) from investment operations:					
Net investment income . . . . .	0.39	0.56	0.57	0.48	0.59
Net gains (losses) on investments (both realized and unrealized) . . . . .	(2.63)	1.72	(0.04)	5.46	(0.29)
Total income (loss) from investment operations . . . . .	(2.24)	2.28	0.53	5.94	0.30
Less distributions:					
Dividends from net investment income . . . .	(0.60)	(0.52)	(0.53)	(0.58)	(0.49)
Distributions from net realized gains . . . . .	(2.10)	(1.86)	(2.58)	(0.22)	(2.38)
Total distributions . . . . .	(2.70)	(2.38)	(3.11)	(0.80)	(2.87)
Net asset value, end of period . . . . .	\$ 23.16	\$ 28.10	\$ 28.20	\$ 30.78	\$ 25.64
Total return <sup>B</sup> . . . . .	(9.35)%	10.05%	1.42%	23.51%	1.61%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 178,065,442	\$ 301,457,382	\$ 298,017,629	\$ 384,155,569	\$ 349,542,346
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	0.70%	0.70%	0.68%	0.67%	0.67%
Expenses, net of reimbursements . . . . .	0.70%	0.70%	0.68%	0.67%	0.67%
Net investment income, before expense reimbursements . . . . .	1.84%	1.98%	1.77%	1.69%	2.08%
Net investment income, net of reimbursements . . . . .	1.84%	1.98%	1.77%	1.69%	2.08%
Portfolio turnover rate . . . . .	67%	23%	23%	25%	25%

<sup>A</sup> On January 17, 2020, Brandywine Global Investment Management, LLC was terminated and ceased managing assets of the Fund.

<sup>B</sup> Based on net asset value, which does not reflect the sales charge, redemption fee, or contingent deferred sales charge, if applicable. May include adjustments in accordance with U.S. GAAP and as such, the net asset value for reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions.

See accompanying notes



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	Investor Class				
	Year Ended October 31,				
	2020 <sup>A</sup>	2019	2018	2017	2016
Net asset value, beginning of period . . . . .	\$ 26.06	\$ 26.33	\$ 28.92	\$ 24.13	\$ 26.70
Income (loss) from investment operations:					
Net investment income . . . . .	0.29	0.41	0.41	0.40	0.46
Net gains (losses) on investments (both realized and unrealized) . . . .	(2.41)	1.63	0.02	5.12	(0.25)
Total income (loss) from investment operations . . . . .	(2.12)	2.04	0.43	5.52	0.21
Less distributions:					
Dividends from net investment income . . . . .	(0.52)	(0.45)	(0.44)	(0.51)	(0.40)
Distributions from net realized gains . . . . .	(2.10)	(1.86)	(2.58)	(0.22)	(2.38)
Total distributions . . . . .	(2.62)	(2.31)	(3.02)	(0.73)	(2.78)
Net asset value, end of period . . . . .	\$ 21.32	\$ 26.06	\$ 26.33	\$ 28.92	\$ 24.13
Total return <sup>B</sup> . . . . .	(9.59)%	9.77%	1.18%	23.20%	1.33%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 707,970,431	\$ 1,124,625,846	\$ 1,505,354,807	\$ 1,990,199,621	\$ 2,245,534,741
Ratios to average net assets:					
Expenses, before reimbursements . . .	0.96%	0.96%	0.95%	0.92%	0.93%
Expenses, net of reimbursements . . .	0.96%	0.96%	0.95%	0.92%	0.93%
Net investment income, before expense reimbursements . . . . .	1.57%	1.74%	1.50%	1.46%	1.84%
Net investment income, net of reimbursements . . . . .	1.57%	1.74%	1.50%	1.46%	1.84%
Portfolio turnover rate . . . . .	67%	23%	23%	25%	25%

<sup>A</sup> On January 17, 2020, Brandywine Global Investment Management, LLC was terminated and ceased managing assets of the Fund.

<sup>B</sup> Based on net asset value, which does not reflect the sales charge, redemption fee, or contingent deferred sales charge, if applicable. May include adjustments in accordance with U.S. GAAP and as such, the net asset value for reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions.

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	Advisor Class <sup>A</sup>				
	Year Ended October 31,				
	2020 <sup>B</sup>	2019	2018	2017	2016
Net asset value, beginning of period . . . . .	\$ 25.68	\$ 25.95	\$ 28.54	\$ 23.82	\$ 26.40
Income (loss) from investment operations:					
Net investment income . . . . .	0.24	0.47	0.28	0.21	0.40
Net gains (losses) on investments (both realized and unrealized) . . . . .	(2.36)	1.52	0.10	5.20	(0.22)
Total income (loss) from investment operations . .	(2.12)	1.99	0.38	5.41	0.18
Less distributions:					
Dividends from net investment income . . . . .	(0.49)	(0.40)	(0.39)	(0.47)	(0.38)
Distributions from net realized gains . . . . .	(2.10)	(1.86)	(2.58)	(0.22)	(2.38)
Total distributions . . . . .	(2.59)	(2.26)	(2.97)	(0.69)	(2.76)
Net asset value, end of period . . . . .	\$ 20.97	\$ 25.68	\$ 25.95	\$ 28.54	\$ 23.82
Total return <sup>C</sup> . . . . .	(9.73)%	9.64%	1.00%	23.00%	1.21%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 46,049,690	\$ 66,077,449	\$ 62,811,940	\$ 88,196,090	\$ 113,168,437
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	1.10%	1.10%	1.09%	1.07%	1.08%
Expenses, net of reimbursements . . . . .	1.10%	1.10%	1.09%	1.07%	1.08%
Net investment income, before expense reimbursements . . . . .	1.42%	1.58%	1.36%	1.31%	1.69%
Net investment income, net of reimbursements . . . . .	1.42%	1.58%	1.36%	1.31%	1.69%
Portfolio turnover rate . . . . .	67%	23%	23%	25%	25%

<sup>A</sup> On January 15, 2016, the Retirement Class closed and the assets were merged into the Advisor Class.

<sup>B</sup> On January 17, 2020, Brandywine Global Investment Management, LLC was terminated and ceased managing assets of the Fund.

<sup>C</sup> Based on net asset value, which does not reflect the sales charge, redemption fee, or contingent deferred sales charge, if applicable. May include adjustments in accordance with U.S. GAAP and as such, the net asset value for reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions.

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	A Class				
	Year Ended October 31,				
	2020 <sup>A</sup>	2019	2018	2017	2016
Net asset value, beginning of period . . . . .	\$ 25.66	\$ 26.00	\$ 28.61	\$ 23.90	\$ 26.51
Income (loss) from investment operations:					
Net investment income . . . . .	0.20	0.40	0.48	0.28	0.42
Net gains (losses) on investments (both realized and unrealized) . . . . .	(2.29)	1.59	(0.06)	5.17	(0.21)
Total income (loss) from investment operations . . . . .	(2.09)	1.99	0.42	5.45	0.21
Less distributions:					
Dividends from net investment income . . . . .	(0.51)	(0.47)	(0.45)	(0.52)	(0.44)
Distributions from net realized gains . . . . .	(2.10)	(1.86)	(2.58)	(0.22)	(2.38)
Total distributions . . . . .	(2.61)	(2.33)	(3.03)	(0.74)	(2.82)
Net asset value, end of period . . . . .	\$ 20.96	\$ 25.66	\$ 26.00	\$ 28.61	\$ 23.90
Total return <sup>B</sup> . . . . .	(9.65)%	9.72%	1.15%	23.13%	1.33%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 25,792,400	\$ 39,157,098	\$ 42,722,617	\$ 40,073,435	\$ 35,071,001
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	1.00%	1.01%	0.93%	0.98%	0.98%
Expenses, net of reimbursements . . . . .	1.00%	1.01%	0.93%	0.98%	0.98%
Net investment income, before expense reimbursements . . . . .	1.52%	1.68%	1.49%	1.38%	1.78%
Net investment income, net of reimbursements . . . . .	1.52%	1.68%	1.49%	1.38%	1.78%
Portfolio turnover rate . . . . .	67%	23%	23%	25%	25%

<sup>A</sup> On January 17, 2020, Brandywine Global Investment Management, LLC was terminated and ceased managing assets of the Fund.

<sup>B</sup> Based on net asset value, which does not reflect the sales charge, redemption fee, or contingent deferred sales charge, if applicable. May include adjustments in accordance with U.S. GAAP and as such, the net asset value for reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions.

See accompanying notes

# American Beacon Large Cap Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	C Class				
	Year Ended October 31,				
	2020 <sup>A</sup>	2019	2018	2017	2016
Net asset value, beginning of period . . . . .	\$ 25.43	\$ 25.71	\$ 28.27	\$ 23.57	\$ 26.17
Income (loss) from investment operations:					
Net investment income . . . . .	0.08	0.26	0.21	0.09	0.20
Net gains (losses) on investments (both realized and unrealized) . . . . .	(2.32)	1.57	0.05	5.11	(0.19)
Total income (loss) from investment operations . . . . .	(2.24)	1.83	0.26	5.20	0.01
Less distributions:					
Dividends from net investment income . . . . .	(0.35)	(0.25)	(0.24)	(0.28)	(0.23)
Distributions from net realized gains . . . . .	(2.10)	(1.86)	(2.58)	(0.22)	(2.38)
Total distributions . . . . .	(2.45)	(2.11)	(2.82)	(0.50)	(2.61)
Net asset value, end of period . . . . .	\$ 20.74	\$ 25.43	\$ 25.71	\$ 28.27	\$ 23.57
Total return <sup>B</sup> . . . . .	(10.26)%	8.94%	0.57%	22.27%	0.51%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 4,687,004	\$ 6,811,169	\$ 6,851,003	\$ 8,351,349	\$ 8,950,263
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	1.68%	1.70%	1.64%	1.72%	1.74%
Expenses, net of reimbursements . . . . .	1.68%	1.70% <sup>C</sup>	1.54%	1.72%	1.74%
Net investment income, before expense reimbursements . . . . .	0.84%	0.99%	0.79%	0.66%	1.02%
Net investment income, net of reimbursements . . . . .	0.84%	0.99%	0.90%	0.66%	1.02%
Portfolio turnover rate . . . . .	67%	23%	23%	25%	25%

<sup>A</sup> On January 17, 2020, Brandywine Global Investment Management, LLC was terminated and ceased managing assets of the Fund.

<sup>B</sup> Based on net asset value, which does not reflect the sales charge, redemption fee, or contingent deferred sales charge, if applicable. May include adjustments in accordance with U.S. GAAP and as such, the net asset value for reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions.

<sup>C</sup> This ratio does not include a voluntary reimbursement of service fees as included in the prior year.

See accompanying notes



# American Beacon Large Cap Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	R6 Class			
	Year Ended October 31,			February 28, 2017 <sup>A</sup> to October 31, 2017
	2020 <sup>B</sup>	2019	2018	
Net asset value, beginning of period	\$ 28.31	\$ 28.41	\$ 30.98	\$ 28.64
Income from investment operations:				
Net investment income	0.56	0.61	0.59	0.12
Net gains (losses) on investments (both realized and unrealized)	(2.78)	1.71	(0.02)	2.22
Total income (loss) from investment operations	(2.22)	2.32	0.57	2.34
Less distributions:				
Dividends from net investment income	(0.63)	(0.56)	(0.56)	-
Distributions from net realized gains	(2.10)	(1.86)	(2.58)	-
Total distributions	(2.73)	(2.42)	(3.14)	-
Net asset value, end of period	\$ 23.36	\$ 28.31	\$ 28.41	\$ 30.98
Total return <sup>C</sup>	(9.23)%	10.15%	1.54%	8.17% <sup>D</sup>
Ratios and supplemental data:				
Net assets, end of period	\$ 1,008,088,807	\$ 739,517,062	\$ 571,236,567	\$ 40,982,401
Ratios to average net assets:				
Expenses, before reimbursements or recoupments	0.62%	0.60%	0.59%	0.60% <sup>E</sup>
Expenses, net of reimbursements or recoupments	0.59%	0.58%	0.58%	0.58% <sup>E</sup>
Net investment income, before expense reimbursements or recoupments	1.90%	2.07%	1.75%	1.38% <sup>E</sup>
Net investment income, net of reimbursements or recoupments	1.93%	2.09%	1.76%	1.40% <sup>E</sup>
Portfolio turnover rate	67%	23%	23%	25% <sup>F</sup>

<sup>A</sup> Commencement of operations.

<sup>B</sup> On January 17, 2020, Brandywine Global Investment Management, LLC was terminated and ceased managing assets of the Fund.

<sup>C</sup> Based on net asset value, which does not reflect the sales charge, redemption fee, or contingent deferred sales charge, if applicable. May include adjustments in accordance with U.S. GAAP and as such, the net asset value for reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions.

<sup>D</sup> Not annualized.

<sup>E</sup> Annualized.

<sup>F</sup> Portfolio turnover rate is for the period from February 28, 2017 through October 31, 2017 and is not annualized.

See accompanying notes

# American Beacon Funds<sup>SM</sup>

## Federal Tax Information

October 31, 2020 (Unaudited)

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Certain tax information regarding the Funds are required to be provided to shareholders based upon the Funds' income and distributions for the taxable year ended October 31, 2020. The information and distributions reported herein may differ from information and distributions taxable to the shareholders for the calendar year ended December 31, 2020.

The Fund designated the following items with regard to distributions paid during the fiscal year ended October 31, 2020. All designations are based on financial information available as of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Funds to designate the maximum amount permitted under the Internal Revenue Code of 1986, as amended, and the regulations there under.

### Corporate Dividends-Received Deduction:

Large Cap Value	93.05%
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### Qualified Dividend Income:

Large Cap Value	100.00%
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### Long-Term Capital Gain Distributions:

Large Cap Value	\$385,533,651
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### Short-Term Capital Gain Distributions:

Large Cap Value	\$5,306,819
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Shareholders will receive notification in January 2021 of the applicable tax information necessary to prepare their 2020 income tax returns.

# Disclosure Regarding Approval of the Management and Investment Advisory Agreements (Unaudited)

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## Renewal and Approval of Management Agreement and Investment Advisory Agreements

At meetings held on May 14, 2020 and June 3-4, 2020 (collectively, the “Meetings”), the Board of Trustees (“Board” or “Trustees”) considered and then, at its June 4, 2020 meeting, approved the renewal of:

(1) the Management Agreement between American Beacon Advisors, Inc. (“Manager”) and the American Beacon Funds (“Trust”), on behalf of the American Beacon Large Cap Value Fund (“Fund”); and

(2) the Investment Advisory Agreements among the Manager, the Trust, on behalf of the Fund, and each of Barrow, Hanley, Mewhinney & Strauss, LLC (“Barrow”), Hotchkis and Wiley Capital Management, LLC (“Hotchkis”) and Massachusetts Financial Services Company (“MFS”) (each, a “subadvisor” and collectively, the “subadvisors”).

The Management Agreement and the Investment Advisory Agreements are referred to herein individually as an “Agreement” and collectively as the “Agreements.” In preparation for its consideration of the renewal of the Agreements, the Board undertook steps to gather and consider information furnished by the Manager, the subadvisors, Broadridge, Inc. (“Broadridge”) and Morningstar, Inc. (“Morningstar”). The Board, with the assistance of independent legal counsel, requested and received certain relevant information from the Manager and each subadvisor.

In advance of the Meetings, the Board’s Investment Committee and/or the Manager coordinated the production of information from Broadridge and Morningstar regarding the performance, fees and expenses of the Fund as well as information from the Manager and the subadvisors. At the Meetings, the Board considered the information provided in connection with the renewal process, as well as information furnished to the Board throughout the year at regular meetings of the Board and its committees. In connection with the Board’s consideration of the Agreements, the Board received and evaluated such information as they deemed necessary. This information is described below in the section summarizing the factors the Board considered in connection with its renewal and approval of the Agreements, as well as the section describing additional Board considerations with respect to the Fund.

The Board noted that the Manager provides management and administrative services to the Fund pursuant to the Management Agreement. The Board considered that many mutual funds have separate contracts governing each type of service and observed that, with respect to such mutual funds, the actual management fee rates provided by Broadridge for peer group funds reflect the combined advisory and administrative expenses, reduced by any fee waivers and/or reimbursements.

A firm may not have been able to, or opted not to, provide information in response to certain information requests, in which case the Board conducted its evaluation of the firm based on information that was provided. In such cases, the Board determined that the omission of any such information was not material to its considerations. The class of shares used for comparative performance purposes was the share class with the lowest expenses available for purchase by the general public, which was the R5 Class. The Board also considered that the use of R5 Class performance generally facilitates a meaningful comparison for expense and performance purposes.

Provided below is an overview of certain factors the Board considered in connection with its decision to approve the renewal of the Agreements. The Board did not identify any particular information that was most relevant to its consideration of whether to approve the renewal of each Agreement, and each Trustee may have afforded different weight to the various factors. Legal counsel to the independent Trustees provided the Board with a memorandum regarding its responsibilities pertaining to the renewal of investment advisory contracts, such as the Agreements, and related regulatory guidelines. Based on its evaluation, the Board unanimously concluded that the terms of each Agreement were reasonable and fair and that the approval of the renewal of each Agreement was in the best interests of the Fund and its shareholders.



# Disclosure Regarding Approval of the Management and Investment Advisory Agreements (Unaudited)

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## Considerations With Respect to the Renewal of the Management Agreement and the Investment Advisory Agreements

In determining whether to approve the renewal of the Agreements, the Board considered the Fund's investment management and subadvisory relationships separately. In each instance, the Board considered, among other things, the following factors: (1) the nature, extent and quality of the services provided; (2) the investment performance of the Fund and the subadvisors for the Fund; (3) the costs incurred by the Manager in rendering services to the Fund and its resulting profits or losses; (4) comparisons of services and fee rates with contracts entered into by the Manager or the subadvisors or their affiliates with other clients (such as pension funds and other institutional clients); (5) the extent to which economies of scale, if any, have been taken into account in setting each fee rate schedule; (6) whether fee rate levels reflect economies of scale, if any, for the benefit of Fund investors; and (7) any other benefits derived or anticipated to be derived by the Manager or the subadvisors from their relationships with the Fund.

*Nature, Extent and Quality of Services.* With respect to the renewal of the Management Agreement, the Board considered, among other factors: the Fund's long-term performance; the length of service of key investment personnel at the Manager; the cost structure of the Fund; the Manager's culture of compliance and support that reduce risks to the Fund; the Manager's quality of services; the Manager's active role in monitoring and, as appropriate, recommending additional or replacement subadvisors; and the Manager's efforts to retain key employees and maintain staffing levels.

With respect to the renewal of each Investment Advisory Agreement, the Board considered, among other factors: the level of staffing and the size of each subadvisor; the adequacy of the resources committed to the Fund by each subadvisor; the financial stability of each subadvisor; and representations made by each subadvisor regarding its compliance program. Based on the foregoing information, the Board concluded that the nature, extent and quality of the management and advisory services provided by the Manager and each subadvisor were appropriate for the Fund.

*Investment Performance.* The Board evaluated the comparative information provided by Broadridge and the Manager regarding the performance of the Fund relative to its Broadridge performance universe, Morningstar Category, and/or benchmark index, as well as the Fund's Morningstar rating. The Board considered the information provided by Broadridge regarding its independent methodology for selecting the Fund's Broadridge performance universe. The Board also considered that the performance universe selected by Broadridge may not provide appropriate comparisons for the Fund. In addition, the Board considered the performance reports and discussions with management at Board and Committee meetings throughout the year. The Board also evaluated the comparative information provided by each subadvisor regarding the performance of its portion of the Fund relative to the performance of comparable investment accounts or a composite of comparable investment accounts managed by the subadvisor and the Fund's benchmark index. In addition, the Board considered the Manager's recommendation to continue to retain each subadvisor. A summary of the Board's considerations with respect to the Fund's performance appears below under "Additional Considerations and Conclusions with Respect to the Fund."

*Costs of the Services Provided to the Fund and the Profits Realized by the Manager from its Relationship with the Fund.* In analyzing the cost of services and profitability of the Manager, the Board considered the revenues earned and the expenses incurred by the Manager, before and after the payment of distribution-related expenses by the Manager. The profits or losses were noted at both an aggregate level for all funds within the group of mutual funds sponsored by the Manager (the "Fund Complex") and at an individual Fund level, with the Manager earning a profit before and after the payment of distribution-related expenses by the Manager for the Fund. The Board also considered comparative information provided by the Manager regarding the Manager's overall profitability with respect to the Fund Complex relative to the overall profitability of other firms in the mutual fund industry, as disclosed in publicly available sources. Although the Board noted that, in certain cases, the fee rates paid by other clients of the Manager are lower than the fee rates paid by the Fund, the Manager represented that,



## Disclosure Regarding Approval of the Management and Investment Advisory Agreements (Unaudited)

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among other matters, the difference is attributable to the fact that the Manager does not perform administrative services for non-investment company clients and reflects the greater level of responsibility and regulatory requirements associated with managing the Fund.

The Board also noted that the Manager proposed to continue the expense waiver and reimbursements for the Fund that were in place during the last fiscal year. The Board further considered that, with respect to the Fund, the Management Agreement provides for the Manager to receive a management fee comprised of an annualized fee that is retained by the Manager. In addition, the Board considered that the Manager receives fees for administering and overseeing the securities lending program on behalf of the Fund. The Board also noted that certain share classes of the Fund maintain higher expense ratios in order to compensate third-party financial intermediaries.

In analyzing the fee rates charged by each subadvisor in connection with its investment advisory services to the Fund, the Board considered representations made by each subadvisor that the fee rate negotiated by the Manager generally is favorable compared to the fee rates that each subadvisor charges for any comparable client accounts. The Board did not request profitability data from the subadvisors, because the Board did not view this data as imperative to its deliberations given the arm's-length nature of the relationship between the Manager and the subadvisors with respect to the negotiation of subadvisory fee rates. In addition, the Board noted that subadvisors may not account for their profits on an account-by-account basis and that different firms likely employ different methodologies in connection with these calculations.

Based on the foregoing information, the Board concluded that the profitability levels of the Manager were reasonable in light of the services performed by the Manager. A discussion regarding the Board's considerations with respect to the Fund's fee rates is set forth below under "Additional Considerations and Conclusions with Respect to the Fund."

*Economies of Scale.* In considering the reasonableness of the management and investment advisory fees rates, the Board considered whether economies of scale will be realized as the Fund grows and whether fee rate levels reflect these economies of scale for the benefit of Fund shareholders. In this regard, the Board considered that, with respect to each subadvisor, the Manager has negotiated breakpoints in the subadvisory fee rate for the Fund. In addition, the Board noted the Manager's representation that the Management Agreement contains fee schedule breakpoints at higher asset levels with respect to the Fund. In this regard, the Board considered the Manager's representation that the Fund's current assets did not exceed the threshold necessary to reach the first management fee breakpoint. Based on the foregoing information, the Board concluded that the Manager and subadvisor fee rate schedules for the Fund provide for a reasonable sharing of benefits from any economies of scale with the Fund.

*Benefits Derived from the Relationship with the Fund.* The Board considered the "fall-out" or ancillary benefits that accrue to the Manager and/or the subadvisors as a result of the advisory relationships with the Fund, including greater exposure in the marketplace with respect to the Manager's or the subadvisors' investment process and expanding the level of assets under management by the Manager and the subadvisors. The Board also considered that the Manager may invest the Fund's cash balances and cash collateral provided by the borrowers of the Fund's securities in the American Beacon U.S. Government Money Market Select Fund, which the Manager manages directly. In addition, the Board noted that each subadvisor benefits from soft dollar arrangements for proprietary and/or third-party research. Based on the foregoing information, the Board concluded that the potential benefits accruing to the Manager and the subadvisors by virtue of their relationships with the Fund appear to be fair and reasonable.

### Additional Considerations and Conclusions with Respect to the Fund

The performance comparisons below were made for the Fund's R5 Class shares in comparison to the Fund's Broadridge performance universe and Morningstar Category. With respect to the Broadridge performance universe,

## Disclosure Regarding Approval of the Management and Investment Advisory Agreements (Unaudited)

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the 1<sup>st</sup> Quintile represents the top 20 percent of the universe based on performance and the 5<sup>th</sup> Quintile represents the bottom 20 percent of the universe based on performance. References below to the Fund's Broadridge performance universe are to the universe of mutual funds with a comparable investment classification/objective included in the analysis provided by Broadridge. Information regarding the performance of individual firms is calculated by the Manager using information provided by the Fund's custodian. In reviewing the performance, the Board viewed longer-term performance over a full market cycle, typically five years or longer, when such information was available, as the most important consideration because relative performance over shorter periods may be significantly impacted by market or economic events and not necessarily reflective of manager skill.

The expense comparisons below were made for the Fund's R5 Class shares in comparison to the Fund's Broadridge expense universe and Broadridge expense group, with the 1<sup>st</sup> Quintile representing the lowest 20 percent of the universe or group based on lowest total expense and the 5<sup>th</sup> Quintile representing the highest 20 percent of the universe or group based on highest total expense. References below to the Fund's expense group and expense universe are to the respective group or universe of comparable mutual funds included in the analysis by Broadridge. A Broadridge expense group consists of the Fund and a representative sample of funds with similar operating structures and asset sizes, as selected by Broadridge. A Broadridge expense universe includes all funds with a comparable investment classification/objective and a similar operating structure as the share class of the Fund included in the Broadridge comparative information, including the expense group, and provides a broader view of expenses across the Fund's investment classification/objective. The Board also considered the Fund's Morningstar fee level category with the 1<sup>st</sup> Quintile representing the lowest 20 percent of the category constituents and the 5<sup>th</sup> Quintile representing the highest 20 percent of the category in terms of total expense. In reviewing expenses, the Board considered the positive impact of the fee waivers and/or expense limitations maintained by the Manager, where applicable, and the Manager's agreement to continue the fee waivers and/or expense limitations.

In considering the renewal of the Management Agreement for the Fund, the Board considered the following additional factors:

### Broadridge Total Expenses Excluding 12b-1 Fees and Morningstar Fee Level Ranking

Compared to Broadridge Expense Group	2 <sup>nd</sup> Quintile
Compared to Broadridge Expense Universe	2 <sup>nd</sup> Quintile
Morningstar Fee Level Ranking	2 <sup>nd</sup> Quintile

### Broadridge and Morningstar Performance Analysis (five-year period ended December 31, 2019)

Compared to Broadridge Performance Universe	3 <sup>rd</sup> Quintile
Compared to Morningstar Category	3 <sup>rd</sup> Quintile

In considering the renewal of the Investment Advisory Agreements with Barrow, Hotchkis and MFS, the Board considered that the diversification of investment strategies facilitated by the Fund's multi-manager structure permits the Fund to mitigate the risks associated with a single subadvisor. The Board also considered the following additional factors:

Subadvisor Performance (compared to Broadridge Performance Universe for period indicated ended December 31, 2019)

Barrow	5 Years	2 <sup>nd</sup> Quintile
Hotchkis	5 Years	3 <sup>rd</sup> Quintile
MFS	5 Years	1 <sup>st</sup> Quintile

## Disclosure Regarding Approval of the Management and Investment Advisory Agreements (Unaudited)

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The Board also considered: (1) that, upon the Manager's recommendation, the Board previously had approved the termination of a subadvisor; (2) information provided by each subadvisor regarding fee rates charged for managing assets in the same or a similar strategy as the subadvisor manages its allocation of the Fund; and (3) the Manager's recommendation to continue to retain each subadvisor.

Based on these and other considerations, the Board: (1) concluded that the fees paid to the Manager and the subadvisors under the Management and Investment Advisory Agreements are fair and reasonable; and (2) determined that the Fund and its shareholders would benefit from the Manager's and subadvisors' continued management of the Fund.



## Trustees and Officers of the American Beacon Funds<sup>SM</sup> (Unaudited)

The Trustees and officers of the American Beacon Funds (the “Trust”) are listed below, together with their principal occupations during the past five years. The address of each person listed below is 220 Las Colinas Boulevard East, Suite 1200, Irving, Texas 75039. Each Trustee oversees thirty-one funds in the fund complex that includes the Trust, the American Beacon Select Funds, the American Beacon Institutional Funds Trust, the American Beacon Sound Point Enhanced Income Fund, and the American Beacon Apollo Total Return Fund. The Trust’s Statement of Additional Information contains additional information about the Trustees and is available without charge by calling 1-800-658-5811.

<u>Name, Age</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
<b>NON-INTERESTED TRUSTEES</b>		
	<u>Term</u> Lifetime of Trust until removal, resignation or retirement*	
Gilbert G. Alvarado (50)	Trustee since 2015	President, SJVILF, LLC, Impact Investment Fund (2018-Present); Director, Kura MD, Inc. (local telehealth organization) (2015-2017); Senior Vice President & CFO, Sierra Health Foundation (health conversion private foundation) (2006-Present); Senior Vice President & CFO, Sierra Health Foundation: Center for Health Program Management (California public benefit corporation) (2012-Present); Director, Innovative North State (2012-2015); Director, Sacramento Regional Technology Alliance (2011-2016); Director, Valley Healthcare Staffing (2017-2018); Trustee, American Beacon Select Funds (2015-Present); Trustee, American Beacon Institutional Funds Trust (2017-Present); Trustee, American Beacon Sound Point Enhanced Income Fund (2018-Present); Trustee, American Beacon Apollo Total Return Fund (2018-Present).
Joseph B. Armes (58)	Trustee since 2015	Director, Switchback Energy Acquisition (2019-Present); Chairman & CEO, CSW Industrials f/k/a Capital Southwest Corporation (investment company) (2015-Present); Chairman of the Board of Capital Southwest Corporation, predecessor to CSW Industrials, Inc. (2014-2017) (investment company); CEO, Capital Southwest Corporation (2013-2015); President & CEO, JBA Investment Partners (family investment vehicle) (2010-Present); Director and Chair of Audit Committee, RSP Permian (oil and gas producer) (2013-2018); Trustee, American Beacon Select Funds (2015-Present); Trustee, American Beacon Institutional Funds Trust (2017-Present); Trustee, American Beacon Sound Point Enhanced Income Fund (2018-Present); Trustee, American Beacon Apollo Total Return Fund (2018-Present).
Gerard J. Arpey (62)	Trustee since 2012	Director, The Home Depot, Inc. (2015-Present); Partner, Emerald Creek Group (private equity firm) (2011-Present); Director, S.C. Johnson & Son, Inc. (privately held company) (2008-present); Trustee, American Beacon Select Funds (2012-Present); Trustee, American Beacon Institutional Funds Trust (2017-Present); Trustee, American Beacon Sound Point Enhanced Income Fund (2018-Present); Trustee, American Beacon Apollo Total Return Fund (2018-Present).
Brenda A. Cline (59)	Trustee since 2004 Chair since 2019 Vice Chair 2018	Chief Financial Officer, Treasurer and Secretary, Kimbell Art Foundation (1993-Present); Director, Tyler Technologies, Inc. (public sector software solutions company) (2014-Present); Director, Range Resources Corporation (oil and natural gas company) (2015-Present); Trustee, Cushing Closed-End and Open-End Funds (2017-Present); Trustee, American Beacon Select Funds (2004-Present); Trustee, American Beacon Institutional Funds Trust (2017-Present); Trustee, American Beacon Sound Point Enhanced Income Fund (2018-Present); Trustee, American Beacon Apollo Total Return Fund (2018-Present).



## Trustees and Officers of the American Beacon Funds<sup>SM</sup> (Unaudited)

<u>Name, Age</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
<b>NON-INTERESTED TRUSTEES (CONT.)</b>		
	<u>Term</u>	
	Lifetime of Trust until removal, resignation or retirement*	
Eugene J. Duffy (66)	Trustee since 2008	Managing Director, Global Investment Management Distribution, Mesirow Financial (2016-Present); Managing Director, Institutional Services, Intercontinental Real Estate Corporation (2014-Present); Trustee, American Beacon Select Funds (2008-Present); Trustee, American Beacon Institutional Funds Trust (2017-Present); Trustee, American Beacon Sound Point Enhanced Income Fund (2018-Present); Trustee, American Beacon Apollo Total Return Fund (2018-Present).
Claudia A. Holz (63)	Trustee since 2018	Partner, KPMG LLP (1990 - 2017); Trustee, American Beacon Select Funds (2018-Present); Trustee, American Beacon Institutional Funds Trust (2018-Present); Trustee, American Beacon Sound Point Enhanced Income Fund (2018-Present); Trustee, American Beacon Apollo Total Return Fund (2018-Present).
Douglas A. Lindgren (58)	Trustee since 2018	CEO North America, Carne Global Financial Services (2016-2017); Consultant, Carne Financial Services (2017-2019); Managing Director, IPS Investment Management and Global Head, Content Management, UBS Wealth Management (2010-2016); Trustee, American Beacon Select Funds (2018-Present); Trustee, American Beacon Institutional Funds Trust (2018-Present); Trustee, American Beacon Sound Point Enhanced Income Fund (2018-Present); Trustee, American Beacon Apollo Total Return Fund (2018-Present).
Barbara J. McKenna, CFA (57)	Trustee since 2012	President/Managing Principal, Longfellow Investment Management Company (2005-Present); Trustee, American Beacon Select Funds (2012-Present); Trustee, American Beacon Institutional Funds Trust (2017-Present); Trustee, American Beacon Sound Point Enhanced Income Fund (2018-Present); Trustee, American Beacon Apollo Total Return Fund (2018-Present).
R. Gerald Turner (74)	Trustee since 2001	President, Southern Methodist University (1995-Present); Director, J.C. Penney Company, Inc. (1996-2019); Director, Kronus Worldwide Inc. (chemical manufacturing) (2003-Present); Trustee, American Beacon Select Funds (2001-Present); Trustee, American Beacon Institutional Funds Trust (2017-Present); Trustee, American Beacon Sound Point Enhanced Income Fund (2018-Present); Trustee, American Beacon Apollo Total Return Fund (2018-Present).

## Trustees and Officers of the American Beacon Funds<sup>SM</sup> (Unaudited)

<u>Name, Age</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
<b>OFFICERS</b>	<u>Term</u> One Year	
Gene L. Needles, Jr. (65)	President since 2009	President (2009-2018), CEO and Director (2009-Present), and Chairman (2018-Present), American Beacon Advisors, Inc., President (2015-2018), Director and CEO (2015-Present), and Chairman (2018-Present), Resolute Investment Holdings, LLC; President (2015-2018), Director and CEO (2015-Present), and Chairman (2018-Present), Resolute Topco, Inc.; President (2015-2018); Director, and CEO (2015-Present), and Chairman (2018-Present), Resolute Acquisition, Inc.; President (2015-2018), Director and CEO (2015-Present), Chairman (2018-Present), Resolute Investment Managers, Inc.; Director, Chairman, President and CEO, Resolute Investment Distributors (2017-Present); Director, Chairman, President and CEO; Resolute Investment Services, Inc. (2017-Present); President and CEO, Lighthouse Holdings Parent, Inc. (2009-2015); President, CEO and Director, Lighthouse Holdings, Inc. (2009-2015); Manager, President and CEO, American Private Equity Management, LLC (2012-Present); Director, Chairman, President and CEO, Alpha Quant Advisors, LLC (2016-2020); Director, ARK Investment Management LLC (2016-Present); Director, Shapiro Capital Management LLC (2017-Present); Director, Chairman and CEO, Continuous Capital, LLC (2018-Present); Director, Green Harvest Asset Management (2019-Present); Director, National Investment Services of America, LLC (2019-Present); President, American Beacon Cayman Managed Futures Strategy Fund, Ltd. (2014-Present); Director and President, American Beacon Cayman Transformational Innovation Company, LTD., (2017-2018); President, American Beacon Delaware Transformational Innovation Corporation (2017-2018); President American Beacon Cayman TargetRisk Company, Ltd. (2018-Present); Member, Investment Advisory Committee, Employees Retirement System of Texas (2017-Present); Trustee, American Beacon NextShares Trust (2015-2020); President, American Beacon Select Funds (2009-Present); President, American Beacon Institutional Funds Trust (2017-Present); President, American Beacon Sound Point Enhanced Income Fund (2018-Present); President, American Beacon Apollo Total Return Fund (2018-Present); Director, RSW Investments Holdings LLC, (2019-Present); Manager, SSI Investment Management, LLC (2019-Present).

## Trustees and Officers of the American Beacon Funds<sup>SM</sup> (Unaudited)

<u>Name, Age</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
<b>OFFICERS (CONT.)</b>	<u>Term</u>	
	One Year	
Rosemary K. Behan (61)	VP, Secretary and Chief Legal Officer since 2006	Vice President, Secretary and General Counsel, American Beacon Advisors, Inc. (2006-Present); Secretary, Resolute Investment Holdings, LLC (2015-Present); Secretary, Resolute Topco, Inc. (2015-Present); Secretary, Resolute Acquisition, Inc. (2015-Present); Vice President, Secretary and General Counsel, Resolute Investment Managers, Inc. (2015-Present); Secretary, Resolute Investment Distributors, Inc. (2017-Present); Vice President, Secretary and General Counsel, Resolute Investment Services, Inc. (2017-Present); Vice President and Secretary, Lighthouse Holdings Parent, Inc. (2008-2015); Vice President and Secretary, Lighthouse Holdings, Inc. (2008-2015); Secretary, American Private Equity Management, LLC (2008-Present); Secretary and General Counsel, Alpha Quant Advisors, LLC (2016-2020); Vice President and Secretary, Continuous Capital, LLC (2018-Present); Secretary, Green Harvest Asset Management (2019-Present); Secretary, American Beacon Delaware Transformational Innovation Corporation (2017-2018); Secretary, American Beacon Cayman Transformational Innovation Company, Ltd. (2017-2018); Secretary, American Beacon Cayman Managed Futures Strategy Fund, Ltd. (2014-Present); Secretary, American Beacon Cayman TargetRisk Company, Ltd (2018-Present); Chief Legal Officer, Vice President and Secretary, American Beacon Select Funds (2006-Present); Chief Legal Officer, Vice President and Secretary, American Beacon Institutional Funds Trust (2017-Present); Chief Legal Officer, Vice President and Secretary, American Beacon Sound Point Enhanced Income Fund (2018-Present); Chief Legal Officer, Vice President and Secretary American Beacon Apollo Total Return Fund (2018-Present).
Brian E. Brett (60)	VP since 2004	Senior Vice President, Head of Distribution (2012-Present), Vice President, Director of Sales (2004-2012), American Beacon Advisors, Inc.; Senior Vice President, Resolute Investment Managers, Inc. (2017-Present); Senior Vice President, Resolute Investment Distributors, Inc. (2018-Present); Senior Vice President, Resolute Investment Services, Inc. (2018-Present); Senior Vice President, Lighthouse Holdings Parent, Inc. (2008-2015); Senior Vice President, Lighthouse Holdings, Inc. (2008-2015); Vice President, American Beacon Select Funds (2004-Present); Vice President, American Beacon Institutional Funds Trust (2017-Present); Vice President American Beacon Sound Point Enhanced Income Fund (2018-Present); Vice President American Beacon Apollo Total Return Fund (2018-Present).
Paul B. Cavazos (51)	VP since 2016	Chief Investment Officer and Senior Vice President, American Beacon Advisors, Inc. (2016-Present); Chief Investment Officer, DTE Energy (2007-2016); Vice President, American Private Equity Management, L.L.C. (2017-Present); Vice President, American Beacon Select Funds (2016-Present); Vice President, American Beacon Institutional Funds Trust (2017-Present); Vice President American Beacon Sound Point Enhanced Income Fund (2018-Present); Vice President American Beacon Apollo Total Return Fund (2018-Present).
Erica Duncan (50)	VP Since 2011	Vice President, American Beacon Advisors, Inc. (2011-Present); Vice President, Resolute Investment Managers (2018-Present); Vice President, Resolute Investment Services, Inc. (2018-Present); Vice President, American Beacon Select Funds (2011-Present); Vice President, American Beacon Institutional Funds Trust (2017-Present); Vice President American Beacon Sound Point Enhanced Income Fund (2018-Present); Vice President American Beacon Apollo Total Return Fund (2018-Present).

## Trustees and Officers of the American Beacon Funds<sup>SM</sup> (Unaudited)

<u>Name, Age</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
<b>OFFICERS (CONT.)</b>	<u>Term</u>	
	One Year	
Melinda G. Heika (59)	Principal Accounting Officer since 2017 and Treasurer since 2010	Treasurer and CFO (2010-Present), American Beacon Advisors, Inc.; Treasurer, Resolute Topco, Inc. (2015-Present); Treasurer, Resolute Investment Holdings, LLC. (2015-Present); Treasurer, Resolute Acquisition, Inc. (2015-Present); Treasurer and CFO, Resolute Investment Managers, Inc. (2017-Present); Treasurer, Resolute Investment Distributors, Inc. (2017-2017); Treasurer and CFO, Resolute Investment Services, Inc. (2015-Present); Treasurer, Lighthouse Holdings Parent Inc., (2010-2015); Treasurer, Lighthouse Holdings, Inc. (2010-2015); Treasurer, American Private Equity Management, LLC (2012-Present); Treasurer and CFO, Alpha Quant Advisors, LLC (2016-2020); Treasurer and CFO, Continuous Capital, LLC (2018-Present); Treasurer, Green Harvest Asset Management (2019-Present); Treasurer, American Beacon Cayman Transformational Innovation, Ltd. (2017-2018); Treasurer, American Beacon Delaware Transformational Innovation Corporation (2017-2018); Director and Treasurer, American Beacon Cayman Managed Futures Strategy Fund, Ltd. (2014-Present); Treasurer, American Beacon Cayman TargetRisk Company, Ltd. (2018-Present); Principal Accounting Officer (2017-Present) and Treasurer, American Beacon Select Funds (2010-Present); Principal Accounting Officer and Treasurer, American Beacon Institutional Funds Trust (2017-Present); Principal Accounting Officer and Treasurer, American Beacon Sound Point Enhanced Income Fund (2018-Present); Principal Accounting Officer and Treasurer, American Beacon Apollo Total Return Fund (2018-Present).
Terri L. McKinney (56)	VP since 2010	Vice President (2009-Present), Managing Director (2003-2009), American Beacon Advisors, Inc.; Vice President, Resolute Investment Managers, Inc. (2017-Present); Vice President, Resolute Investment Services, Inc (2018-Present); Vice President, Alpha Quant Advisors, LLC (2016-Present); Vice President, Continuous Capital, LLC (2018-Present); Vice President, American Beacon Select Funds (2010-Present); Vice President, American Beacon Institutional Funds Trust (2017-Present); Vice President, American Beacon Sound Point Enhanced Income Fund (2018-Present); Vice President, American Beacon Apollo Total Return Fund (2018-Present).



## Trustees and Officers of the American Beacon Funds<sup>SM</sup> (Unaudited)

<u>Name, Age</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
<b>OFFICERS (CONT.)</b>		
	<u>Term</u> One Year	
Jeffrey K. Ringdahl (45)	VP since 2010	Director (2015-Present), President (2018-Present), Chief Operating Officer (2010-Present), Senior Vice President (2013-2018), Vice President (2010-2013), American Beacon Advisors, Inc.; Director (2015-Present), President (2018-Present), Senior Vice President (2015-2018), Resolute Investment Holdings, LLC; Director (2015-Present), President (2018-Present), Senior Vice President (2015-2018), Resolute Topco, Inc.; Director (2015-Present), President (2018-Present), Senior Vice President (2015-2018), Resolute Acquisition, Inc.; Director (2015-Present), President & COO (2018-Present), Senior Vice President (2015-2018), Resolute Investment Managers, Inc.; Director and Executive Vice President (2017-Present), Resolute Investment Distributors, Inc.; Director (2017-Present), President & COO (2018-Present), Executive Vice President (2017-2018), Resolute Investment Services, Inc.; Senior Vice President (2017-Present), Vice President (2012-2017), Manager (2015-Present), American Private Equity Management, LLC; Senior Vice President, Lighthouse Holdings Parent, Inc. (2013-2015); Senior Vice President, Lighthouse Holdings, Inc. (2013-2015); Trustee, American Beacon NextShares Trust (2015-2020); Director, Executive Vice President & COO, Alpha Quant Advisors, LLC (2016-2020); Director, Shapiro Capital Management, LLC (2017-Present); Director, Executive Vice President & COO, Continuous Capital, LLC (2018-Present); Director, RSW Investments Holdings LLC, (2019-Present); Manager, SSI Investment Management, LLC (2019-Present); Director, National Investment Services of America, LLC (2019-Present); Director and Vice President, American Beacon Cayman Transformational Innovation Company, Ltd., (2017-Present); Vice President, American Beacon Delaware Transformational Innovation Corporation (2017-2018); Director and Vice President, American Beacon Cayman Managed Futures Strategy Fund, Ltd. (2014-Present); Vice President, American Beacon Cayman TargetRisk Company, Ltd (2018-Present); Vice President, American Beacon Select Funds (2010-2018); Vice President, American Beacon Institutional Funds Trust (2017-Present); Vice President, American Beacon Sound Point Enhanced Income Fund (2018-Present); Vice President, American Beacon Apollo Total Return Fund (2018-Present).
Samuel J. Silver (57)	VP Since 2011	Vice President (2011-Present), Chief Fixed Income Officer (2016-Present), American Beacon Advisors, Inc. (2011-Present); Vice President, American Beacon Select Funds (2011-Present); Vice President, American Beacon Institutional Funds Trust (2017-Present); Vice President, American Beacon Sound Point Enhanced Income Fund (2018-Present); Vice President, American Beacon Apollo Total Return Fund (2018-Present).
Christina E. Sears (49)	Chief Compliance Officer since 2004 and Asst. Secretary since 1999	Vice President, American Beacon Advisors, Inc. (2019-Present); Chief Compliance Officer, American Beacon Advisors, Inc. (2004-Present); Vice President, Resolute Investment Managers, Inc. (2017-Present); Vice President, Resolute Investment Distributors (2017-Present); Vice President, Resolute Investment Services, Inc. (2019-Present); Chief Compliance Officer, American Private Equity Management, LLC (2012-Present); Chief Compliance Officer (2016-2019) and Vice President, Alpha Quant Advisors, LLC (2016-2020); Vice President, Continuous Capital, LLC (2018-Present); Chief Compliance Officer (2004-Present) and Assistant Secretary (1999-Present), American Beacon Select Funds; Chief Compliance Officer and Assistant Secretary, American Beacon Institutional Funds Trust (2017-Present); Chief Compliance Officer and Assistant Secretary, American Beacon Sound Point Enhanced Income Fund (2018-Present); Chief Compliance Officer and Assistant Secretary, American Beacon Apollo Total Return Fund (2018-Present).

## Trustees and Officers of the American Beacon Funds<sup>SM</sup> (Unaudited)

<u>Name, Age</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
<b>OFFICERS (CONT.)</b>	<u>Term</u>	
	One Year	
Sonia L. Bates (63)	Asst. Treasurer since 2011	Assistant Treasurer, American Beacon Advisors, Inc. (2011-2018); Assistant Treasurer, Lighthouse Holdings Parent Inc. (2011-2015); Assistant Treasurer, Lighthouse Holdings, Inc. (2011-2015); Assistant Treasurer, American Private Equity Management, LLC (2012-Present); Assistant Treasurer, American Beacon Cayman Transformational Innovation Company, Ltd. (2017-Present); Assistant Treasurer, American Beacon Cayman TargetRisk Company, Ltd. (2018-Present); Assistant Treasurer, American Beacon Select Funds (2011-Present); Assistant Treasurer, American Beacon Institutional Funds Trust (2017-Present); Assistant Treasurer, American Beacon Sound Point Enhanced Income Fund (2018-Present); Assistant Treasurer, American Beacon Apollo Total Return Fund (2018-Present).
Shelley D. Abrahams (45)	Assistant Secretary since 2008	Assistant Secretary, American Beacon Select Funds (2008-Present); Assistant Secretary, American Beacon Institutional Funds Trust (2017-Present); Assistant Secretary, American Beacon Sound Point Enhanced Income Fund (2018-Present); Assistant Secretary, American Beacon Apollo Total Return Fund (2018-Present).
Rebecca L. Harris (53)	Assistant Secretary since 2010	Vice President, American Beacon Advisors, Inc. (2011-Present); Vice President, Resolute Investment Managers, Inc. (2017-Present); Vice President, Resolute Investment Services (2015-Present); Vice President, Alpha Quant Advisors, LLC (2016-2020); Vice President, Continuous Capital, LLC (2018-Present); Assistant Secretary, American Beacon Select Funds (2010-Present); Assistant Secretary, American Beacon Institutional Funds Trust (2017-Present); Assistant Secretary, American Beacon Sound Point Enhanced Income Fund (2018-Present); Assistant Secretary, American Beacon Apollo Total Return Fund (2018-Present).
Teresa A. Oxford (62)	Assistant Secretary since 2015	Assistant Secretary, American Beacon Advisors, Inc. (2015-Present); Assistant Secretary, Resolute Investment Distributors (2018-Present); Assistant Secretary, Resolute Investment Services (2018-Present); Assistant Secretary, Alpha Quant Advisors, LLC (2016-2020); Assistant Secretary, American Beacon Select Funds (2015-Present); Assistant Secretary, American Beacon Institutional Funds Trust (2017-Present); Assistant Secretary, American Beacon Sound Point Enhanced Income Fund (2018-Present); Assistant Secretary, American Beacon Apollo Total Return Fund (2018-Present).

\* As of 11/12/2014, the Board adopted a retirement plan that requires Trustees to retire no later than the last day of the calendar year in which they reach the age of 75. As of 12/31/2020 Dr. Turner is expected to retire from the Board.

The American Beacon Funds recognize and respect the privacy of our shareholders. We are providing this notice to you so you will understand how shareholder information may be collected and used.

We may collect nonpublic personal information about you from one or more of the following sources:

- information we receive from you on applications or other forms;
- information about your transactions with us or our service providers; and
- information we receive from third parties.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

We restrict access to your nonpublic personal information to those employees or service providers who need to know that information to provide products or services to you. To ensure the confidentiality of your nonpublic personal information, we maintain safeguards that comply with federal standards.

## Delivery of Documents

**eDelivery is NOW AVAILABLE** - Stop traditional mail delivery and receive your shareholder reports and summary prospectus on-line. Sign up at [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com)

If you invest in the Fund through a financial institution, you may be able to receive the Fund's regulatory mailings, such as the Prospectus, Annual Report and Semi-Annual Report, by e-mail. If you are interested in this option, please go to [www.icsdelivery.com](http://www.icsdelivery.com) and search for your financial institution's name or contact your financial institution directly.

### To obtain more information about the Fund:



#### By E-mail:

[american\\_beacon.funds@ambeacon.com](mailto:american_beacon.funds@ambeacon.com)



#### On the Internet:

Visit our website at [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com)



#### By Telephone:

Call (800) 658-5811



#### By Mail:

American Beacon Funds  
P.O. Box 219643  
Kansas City, MO 64121-9643

#### Availability of Quarterly Portfolio Schedules

In addition to the Schedule of Investments provided in each semi-annual and annual report, the Fund files a complete schedule of its portfolio holdings with the Securities and Exchange Commission ("SEC") on Form N-PORT as of the end of each fiscal quarter. The Fund's Forms N-PORT are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Forms N-PORT may also be reviewed and copied at the SEC's Public Reference Section, 100 F Street, NE, Washington, D.C. 20549-1520. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling (800)-SEC-0330. A complete schedule of the Fund's portfolio holdings is also available at [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com) approximately twenty days after the end of each month.

#### Availability of Proxy Voting Policy and Records

A description of the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities is available in the Fund's Statement of Additional Information, is available free of charge on the Fund's website [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com) and by calling 1-800-967-9009 or by accessing the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's proxy voting record for the most recent year ended June 30 is filed annually with the SEC on Form N-PX. The Fund's Forms N-PX are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's proxy voting record may also be obtained by calling 1-800-967-9009.

### Fund Service Providers:

**CUSTODIAN**  
State Street Bank and  
Trust Company  
Boston, Massachusetts

**TRANSFER AGENT**  
DST Asset Manager  
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