

# 2020 ANNUAL REPORT

October 31, 2020

INTERNATIONAL EQUITY FUND

TOCQUEVILLE INTERNATIONAL 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.

### INTERNATIONAL EQUITY FUND RISKS

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

### TOCQUEVILLE INTERNATIONAL VALUE FUND RISKS

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

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 each 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



# International Equity Market Overview

October 31, 2020 (Unaudited)

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Over the 12 months ended October 31, 2020, equities in developed international markets declined more than 6%. Conversely, equities in emerging markets (“EM”) rose more than 8%. In early 2020, the novel coronavirus pandemic and its economic consequences sent stock prices tumbling and market volatility spiked. However, enormous monetary and fiscal stimulus globally bolstered markets in the second and third quarters of 2020. China’s success in reducing the impact of the virus helped sustain EM equities, which outperformed developed-market peers during the period.

Despite the International Monetary Fund’s forecasted 5% decline in global gross domestic product (“GDP”) in 2020, encouraging signs of a rebound from economically devastating global lockdowns continued to surface. Supply chains have recovered amid a rebound in global trade. Industrial production, which sunk 15% from January to April (resembling the 14% decline during the Financial Crisis of 2008), bounced back quickly thanks in large part to massive stimulus measures. Reflecting an uncertain economic recovery, the U.S. Federal Reserve reaffirmed the likelihood of interest rates staying near zero until at least 2023. Until vaccines, therapies and widespread testing become readily available and global economies fully reopen, further stimulus packages will be needed to help bolster recovery in most regions around the world.

In Europe, authorities committed to extending support measures in an effort to avoid a cliff with an abrupt loss of fiscal spending. The Bank of Japan left interest rates unchanged in their most recent meeting and upgraded economic views as business activity gradually resumed. China may be the only major economy to expand its GDP in 2020 after demonstrating remarkable success in containing the virus. This year’s dominance of growth and momentum stocks over value stocks has surpassed the peak reached during the technology, media, and telecommunications bubble in the early 2000s. The biggest winners in this bifurcated market have been companies exhibiting top-line growth, regardless of whether this translates to near-term profitability. The trends of passive investing and algorithmic trading have exacerbated a concentration of performance - the bulk of equity returns in a number of region-based indexes during the period derive from just five companies, with the effect most pronounced in the U.S. and emerging markets.

Growth stock valuations are so stretched relative to history that any abatement of pandemic-related uncertainty - namely effective vaccines and therapies that facilitate economic reopening - could spark a shift in investor sentiment toward economically cyclical companies. For example, any positive results from clinical trials may translate into a sharp rotation into value stocks. The cyclical component of value stocks may also benefit from further fiscal spending on infrastructure by Western governments. The most compelling companies in the developed market value universe are those engaged in operational restructuring, using the pandemic’s disruption to lean out their cost bases and shed non-core assets. An ensuing boost in operating leverage may better position such forward-thinkers for an upturn in revenues as recovery develops.

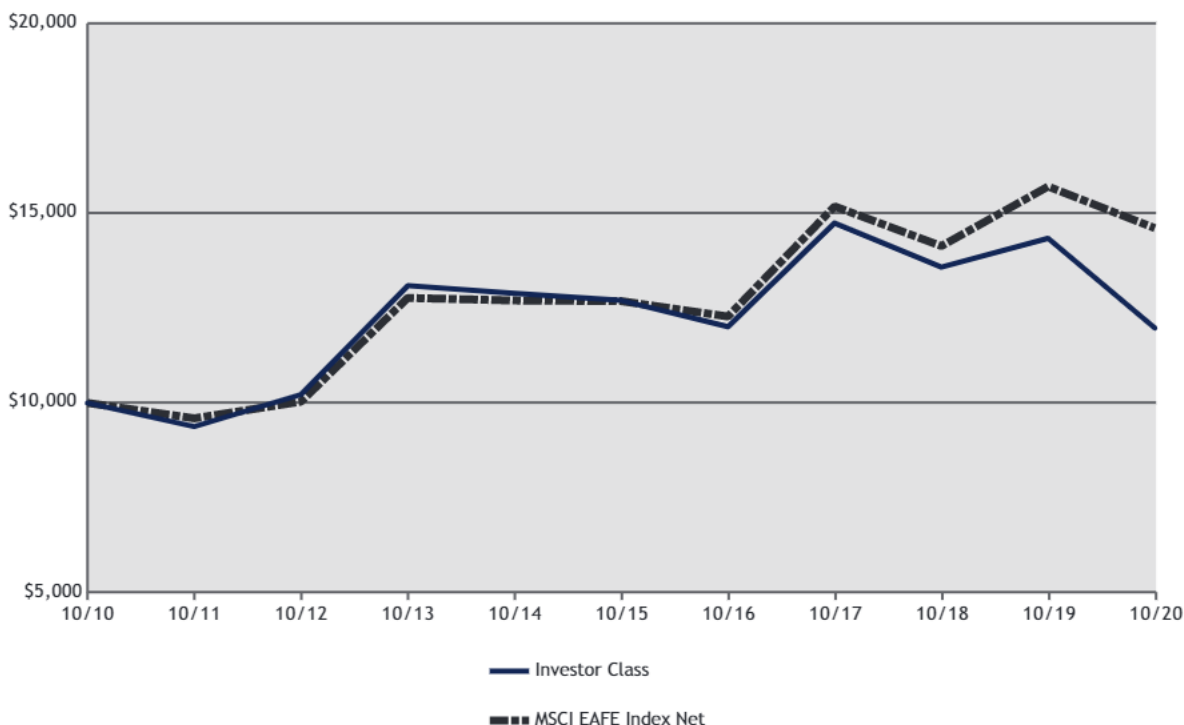
# American Beacon International Equity Fund<sup>SM</sup>

## Performance Overview

October 31, 2020 (Unaudited)

The Investor Class of the American Beacon International Equity Fund (the “Fund”) returned -16.33% for the twelve months ended October 31, 2020. The Fund underperformed the MSCI EAFE Index (the “Index”) return of -6.86%.

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

						Value of \$10,000 10/31/2010- 10/31/2020
	Ticker	1 Year	3 Years	5 Years	10 Years	
R5 Class** (1,6)	AAIEX	(16.04)%	(6.31)%	(0.82)%	2.15%	\$12,371
Y Class (1,6)	ABEYX	(16.09)%	(6.38)%	(0.89)%	2.06%	\$12,267
Investor Class (1,6)	AAIPX	(16.33)%	(6.64)%	(1.16)%	1.79%	\$11,947
Advisor Class (1,6)	AAISX	(16.43)%	(6.77)%	(1.27)%	1.66%	\$11,785
A Class without sales charge (1,2,6)	AIEAX	(16.42)%	(6.69)%	(1.20)%	1.71%	\$11,850
A Class with sales Charge (1,2,6)	AIEAX	(21.23)%	(8.52)%	(2.36)%	1.11%	\$11,169
C Class without sales charge (1,3,6)	AILCX	(16.98)%	(7.36)%	(1.94)%	0.95%	\$10,996
C Class with sales charge (1,3,6)	AILCX	(17.98)%	(7.36)%	(1.94)%	0.95%	\$10,996
R6 Class (1,4,6)	AAERX	(15.93)%	(6.23)%	(0.76)%	2.18%	\$12,408
MSCI EAFE Index Net (5)		(6.86)%	(1.24)%	2.85%	3.82%	\$14,553

\*\* 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. A portion of the fees charged to the R5 Class of the Fund was waived from 2013 through 2015. Performance prior to waiving fees was lower than actual returns shown for 2013 through 2015.

# American Beacon International Equity Fund<sup>SM</sup>

## Performance Overview

October 31, 2020 (Unaudited)

- A portion of the fees charged to the A Class of the Fund was waived from 2010 through 2012 and fully recovered in 2013. Performance prior to waiving fees was lower than the actual returns shown for 2010 through 2012. The maximum sales charge for A Class is 5.75%.*
- A portion of the fees charged to the C Class of the Fund was waived from 2010 through 2012, partially recovered in 2013, and fully recovered in 2015. Performance prior to waiving fees was lower than the actual returns shown for 2010 through 2012. The maximum contingent deferred sales charge for C Class is 1.00% for shares redeemed within one year of the date of purchase.*
- 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 inception.*
- The MSCI EAFE Index is a market capitalization weighted index of international stock performance composed of equities from developed markets excluding the U.S. and Canada. One cannot directly invest in an index.*
- 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 0.73%, 0.80%, 1.05%, 1.20%, 1.15%, 1.87% and 0.70%, 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 over the twelve-month period primarily due to stock selection while country allocation also slightly hampered performance.

Stock selections within France and the United Kingdom primarily contributed to the Fund's relative underperformance, while stock selections in Germany added value. Detracting securities included BNP Paribas S.A. (down 31.9%) in France and Rolls-Royce Holdings PLC (down 78.6%) within the United Kingdom. The Fund's investments in Germany, including Infineon Technologies AG (up 53.5%) helped relative performance during the prior twelve months.

From a country allocation perspective, overweighting the United Kingdom (down 20.1%) and underweighting Japan (up 0.6%) contributed to the Fund's underperformance relative to the Index. However, overweighting out-of-index Korea (up 14.2%) added to relative value during the period.

Although economic and market conditions vary from period to period, the Fund's primary strategy of investing in undervalued companies with above-average earnings growth expectations remains consistent.

### Top Ten Holdings (% Net Assets)

Sanofi	3.2
BNP Paribas S.A.	2.1
Volkswagen AG	2.0
Barclays PLC	1.9
Novartis AG	1.9
Sumitomo Mitsui Financial Group, Inc.	1.9
Takeda Pharmaceutical Co., Ltd.	1.8
TOTAL S.E.	1.8
ABB Ltd.	1.7
Samsung Electronics Co., Ltd.	1.7

Total Fund Holdings

147

# American Beacon International Equity Fund<sup>SM</sup>

## Performance Overview

October 31, 2020 (Unaudited)

### Sector Allocation (% Equities)

Financials	24.1
Industrials	17.1
Health Care	12.6
Consumer Discretionary	12.0
Communication Services	7.9
Information Technology	7.6
Consumer Staples	5.7
Energy	5.0
Materials	4.0
Utilities	2.9
Real Estate	1.1

### Country Allocation (% Equities)

Japan	18.3
France	17.4
United Kingdom	15.4
Germany	11.7
Switzerland	8.6
Netherlands	5.0
Republic of Korea	4.1
Italy	3.9
Spain	2.9
China	1.9
United States	1.5
Canada	1.4
Denmark	1.3
Ireland	1.2
Norway	1.0
Finland	0.8
Sweden	0.8
Portugal	0.6
Luxembourg	0.5
Singapore	0.5
Australia	0.4
Israel	0.4
Macao	0.3
Belgium	0.1



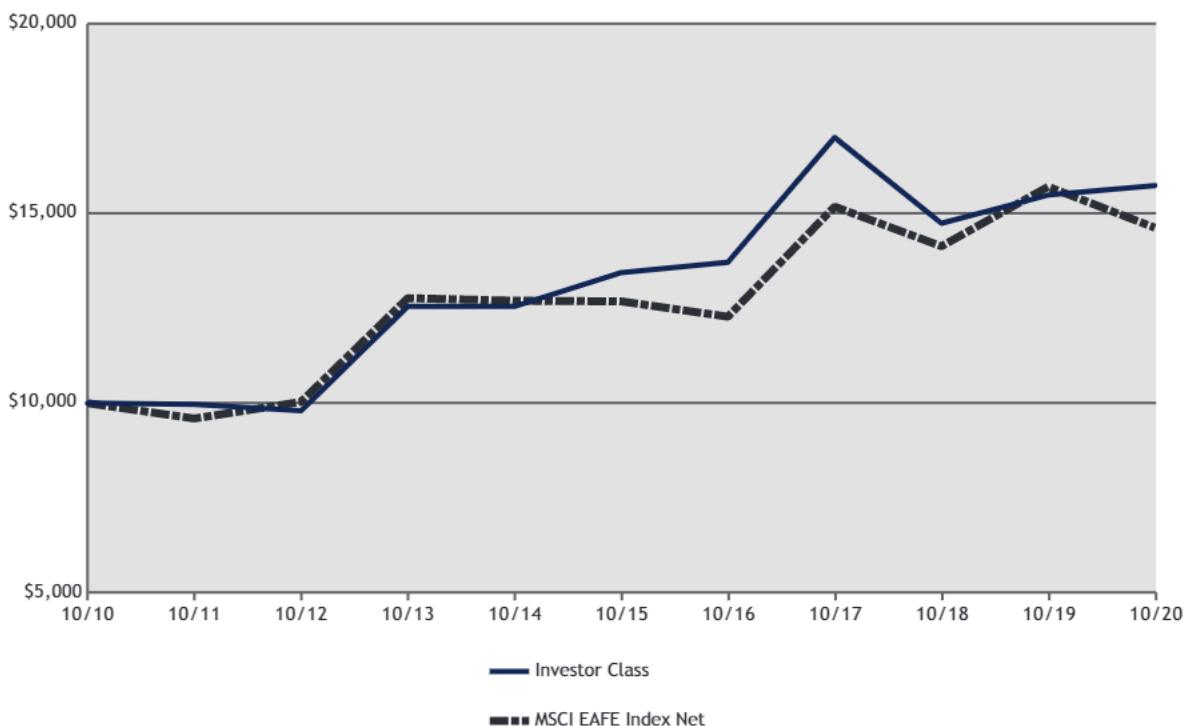
# American Beacon Tocqueville International Value Fund<sup>SM</sup>

## Performance Overview

October 31, 2020 (Unaudited)

The Investor Class of the American Beacon Tocqueville International Value Fund (the "Fund") returned 1.63% for the twelve-month period ending October 31, 2020, which outperformed the MSCI EAFE Index (the "Index") return of -6.86%.

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

						Value of \$10,000 10/31/2010- 10/31/2020
	Ticker	1 Year	3 Years	5 Years	10 Years	
R5 Class** (1,3,5)	TOVIX	1.94%	(2.34)%	3.28%	4.64%	\$15,745
Y Class (1,2,5)	TOVYX	1.84%	(2.39)%	3.24%	4.63%	\$15,719
Investor Class (1,5)	TIVFX	1.63%	(2.52)%	3.16%	4.59%	\$15,658
MSCI EAFE Index Net (4)		(6.86)%	(1.24)%	2.85%	3.82%	\$14,553

\*\* 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. A portion of fees charged to the Investor Class of the Fund was waived from Fund inception through 2019. Performance prior to waiving fees was lower than the actual returns shown for that period.
- Fund performance for the three-year, five-year and ten-year periods represents the total returns achieved by the Investor Class from 10/31/10 up to 1/18/19, the inception date of the Y Class. Expenses of the Y Class are lower than those of the Investor Class. As a result, total returns shown may be lower than they would have been had the Y Class been in existence since 10/31/10.
- Fund performance for the three-year, five-year and ten-year periods represents the total returns achieved by the Investor Class from 10/31/10 up to 1/18/19, the inception date of the R5 Class. Expenses of the R5 Class are lower than those of the Investor Class. As a result, total returns shown may be lower than they would have been had the R5 Class been in existence since 10/31/10. A portion of fees charged to the R5 Class has been waived since Class inception. Performance prior to waiving fees was lower than the actual returns shown in 2019 and 2020.

# American Beacon Tocqueville International Value Fund<sup>SM</sup>

## Performance Overview

October 31, 2020 (Unaudited)

4. *The MSCI EAFE Index is a market capitalization weighted index of international stock performance composed of equities from developed markets excluding the U.S. and Canada. One cannot directly invest in an index.*
5. *The Total Annual Fund Operating Expense ratios set forth in the most recent Fund prospectus for the R5, Y and Investor Class shares were 0.94%, 0.99% and 1.30%, 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 outperformed the Index over the twelve-month period due to both stock selection and country allocation.

Stock selections within Germany and Hong Kong added to the Fund's relative performance, while stock selections in Denmark detracted value. Contributing securities within Germany include Infineon Technologies AG (up 52.3%) and Siemens AG, Sponsored ADR (up 14.9%), while Clear Media Ltd. (up 89.5%) and Tencent Holdings, Ltd. ADR (up 79.3%) within Hong Kong all helped performance. Meanwhile, the Fund's investment in Denmark's ISS A/S (down 45.0%) hurt relative performance during the prior year.

From a country allocation perspective, the Fund's overweight to South Korea (up 14.2%) and underweight the United Kingdom (down 20.1%) added the most relative value. On the flip side, the Fund's underweight to Sweden (up 10.5%) detracted the most.

Although economic and market conditions vary from period to period, the Fund's primary strategy of investing in undervalued companies with above-average earnings growth expectations remains consistent.

### Top Ten Holdings (% Net Assets)

FANUC Corp.	3.4
Alibaba Group Holding Ltd., Sponsored ADR	3.2
Siemens AG, Sponsored ADR	3.1
Samsung Electronics Co., Ltd.	3.1
Hitachi Ltd.	3.0
CRH PLC	2.9
Amano Corp.	2.8
Infineon Technologies AG	2.7
Sanofi	2.7
Sony Corp., Sponsored ADR	2.7

Total Fund Holdings

46

### Sector Allocation (% Equities)

Industrials	24.8
Information Technology	18.0
Consumer Discretionary	12.8
Health Care	12.3
Consumer Staples	11.6
Communication Services	10.5
Materials	7.6
Financials	2.4

### Country Allocation (% Equities)

Japan	23.5
Germany	20.1
France	15.2
United Kingdom	9.6
Switzerland	7.7
China	6.2
Republic of Korea	3.3
Ireland	3.1
Canada	2.6
Belgium	2.4
Australia	2.0
Spain	1.7
Finland	1.4
Taiwan	0.7
Mexico	0.5

### 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 Fund 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 November 1, 2019 through April 30, 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 Fund 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 Fund’s actual expense ratio and an assumed 5% per year rate of return before expenses (not the Fund’s actual return). You may compare the ongoing costs of investing in the Fund 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 Fund, 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 Funds<sup>SM</sup>

## Expense Examples

October 31, 2020 (Unaudited)

### American Beacon International Equity 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	\$1,066.60	\$3.69
Hypothetical***	\$1,000.00	\$1,021.57	\$3.61
<b>Y Class</b>			
Actual	\$1,000.00	\$1,066.70	\$4.10
Hypothetical***	\$1,000.00	\$1,021.17	\$4.01
<b>Investor Class</b>			
Actual	\$1,000.00	\$1,065.10	\$5.55
Hypothetical***	\$1,000.00	\$1,019.76	\$5.43
<b>Advisor Class</b>			
Actual	\$1,000.00	\$1,064.10	\$6.17
Hypothetical***	\$1,000.00	\$1,019.15	\$6.04
<b>A Class</b>			
Actual	\$1,000.00	\$1,064.40	\$5.86
Hypothetical***	\$1,000.00	\$1,019.46	\$5.74
<b>C Class</b>			
Actual	\$1,000.00	\$1,060.70	\$9.74
Hypothetical***	\$1,000.00	\$1,015.69	\$9.53
<b>R6 Class</b>			
Actual	\$1,000.00	\$1,067.20	\$3.59
Hypothetical***	\$1,000.00	\$1,021.67	\$3.51

\* Expenses are equal to the Fund's annualized expense ratios for the six-month period of 0.71%, 0.79%, 1.07%, 1.19%, 1.13%, 1.88%, and 0.69% 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 Tocqueville International 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	\$1,175.80	\$4.87
Hypothetical***	\$1,000.00	\$1,020.66	\$4.52
<b>Y Class</b>			
Actual	\$1,000.00	\$1,176.10	\$5.42
Hypothetical***	\$1,000.00	\$1,020.16	\$5.03
<b>Investor Class</b>			
Actual	\$1,000.00	\$1,173.80	\$6.50
Hypothetical***	\$1,000.00	\$1,019.15	\$6.04

\* Expenses are equal to the Fund's annualized expense ratios for the six-month period of 0.89%, 0.99%, and 1.19% for the R5, Y, and Investor 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 Funds<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 International Equity Fund and American Beacon Tocqueville International Value Fund

### *Opinion on the Financial Statements*

We have audited the accompanying statements of assets and liabilities of American Beacon International Equity Fund and American Beacon Tocqueville International Value Fund (collectively referred to as the “Funds”), (two of the funds constituting American Beacon Funds (the “Trust”)), including the schedules of investments, as of October 31, 2020, and the related statements of operations, changes in net assets, and the financial highlights for each of the periods indicated in the table below 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 each of the Funds (two of the funds constituting American Beacon Funds) at October 31, 2020, the results of their operations, changes in net assets and financial highlights for each of the periods indicated in the table below, in conformity with U.S. generally accepted accounting principles.

<u>Individual fund constituting the American Beacon Funds</u>	<u>Statement of operations</u>	<u>Statements of changes in net assets</u>	<u>Financial highlights</u>
American Beacon International Equity Fund	For the year ended October 31, 2020	For each of the two years in the period ended October 31, 2020	For each of the five years in the period ended October 31, 2020
American Beacon Tocqueville International Value Fund	For the year ended October 31, 2020	For each of the two years in the period ended October 31, 2020	For each of the two years in the period ended October 31, 2020

The financial highlights for the three years in the period ended October 31, 2018 of American Beacon Tocqueville International Value Fund were audited by other auditors whose report dated December 21, 2018, expressed an unqualified opinion on those financial statements and financial highlights.

### *Basis for Opinion*

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Funds’ 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 International Equity Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>Australia - 0.42% (Cost \$6,004,375)</b>		
<b>Common Stocks - 0.42%</b>		
BHP Group PLC <sup>A B</sup> . . . . .	443,858	\$ 8,614,348
<b>Belgium - 0.13% (Cost \$4,809,922)</b>		
<b>Common Stocks - 0.13%</b>		
Ontex Group N.V. <sup>B C</sup> . . . . .	245,520	2,710,163
<b>Canada - 1.36%</b>		
<b>Common Stocks - 1.36%</b>		
Air Canada <sup>C</sup> . . . . .	750,400	8,296,474
Canadian National Railway Co. . . . .	131,242	13,037,513
Suncor Energy, Inc. . . . .	569,560	6,425,345
<b>Total Common Stocks</b>		<b>27,759,332</b>
<b>Total Canada (Cost \$34,717,091)</b>		<b>27,759,332</b>
<b>China - 1.83%</b>		
<b>Common Stocks - 1.83%</b>		
China Mobile Ltd. <sup>B</sup> . . . . .	1,681,007	10,229,876
CNOOC Ltd. <sup>B</sup> . . . . .	21,067,000	19,246,102
ESR Cayman Ltd. <sup>B C D</sup> . . . . .	2,637,600	7,971,432
<b>Total Common Stocks</b>		<b>37,447,410</b>
<b>Total China (Cost \$43,040,655)</b>		<b>37,447,410</b>
<b>Denmark - 1.22%</b>		
<b>Common Stocks - 1.22%</b>		
Carlsberg A/S, Class B <sup>B</sup> . . . . .	87,832	11,123,379
Vestas Wind Systems A/S <sup>B</sup> . . . . .	80,530	13,765,840
<b>Total Common Stocks</b>		<b>24,889,219</b>
<b>Total Denmark (Cost \$16,157,113)</b>		<b>24,889,219</b>
<b>Finland - 0.80%</b>		
<b>Common Stocks - 0.80%</b>		
Nordea Bank Abp <sup>B C</sup> . . . . .	1,074,153	8,069,583
Sampo OYJ, Class A <sup>B</sup> . . . . .	217,589	8,214,128
<b>Total Common Stocks</b>		<b>16,283,711</b>
<b>Total Finland (Cost \$20,930,129)</b>		<b>16,283,711</b>
<b>France - 16.73%</b>		
<b>Common Stocks - 16.73%</b>		
Air Liquide S.A. <sup>B</sup> . . . . .	109,552	16,035,475
Airbus SE <sup>B C</sup> . . . . .	206,977	15,203,343
Alstom S.A. <sup>B C</sup> . . . . .	208,626	9,363,247
Atos SE <sup>B C</sup> . . . . .	137,465	9,397,925
AXA S.A. <sup>B</sup> . . . . .	880,836	14,229,939
BNP Paribas S.A. <sup>B C</sup> . . . . .	1,198,282	42,015,503
Carrefour S.A. <sup>B</sup> . . . . .	585,140	9,120,432
Danone S.A. <sup>B</sup> . . . . .	196,884	10,882,202
Engie S.A. <sup>B C</sup> . . . . .	1,536,218	18,621,450
Ipsen S.A. <sup>B</sup> . . . . .	95,045	8,656,606
Publicis Groupe S.A. <sup>B C</sup> . . . . .	587,718	20,473,271
Renault S.A. <sup>B C</sup> . . . . .	40,111	993,854
Safran S.A. <sup>B C</sup> . . . . .	121,253	12,885,230
Sanofi <sup>B</sup> . . . . .	717,117	64,826,880
Societe Generale S.A. <sup>B C</sup> . . . . .	462,281	6,312,968

See accompanying notes

# American Beacon International Equity Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
France - 16.73% (continued)		
Common Stocks - 16.73% (continued)		
TOTAL S.E. <sup>B</sup> . . . . .	1,238,646	\$ 37,509,763
Valeo S.A. <sup>B</sup> . . . . .	185,349	5,621,178
Vinci S.A. <sup>B</sup> . . . . .	219,741	17,388,454
Vivendi S.A. <sup>B</sup> . . . . .	783,417	22,648,599
Total Common Stocks		342,186,319
Total France (Cost \$385,770,001)		342,186,319
Germany - 11.27%		
Common Stocks - 9.32%		
BASF SE <sup>B</sup> . . . . .	434,243	23,812,186
Bayer AG <sup>B</sup> . . . . .	138,153	6,492,745
Bayerische Motoren Werke AG <sup>B</sup> . . . . .	322,093	22,013,187
Commerzbank AG <sup>B C</sup> . . . . .	2,293,314	10,860,952
Continental AG <sup>B</sup> . . . . .	67,856	7,217,717
Daimler AG <sup>B</sup> . . . . .	505,100	26,133,686
Deutsche Post AG <sup>B C</sup> . . . . .	236,837	10,496,393
Fresenius Medical Care AG & Co. KGaA <sup>B C</sup> . . . . .	108,908	8,318,722
Infineon Technologies AG <sup>B</sup> . . . . .	734,250	20,561,987
Merck KGaA <sup>B</sup> . . . . .	71,554	10,596,273
ProSiebenSat.1 Media SE <sup>B C</sup> . . . . .	321,381	3,599,694
RWE AG <sup>B</sup> . . . . .	100,560	3,736,291
SAP SE <sup>B</sup> . . . . .	183,819	19,590,243
Siemens AG <sup>B</sup> . . . . .	146,194	17,137,149
Total Common Stocks		190,567,225
Preferred Stocks - 1.95%		
Volkswagen AG <sup>B C E</sup> . . . . .	274,355	39,970,940
Total Germany (Cost \$224,295,503)		230,538,165
Ireland - 1.14%		
Common Stocks - 1.14%		
Ryanair Holdings PLC <sup>B C</sup> . . . . .	67,108	924,394
Ryanair Holdings PLC, Sponsored ADR <sup>C</sup> . . . . .	277,984	22,405,510
Total Common Stocks		23,329,904
Total Ireland (Cost \$19,022,995)		23,329,904
Israel - 0.35% (Cost \$9,349,728)		
Common Stocks - 0.35%		
Bank Leumi Le-Israel BM <sup>B</sup> . . . . .	1,502,141	7,122,684
Italy - 3.77%		
Common Stocks - 3.77%		
Enel SpA <sup>B</sup> . . . . .	3,431,727	27,331,479
Eni SpA <sup>B</sup> . . . . .	2,145,707	15,100,652
Saras SpA <sup>A B C</sup> . . . . .	6,216,978	3,183,788
UniCredit SpA <sup>B C</sup> . . . . .	4,203,018	31,486,967
Total Common Stocks		77,102,886
Total Italy (Cost \$119,063,704)		77,102,886
Japan - 17.67%		
Common Stocks - 17.67%		
Alfresa Holdings Corp. <sup>B</sup> . . . . .	785,100	14,430,000
Daiwa House Industry Co., Ltd. <sup>B</sup> . . . . .	535,955	14,118,634

See accompanying notes

# American Beacon International Equity Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
Japan - 17.67% (continued)		
Common Stocks - 17.67% (continued)		
Digital Garage, Inc. <sup>B</sup>	176,600	\$ 6,296,264
FANUC Corp. <sup>B</sup>	87,800	18,661,949
Fujitsu Ltd. <sup>B</sup>	41,000	4,767,576
Haseko Corp. <sup>B</sup>	1,128,700	13,558,731
Hazama Ando Corp. <sup>B</sup>	563,200	3,492,679
Hitachi Ltd. <sup>B</sup>	456,200	15,384,186
Kao Corp. <sup>B</sup>	144,760	10,292,072
Makita Corp. <sup>B</sup>	109,300	4,831,558
Mitsubishi UFJ Financial Group, Inc. <sup>B</sup>	6,684,900	26,351,317
Mizuho Financial Group, Inc. <sup>B</sup>	1,403,280	17,300,470
Murata Manufacturing Co., Ltd. <sup>B</sup>	232,100	16,098,905
Nexon Co., Ltd. <sup>B</sup>	612,000	17,126,605
Nintendo Co., Ltd. <sup>B</sup>	37,700	20,586,397
Nippon Television Holdings, Inc. <sup>B</sup>	447,300	4,733,103
Nissan Motor Co., Ltd. <sup>A B C</sup>	4,842,400	17,139,848
Ryohin Keikaku Co., Ltd. <sup>B</sup>	270,200	5,663,250
Sompo Holdings, Inc. <sup>B</sup>	156,800	5,865,844
Sumitomo Mitsui Financial Group, Inc. <sup>B</sup>	1,388,900	38,466,728
Suzuken Co., Ltd. <sup>B</sup>	313,200	11,311,865
Suzuki Motor Corp. <sup>B</sup>	206,300	8,884,542
Taisei Corp. <sup>B</sup>	429,300	13,333,170
Takeda Pharmaceutical Co., Ltd. <sup>B</sup>	1,168,800	36,171,123
Toho Holdings Co., Ltd. <sup>B</sup>	269,400	4,993,745
Yamaha Corp. <sup>B</sup>	244,700	11,590,881
<b>Total Common Stocks</b>		<b>361,451,442</b>
<b>Total Japan (Cost \$384,247,795)</b>		<b>361,451,442</b>
Luxembourg - 0.49% (Cost \$10,751,591)		
Common Stocks - 0.49%		
ArcelorMittal S.A. <sup>B C</sup>	746,509	10,136,439
Macao - 0.31% (Cost \$7,004,165)		
Common Stocks - 0.31%		
Sands China Ltd. <sup>B</sup>	1,790,000	6,273,723
Netherlands - 4.80%		
Common Stocks - 4.80%		
Aegon N.V. <sup>B</sup>	5,563,545	15,069,100
Akzo Nobel N.V. <sup>B</sup>	160,145	15,430,307
ING Groep N.V. <sup>B C</sup>	3,172,598	21,768,285
JDE Peet's B.V. <sup>B C</sup>	133,507	4,759,850
NN Group N.V. <sup>B</sup>	468,336	16,382,060
Randstad N.V. <sup>B C</sup>	34,494	1,724,277
Signify N.V. <sup>B C D</sup>	254,548	9,070,550
Wolters Kluwer N.V. <sup>B</sup>	171,252	13,881,232
<b>Total Common Stocks</b>		<b>98,085,661</b>
<b>Total Netherlands (Cost \$100,566,342)</b>		<b>98,085,661</b>
Norway - 0.93%		
Common Stocks - 0.93%		
Equinor ASA <sup>B</sup>	517,017	6,632,801
Telenor ASA <sup>B</sup>	803,088	12,395,709
<b>Total Common Stocks</b>		<b>19,028,510</b>
<b>Total Norway (Cost \$22,914,253)</b>		<b>19,028,510</b>

See accompanying notes



# American Beacon International Equity Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>Portugal - 0.54%</b>		
<b>Common Stocks - 0.54%</b>		
EDP - Energias de Portugal S.A. <sup>B</sup> . . . . .	1,656,523	\$ 8,153,425
Galp Energia SGPS S.A. <sup>B</sup> . . . . .	348,532	2,826,490
<b>Total Common Stocks</b>		<b>10,979,915</b>
<b>Total Portugal (Cost \$10,155,925)</b>		<b>10,979,915</b>
<b>Republic of Korea - 3.93%</b>		
<b>Common Stocks - 3.93%</b>		
Hana Financial Group, Inc. <sup>B</sup> . . . . .	98,606	2,660,947
Hyundai Mobis Co., Ltd. <sup>B</sup> . . . . .	88,858	17,783,452
Hyundai Motor Co. <sup>B</sup> . . . . .	65,992	9,653,580
Kia Motors Corp. <sup>B</sup> . . . . .	103,705	4,647,447
Samsung Electronics Co., Ltd. <sup>B</sup> . . . . .	678,513	34,024,946
SK Hynix, Inc. <sup>B</sup> . . . . .	164,511	11,650,560
<b>Total Common Stocks</b>		<b>80,420,932</b>
<b>Total Republic of Korea (Cost \$64,976,126)</b>		<b>80,420,932</b>
<b>Singapore - 0.46% (Cost \$8,764,928)</b>		
<b>Common Stocks - 0.46%</b>		
DBS Group Holdings Ltd. <sup>B</sup> . . . . .	632,510	9,421,426
<b>Spain - 2.84%</b>		
<b>Common Stocks - 2.84%</b>		
Aena SME S.A. <sup>B C D</sup> . . . . .	62,265	8,410,119
Amadeus IT Group S.A. <sup>B</sup> . . . . .	226,942	10,877,733
Banco Bilbao Vizcaya Argentaria S.A. <sup>B</sup> . . . . .	5,530,157	15,922,609
Banco Santander S.A. <sup>B C</sup> . . . . .	3,446,873	6,900,960
CaixaBank S.A. <sup>B</sup> . . . . .	6,178,724	11,286,553
Telefonica S.A. <sup>B</sup> . . . . .	1,416,757	4,632,117
<b>Total Common Stocks</b>		<b>58,030,091</b>
<b>Total Spain (Cost \$73,955,283)</b>		<b>58,030,091</b>
<b>Sweden - 0.79%</b>		
<b>Common Stocks - 0.79%</b>		
Sandvik AB <sup>B C</sup> . . . . .	456,626	8,135,746
Volvo AB, Class B <sup>B C</sup> . . . . .	410,594	7,994,416
<b>Total Common Stocks</b>		<b>16,130,162</b>
<b>Total Sweden (Cost \$14,465,858)</b>		<b>16,130,162</b>
<b>Switzerland - 8.26%</b>		
<b>Common Stocks - 8.26%</b>		
ABB Ltd. <sup>B</sup> . . . . .	1,440,072	34,919,737
Cie Financiere Richemont S.A. <sup>B</sup> . . . . .	228,480	14,311,395
Credit Suisse Group AG <sup>B</sup> . . . . .	2,706,718	25,565,507
Flughafen Zurich AG <sup>B C</sup> . . . . .	38,840	5,236,583
Novartis AG <sup>B</sup> . . . . .	499,852	39,011,487
Roche Holding AG <sup>B</sup> . . . . .	39,339	12,628,436
UBS Group AG <sup>B</sup> . . . . .	2,244,652	26,027,493
Zurich Insurance Group AG <sup>B</sup> . . . . .	33,861	11,212,362
<b>Total Common Stocks</b>		<b>168,913,000</b>
<b>Total Switzerland (Cost \$171,594,628)</b>		<b>168,913,000</b>

See accompanying notes

# American Beacon International Equity Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>United Kingdom - 14.84%</b>		
<b>Common Stocks - 14.37%</b>		
3i Group PLC <sup>B</sup>	287,379	\$ 3,580,208
Aviva PLC <sup>B</sup>	2,618,013	8,767,430
Babcock International Group PLC <sup>B</sup>	3,484,829	9,808,579
Balfour Beatty PLC <sup>B C</sup>	1,571,113	4,350,672
Barclays PLC <sup>B C</sup>	27,475,497	38,161,391
BP PLC <sup>B</sup>	2,778,701	7,106,539
British American Tobacco PLC <sup>B</sup>	503,831	16,007,666
BT Group PLC <sup>B</sup>	8,528,972	11,225,029
Capita PLC <sup>B C</sup>	3,394,173	1,086,848
Coca-Cola European Partners PLC	103,735	3,704,377
Compass Group PLC <sup>B</sup>	806,924	11,037,627
GlaxoSmithKline PLC <sup>B</sup>	1,841,897	30,730,585
Imperial Brands PLC <sup>B</sup>	919,891	14,592,583
Informa PLC <sup>B C</sup>	1,596,628	8,665,631
International Consolidated Airlines Group S.A. <sup>B</sup>	4,600,530	5,751,010
Johnson Matthey PLC <sup>B</sup>	41,034	1,143,288
Kingfisher PLC <sup>B C</sup>	2,233,882	8,312,790
Linde PLC <sup>B C</sup>	17,217	3,789,380
Micro Focus International PLC <sup>B C</sup>	168,668	472,053
Prudential PLC <sup>B</sup>	1,522,324	18,592,931
RELX PLC <sup>B</sup>	832,275	16,473,343
Rolls-Royce Holdings PLC <sup>A B</sup>	5,046,822	4,665,399
RSA Insurance Group PLC <sup>B</sup>	1,041,335	5,732,629
Standard Chartered PLC <sup>B C</sup>	1,253,576	5,737,526
Tesco PLC <sup>B</sup>	5,262,148	14,013,055
Unilever PLC <sup>B</sup>	263,113	15,002,710
WH Smith PLC <sup>B</sup>	431,880	5,571,943
WPP PLC <sup>B</sup>	2,468,606	19,766,319
<b>Total Common Stocks</b>		<b>293,849,541</b>
<b>Rights - 0.47%</b>		
Rolls-Royce Holdings PLC <sup>A C</sup>	18,879,157	9,538,596
<b>Total United Kingdom (Cost \$423,536,616)</b>		<b>303,388,137</b>
<b>United States - 1.45%</b>		
<b>Common Stocks - 1.45%</b>		
Aon PLC, Class A	78,626	14,467,970
Ferguson PLC <sup>B</sup>	151,648	15,217,087
<b>Total Common Stocks</b>		<b>29,685,057</b>
<b>Total United States (Cost \$16,401,500)</b>		<b>29,685,057</b>
<b>SHORT-TERM INVESTMENTS - 2.69% (Cost \$55,081,499)</b>		
<b>Investment Companies - 2.69%</b>		
American Beacon U.S. Government Money Market Select Fund, 0.01% <sup>F G</sup>	55,081,499	55,081,499
<b>SECURITIES LENDING COLLATERAL - 0.25% (Cost \$5,030,543)</b>		
<b>Investment Companies - 0.25%</b>		
American Beacon U.S. Government Money Market Select Fund, 0.01% <sup>F G</sup>	5,030,543	5,030,543
<b>TOTAL INVESTMENTS - 99.27% (Cost \$2,252,608,268)</b>		<b>2,030,040,678</b>
<b>OTHER ASSETS, NET OF LIABILITIES - 0.73%</b>		<b>14,836,902</b>
<b>TOTAL NET ASSETS - 100.00%</b>		<b>\$ 2,044,877,580</b>

Percentages are stated as a percent of net assets.

<sup>A</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).

See accompanying notes

# American Beacon International Equity Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

<sup>B</sup> Fair valued pursuant to procedures approved by the Board of Trustees. At period end, the value of these securities amounted to \$1,892,052,851 or 92.53% of net assets.

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

<sup>D</sup> Security exempt from registration under the Securities Act of 1933. These securities may be resold to qualified institutional buyers pursuant to Rule 144A. At the period end, the value of these securities amounted to \$25,452,101 or 1.24% of net assets. The Fund has no right to demand registration of these securities.

<sup>E</sup> A type of Preferred Stock that has no maturity date.

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

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

ADR - American Depositary Receipt.

PLC - Public Limited Company.

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

#### Equity Futures Contracts

Description	Number of Contracts	Expiration Date	Notional Amount	Contract Value	Unrealized Appreciation (Depreciation)
Mini MSCI EAFE Index Futures	701	December 2020	\$ 64,524,974	\$ 62,525,695	\$ (1,999,279)
			<u>\$ 64,524,974</u>	<u>\$ 62,525,695</u>	<u>\$ (1,999,279)</u>

#### Index Abbreviations:

MSCI EAFE Morgan Stanley Capital International - Europe, Australasia, and Far East.

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:

International Equity Fund	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Foreign Common Stocks</b>				
Australia	\$ -	\$ 8,614,348	\$ -	\$ 8,614,348
Belgium	-	2,710,163	-	2,710,163
Canada	27,759,332	-	-	27,759,332
China	-	37,447,410	-	37,447,410
Denmark	-	24,889,219	-	24,889,219
Finland	-	16,283,711	-	16,283,711
France	-	342,186,319	-	342,186,319
Germany	-	190,567,225	-	190,567,225
Ireland	22,405,510	924,394	-	23,329,904
Israel	-	7,122,684	-	7,122,684
Italy	-	77,102,886	-	77,102,886
Japan	-	361,451,442	-	361,451,442
Luxembourg	-	10,136,439	-	10,136,439
Macao	-	6,273,723	-	6,273,723
Netherlands	-	98,085,661	-	98,085,661
Norway	-	19,028,510	-	19,028,510
Portugal	-	10,979,915	-	10,979,915
Republic of Korea	-	80,420,932	-	80,420,932
Singapore	-	9,421,426	-	9,421,426
Spain	-	58,030,091	-	58,030,091
Sweden	-	16,130,162	-	16,130,162
Switzerland	-	168,913,000	-	168,913,000
United Kingdom	3,704,377	290,145,164	-	293,849,541
<b>Foreign Preferred Stocks</b>				
Germany	-	39,970,940	-	39,970,940
<b>Foreign Rights</b>				
United Kingdom	9,538,596	-	-	9,538,596

See accompanying notes

# American Beacon International Equity Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

International Equity Fund	Level 1	Level 2	Level 3	Total
<i>Assets (continued)</i>				
Common Stocks				
United States . . . . .	\$ 14,467,970	\$ 15,217,087	\$ -	\$ 29,685,057
Short-Term Investments . . . . .	55,081,499	-	-	55,081,499
Securities Lending Collateral . . . . .	5,030,543	-	-	5,030,543
Total Investments in Securities - Assets . . . . .	<u>\$ 137,987,827</u>	<u>\$ 1,892,052,851</u>	<u>\$ -</u>	<u>\$ 2,030,040,678</u>
<i>Financial Derivative Instruments - Liabilities</i>				
Futures Contracts . . . . .	\$ (1,999,279)	\$ -	\$ -	\$ (1,999,279)
Total Financial Derivative Instruments - Liabilities . . . . .	<u>\$ (1,999,279)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,999,279)</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 Tocqueville International Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares/Par Amount	Fair Value
<b>Australia - 1.88% (Cost \$5,899,778)</b>		
<b>Common Stocks - 1.88%</b>		
BHP Group Ltd., Sponsored ADR <sup>A</sup> . . . . .	139,200	\$ 6,696,912
<b>Belgium - 2.29% (Cost \$8,420,077)</b>		
<b>Common Stocks - 2.29%</b>		
Groupe Bruxelles Lambert S.A. <sup>B</sup> . . . . .	99,312	8,132,895
<b>Canada - 2.41% (Cost \$8,793,216)</b>		
<b>Common Stocks - 2.41%</b>		
Nutrien Ltd. . . . .	210,800	8,575,344
<b>China - 5.79%</b>		
<b>Common Stocks - 5.79%</b>		
Alibaba Group Holding Ltd., Sponsored ADR <sup>C</sup> . . . . .	37,365	11,384,742
Tencent Holdings Ltd., ADR . . . . .	120,700	9,214,238
<b>Total Common Stocks</b>		<b>20,598,980</b>
<b>Total China (Cost \$11,966,770)</b>		<b>20,598,980</b>
<b>Finland - 1.29% (Cost \$6,788,748)</b>		
<b>Common Stocks - 1.29%</b>		
Nokia OYJ, Sponsored ADR <sup>A C</sup> . . . . .	1,364,400	4,598,028
<b>France - 14.28%</b>		
<b>Common Stocks - 14.28%</b>		
Bollore S.A. <sup>B</sup> . . . . .	2,383,504	8,551,675
Bureau Veritas S.A. <sup>B C</sup> . . . . .	413,598	9,113,983
Danone S.A. <sup>B</sup> . . . . .	121,600	6,721,093
EssilorLuxottica S.A. <sup>B C</sup> . . . . .	57,500	7,123,791
Sanofi <sup>B</sup> . . . . .	108,081	9,770,447
Vivendi S.A. <sup>B</sup> . . . . .	329,300	9,520,069
<b>Total Common Stocks</b>		<b>50,801,058</b>
<b>Total France (Cost \$51,332,077)</b>		<b>50,801,058</b>
<b>Germany - 18.86%</b>		
<b>Common Stocks - 16.46%</b>		
adidas AG <sup>B C</sup> . . . . .	25,600	7,606,804
Continental AG <sup>B</sup> . . . . .	43,000	4,573,831
Duerr AG <sup>B</sup> . . . . .	182,782	5,250,960
GEA Group AG <sup>B</sup> . . . . .	154,064	5,124,288
Infineon Technologies AG <sup>B</sup> . . . . .	349,000	9,773,420
KION Group AG <sup>B</sup> . . . . .	44,000	3,424,593
MTU Aero Engines AG <sup>B</sup> . . . . .	20,100	3,431,951
Siemens AG, Sponsored ADR . . . . .	172,200	11,077,626
Software AG <sup>B</sup> . . . . .	128,100	4,589,994
Wacker Neuson SE <sup>B C</sup> . . . . .	201,736	3,708,497
<b>Total Common Stocks</b>		<b>58,561,964</b>
<b>Preferred Stocks - 2.40%</b>		
Henkel AG & Co. KGaA <sup>B D</sup> . . . . .	87,400	8,529,727
<b>Total Germany (Cost \$58,183,445)</b>		<b>67,091,691</b>

See accompanying notes

# American Beacon Tocqueville International Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>Ireland - 2.88% (Cost \$9,759,019)</b>		
<b>Common Stocks - 2.88%</b>		
CRH PLC <sup>B</sup> .....	292,375	\$ 10,265,806
<b>Japan - 22.10%</b>		
<b>Common Stocks - 22.10%</b>		
Amano Corp. <sup>B</sup> .....	424,903	10,028,253
FANUC Corp. <sup>B</sup> .....	57,600	12,242,919
Hitachi Ltd. <sup>B</sup> .....	319,868	10,786,735
Hoya Corp. <sup>B</sup> .....	71,100	8,050,081
Kao Corp. <sup>B</sup> .....	86,200	6,128,603
Makita Corp. <sup>B</sup> .....	204,100	9,022,149
Rohm Co., Ltd. <sup>B</sup> .....	90,100	6,941,629
Sony Corp., Sponsored ADR .....	115,100	9,629,266
Tokyo Broadcasting System Holdings, Inc. <sup>B</sup> .....	374,300	5,787,637
<b>Total Common Stocks</b>		<b>78,617,272</b>
<b>Total Japan (Cost \$61,358,805)</b>		<b>78,617,272</b>
<b>Mexico - 0.49% (Cost \$1,969,343)</b>		
<b>Common Stocks - 0.49%</b>		
Fomento Economico Mexicano S.A.B. de C.V., Series B, Sponsored ADR .....	32,600	1,752,902
<b>Republic of Korea - 3.11% (Cost \$7,592,806)</b>		
<b>Preferred Stocks - 3.11%</b>		
Samsung Electronics Co., Ltd. <sup>B D</sup> .....	249,200	11,057,071
<b>Spain - 1.64% (Cost \$8,109,226)</b>		
<b>Common Stocks - 1.64%</b>		
Applus Services S.A. <sup>B C</sup> .....	745,413	5,842,457
<b>Switzerland - 7.26%</b>		
<b>Common Stocks - 7.26%</b>		
Alcon, Inc. <sup>A C</sup> .....	114,900	6,530,916
Dufry AG <sup>A B C</sup> .....	66,500	2,512,158
Novartis AG, Sponsored ADR .....	103,150	8,053,952
Roche Holding AG <sup>B</sup> .....	27,200	8,731,626
<b>Total Common Stocks</b>		<b>25,828,652</b>
<b>Total Switzerland (Cost \$22,524,656)</b>		<b>25,828,652</b>
<b>Taiwan - 0.61% (Cost \$1,158,352)</b>		
<b>Common Stocks - 0.61%</b>		
Taiwan Semiconductor Manufacturing Co., Ltd., Sponsored ADR .....	26,100	2,189,007
<b>United Kingdom - 8.99%</b>		
<b>Common Stocks - 8.99%</b>		
Diageo PLC, Sponsored ADR .....	54,200	7,055,756
IMI PLC <sup>B</sup> .....	408,400	5,486,841
ITV PLC <sup>B C</sup> .....	1,950,000	1,830,133
Smiths Group PLC <sup>B</sup> .....	522,645	9,005,121
Unilever N.V. ....	152,000	8,597,120
<b>Total Common Stocks</b>		<b>31,974,971</b>
<b>Total United Kingdom (Cost \$30,759,570)</b>		<b>31,974,971</b>

See accompanying notes

# American Beacon Tocqueville International Value Fund<sup>SM</sup>

## Schedule of Investments

October 31, 2020

	Shares	Fair Value
<b>SHORT-TERM INVESTMENTS - 3.26% (Cost \$11,592,030)</b>		
<b>Investment Companies - 3.26%</b>		
American Beacon U.S. Government Money Market Select Fund, 0.01% <sup>EF</sup> . . . . .	11,592,030	\$ 11,592,030
<b>SECURITIES LENDING COLLATERAL - 0.94% (Cost \$3,339,142)</b>		
<b>Investment Companies - 0.94%</b>		
American Beacon U.S. Government Money Market Select Fund, 0.01% <sup>EF</sup> . . . . .	3,339,142	3,339,142
<b>TOTAL INVESTMENTS - 98.08% (Cost \$309,547,060)</b>		348,954,218
<b>OTHER ASSETS, NET OF LIABILITIES - 1.92%</b>		6,843,169
<b>TOTAL NET ASSETS - 100.00%</b>		<u>\$ 355,797,387</u>

Percentages are stated as a percent of net assets.

<sup>A</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>B</sup> Fair valued pursuant to procedures approved by the Board of Trustees. At period end, the value of these securities amounted to \$238,667,237 or 67.08% of net assets.

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

<sup>D</sup> A type of Preferred Stock that has no maturity date.

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

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

ADR - American Depositary Receipt.

PLC - Public Limited Company.

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:

Tocqueville International Value Fund	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Foreign Common Stocks</b>				
Australia . . . . .	\$ 6,696,912	\$ -	\$ -	\$ 6,696,912
Belgium . . . . .	-	8,132,895	-	8,132,895
Canada . . . . .	8,575,344	-	-	8,575,344
China . . . . .	20,598,980	-	-	20,598,980
Finland . . . . .	4,598,028	-	-	4,598,028
France . . . . .	-	50,801,058	-	50,801,058
Germany . . . . .	11,077,626	47,484,338	-	58,561,964
Ireland . . . . .	-	10,265,806	-	10,265,806
Japan . . . . .	9,629,266	68,988,006	-	78,617,272
Mexico . . . . .	1,752,902	-	-	1,752,902
Spain . . . . .	-	5,842,457	-	5,842,457
Switzerland . . . . .	14,584,868	11,243,784	-	25,828,652
Taiwan . . . . .	2,189,007	-	-	2,189,007
United Kingdom . . . . .	15,652,876	16,322,095	-	31,974,971
<b>Foreign Preferred Stocks</b>				
Germany . . . . .	-	8,529,727	-	8,529,727
Republic of Korea . . . . .	-	11,057,071	-	11,057,071
Short-Term Investments . . . . .	11,592,030	-	-	11,592,030
Securities Lending Collateral . . . . .	3,339,142	-	-	3,339,142
<b>Total Investments in Securities - Assets</b>	<u>\$ 110,286,981</u>	<u>\$ 238,667,237</u>	<u>\$ -</u>	<u>\$ 348,954,218</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 Funds<sup>SM</sup>

## Statements of Assets and Liabilities

October 31, 2020

	International Equity Fund	Tocqueville International Value Fund
<b>Assets:</b>		
Investments in unaffiliated securities, at fair value <sup>15</sup>	\$ 1,969,928,636	\$ 334,023,046
Investments in affiliated securities, at fair value <sup>1</sup>	60,112,042	14,931,172
Foreign currency, at fair value <sup>21</sup>	615	798
Cash collateral held at broker for futures contracts	5,864,000	-
Dividends and interest receivable	6,312,770	770,563
Deposits with broker for futures contracts	1,678,777	-
Receivable for investments sold	6,611,691	7,620,696
Receivable for fund shares sold	3,010,973	250,956
Receivable for tax reclaims	7,724,329	3,427,022
Prepaid expenses	57,476	19,094
<b>Total assets</b>	<b>2,061,301,309</b>	<b>361,043,347</b>
<b>Liabilities:</b>		
Payable for investments purchased	3,969,067	286,727
Payable for fund shares redeemed	2,717,560	1,041,227
Payable for expense recoupment (Note 2)	48,631	77,133
Management and sub-advisory fees payable (Note 2)	2,064,690	215,571
Service fees payable (Note 2)	42,728	38,693
Transfer agent fees payable (Note 2)	129,477	20,963
Payable upon return of securities loaned (Note 9) <sup>5</sup>	5,030,543	3,339,142
Custody and fund accounting fees payable	118,088	65,856
Professional fees payable	102,974	61,747
Trustee fees payable (Note 2)	22,026	3,818
Payable for prospectus and shareholder reports	118,973	66,106
Payable for variation margin from open futures contracts (Note 5)	1,997,698	-
Other liabilities	61,274	28,977
<b>Total liabilities</b>	<b>16,423,729</b>	<b>5,245,960</b>
<b>Net assets</b>	<b>\$ 2,044,877,580</b>	<b>\$ 355,797,387</b>
<b>Analysis of net assets:</b>		
Paid-in-capital	\$ 2,420,523,191	\$ 362,062,151
Total distributable earnings (deficits) <sup>A</sup>	(375,645,611)	(6,264,764)
<b>Net assets</b>	<b>\$ 2,044,877,580</b>	<b>\$ 355,797,387</b>

See accompanying notes



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

## Statements of Assets and Liabilities

October 31, 2020

	International Equity Fund	Tocqueville International Value Fund
<b>Shares outstanding at no par value (unlimited shares authorized):</b>		
R5 Class <sup>B</sup> . . . . .	65,779,478	1,304,804
Y Class . . . . .	42,918,212	8,778,895
Investor Class . . . . .	6,369,697	12,747,555
Advisor Class . . . . .	1,096,503	N/A
A Class . . . . .	653,673	N/A
C Class . . . . .	245,301	N/A
R6 Class . . . . .	19,970,514	N/A
<b>Net assets:</b>		
R5 Class <sup>B</sup> . . . . .	\$ 968,859,543	\$ 20,327,704
Y Class . . . . .	\$ 659,159,857	\$ 136,563,697
Investor Class . . . . .	\$ 92,817,287	\$ 198,905,986
Advisor Class . . . . .	\$ 16,387,094	N/A
A Class . . . . .	\$ 9,512,972	N/A
C Class . . . . .	\$ 3,431,934	N/A
R6 Class . . . . .	\$ 294,708,893	N/A
<b>Net asset value, offering and redemption price per share:</b>		
R5 Class <sup>B</sup> . . . . .	\$ 14.73	\$ 15.58
Y Class . . . . .	\$ 15.36	\$ 15.56
Investor Class . . . . .	\$ 14.57	\$ 15.60
Advisor Class . . . . .	\$ 14.94	N/A
A Class . . . . .	\$ 14.55	N/A
A Class (offering price) . . . . .	\$ 15.44	N/A
C Class . . . . .	\$ 13.99	N/A
R6 Class . . . . .	\$ 14.76	N/A
<sup>†</sup> Cost of investments in unaffiliated securities . . . . .	\$ 2,192,496,226	\$ 294,615,888
<sup>‡</sup> Cost of investments in affiliated securities . . . . .	\$ 60,112,042	\$ 14,931,172
<sup>§</sup> Fair value of securities on loan . . . . .	\$ 11,928,357	\$ 9,651,778
<sup>¶</sup> Cost of foreign currency . . . . .	\$ 621	\$ 805

<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 Funds<sup>SM</sup>

## Statements of Operations

For the year ended October 31, 2020

	International Equity Fund	Tocqueville International Value Fund
<b>Investment income:</b>		
Dividend income from unaffiliated securities (net of foreign taxes) <sup>†</sup>	\$ 62,070,819	\$ 7,953,778
Dividend income from affiliated securities (Note 2)	633,406	70,410
Interest income (net of foreign taxes) <sup>†</sup>	-	-
Income derived from securities lending (Note 9)	404,126	49,629
<b>Total investment income</b>	<b>63,108,351</b>	<b>8,073,817</b>
<b>Expenses:</b>		
Management and sub-advisory fees (Note 2)	15,095,050	3,380,047
Transfer agent fees:		
R5 Class (Note 2) <sup>A</sup>	289,222	9,303
Y Class (Note 2)	836,956	256,696
Investor Class	10,404	23,661
Advisor Class	2,485	-
A Class	3,377	-
C Class	3,139	-
R6 Class	21,919	-
Custody and fund accounting fees	753,947	116,354
Professional fees	315,221	114,068
Registration fees and expenses	153,945	96,795
Service fees (Note 2):		
Investor Class	545,988	860,322
Advisor Class	90,049	-
A Class	17,544	-
C Class	4,541	-
Distribution fees (Note 2):		
Advisor Class	90,052	-
A Class	28,124	-
C Class	45,714	-
Prospectus and shareholder report expenses	404,334	-
Trustee fees (Note 2)	216,483	38,267
Loan expense (Note 10)	17,810	6,148
Other expenses	221,782	39,243
<b>Total expenses</b>	<b>19,168,086</b>	<b>4,940,904</b>
Net fees waived and expenses (reimbursed) (Note 2)	(91,407)	(4,475)
<b>Net expenses</b>	<b>19,076,679</b>	<b>4,936,429</b>
<b>Net investment income</b>	<b>44,031,672</b>	<b>3,137,388</b>
<b>Realized and unrealized gain (loss) from investments:</b>		
Net realized gain (loss) from:		
Investments in unaffiliated securities <sup>‡</sup>	(109,675,913)	(40,846,605)
Commission recapture (Note 1)	32,058	-
Foreign currency transactions	(1,491,993)	(697,049)
Futures contracts	2,018,231	-
Change in net unrealized appreciation (depreciation) of:		
Investments in unaffiliated securities <sup>‡</sup>	(329,703,087)	27,715,775
Foreign currency transactions	424,560	160,367
Futures contracts	(4,852,380)	-
<b>Net (loss) from investments</b>	<b>(443,248,524)</b>	<b>(13,667,512)</b>
<b>Net (decrease) in net assets resulting from operations</b>	<b>\$ (399,216,852)</b>	<b>\$ (10,530,124)</b>

<sup>†</sup> Foreign taxes \$ 7,375,577 \$ 1,192,111

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

<sup>‡</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 Funds<sup>SM</sup>

## Statements of Changes in Net Assets

	International Equity Fund		Tocqueville International Value Fund	
	Year Ended October 31, 2020	Year Ended October 31, 2019	Year Ended October 31, 2020	Year Ended October 31, 2019
<b>Increase (decrease) in net assets:</b>				
<b>Operations:</b>				
Net investment income . . . . .	\$ 44,031,672	\$ 81,041,936	\$ 3,137,388	\$ 13,361,129
Net realized gain (loss) from investments in unaffiliated securities, commission recapture, foreign currency transactions, and futures contracts . . . . .	(109,117,617)	(72,780,763)	(41,543,654)	2,085,785
Change in net unrealized appreciation (depreciation) of investments in unaffiliated securities, foreign currency transactions, and futures contracts . . . . .	(334,130,907)	149,515,312	27,876,142	11,000,166
<b>Net increase (decrease) in net assets resulting from operations . . . . .</b>	<b>(399,216,852)</b>	<b>157,776,485</b>	<b>(10,530,124)</b>	<b>26,447,080</b>
<b>Distributions to shareholders:</b>				
Total retained earnings:				
R5 Class <sup>AB</sup> . . . . .	(43,205,283)	(127,130,889)	(913,408)	-
Y Class <sup>A</sup> . . . . .	(24,303,477)	(70,121,553)	(5,529,636)	-
Investor Class . . . . .	(5,738,579)	(20,019,511)	(5,612,764)	(12,373,617)
Advisor Class . . . . .	(1,077,549)	(3,580,435)	-	-
A Class . . . . .	(369,593)	(1,054,868)	-	-
C Class . . . . .	(117,950)	(488,926)	-	-
R6 Class . . . . .	(6,125,156)	(7,544,822)	-	-
<b>Net distributions to shareholders . . . . .</b>	<b>(80,937,587)</b>	<b>(229,941,004)</b>	<b>(12,055,808)</b>	<b>(12,373,617)</b>
<b>Capital share transactions (Note 11):</b>				
Proceeds from sales of shares . . . . .	961,004,171	802,141,221	65,256,388	577,502,947
Reinvestment of dividends and distributions . . . . .	76,255,966	217,857,545	9,872,145	11,224,453
Cost of shares redeemed . . . . .	(1,375,328,666)	(971,911,716)	(318,581,846)	(1,040,964,339)
<b>Net increase (decrease) in net assets from capital share transactions . . . . .</b>	<b>(338,068,529)</b>	<b>48,087,050</b>	<b>(243,453,313)</b>	<b>(452,236,939)</b>
<b>Net (decrease) in net assets . . . . .</b>	<b>(818,222,968)</b>	<b>(24,077,469)</b>	<b>(266,039,245)</b>	<b>(438,163,476)</b>
<b>Net assets:</b>				
Beginning of period . . . . .	2,863,100,548	2,887,178,017	621,836,632	1,060,000,108
<b>End of period . . . . .</b>	<b>\$ 2,044,877,580</b>	<b>\$ 2,863,100,548</b>	<b>\$ 355,797,387</b>	<b>\$ 621,836,632</b>

<sup>A</sup> Class commenced operations January 22, 2019 in the Tocqueville International Value Fund (Note 1).

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

See accompanying notes

# American Beacon Funds<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 Funds, each a series within the Trust, are registered under the Investment Company Act of 1940, as amended (the “Act”), as diversified, open-end management investment companies. As of October 31, 2020, the Trust consists of twenty-seven active series, two of which are presented in this filing: American Beacon International Equity Fund and American Beacon Tocqueville International Value Fund (collectively, the “Funds” and each individually a “Fund”). The remaining twenty-five 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.

Each Fund has multiple classes of shares designed to meet the needs of different groups of investors; however, not all of the Funds offer all classes. 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 Funds<sup>SM</sup>

## Notes to Financial Statements

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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 Funds in preparation of the financial statements. The Funds are considered investment companies and accordingly, follow 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 Funds. 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.

### *Currency Translation*

All assets and liabilities initially expressed in foreign currency values are converted into U.S. dollar values at the mean of the bid and ask prices of such currencies against U.S. dollars as last quoted by a recognized dealer. Income, expenses, and purchases and sales of investments are translated into U.S. dollars at the rate of the exchange prevailing on the respective dates of such transactions. The effect of changes in foreign currency exchange rates on investments is separately identified from the fluctuations arising from changes in market values of securities held and is reported with all other foreign currency gains and losses on the Funds' Statements of Operations.

### *Distributions to Shareholders*

The Funds distribute most or all of their 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 Funds do not have a fixed dividend rate and do not guarantee that they 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 Funds may designate earnings and profits distributed to shareholders on the redemption of shares.

### *Commission Recapture*

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

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

## Notes to Financial Statements

October 31, 2020

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

Investment income, realized and unrealized gains and losses from investments of the Funds are 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 Funds. 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 Funds 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 Funds or nature of the services performed and relative applicability to the Funds.

### *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 Funds and the Manager are parties to a Management Agreement that obligates the Manager to provide the Funds 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 Funds' average daily net assets that is calculated and accrued daily according to the following schedules:

#### International Equity Fund

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

#### Tocqueville International Value Fund

First \$5 billion .....	0.35%
Next \$5 billion .....	0.325%
Next \$10 billion .....	0.30%
Over \$20 billion .....	0.275%

The Trust, on behalf of the American Beacon International Equity Fund, and the Manager have entered into Investment Advisory Agreements with Causeway Capital Management LLC; Lazard Asset Management LLC; and American Century Investment Management, Inc. ("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.

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

## Notes to Financial Statements

October 31, 2020

The Trust, on behalf of the American Beacon Tocqueville International Value Fund, and the Manager have entered into an Investment Advisory Agreement with Tocqueville Asset Management L.P. (“Sub-Advisor”) pursuant to which the Fund has agreed to pay an annualized sub-advisory fee that is calculated and accrued daily according to the following schedule:

First \$1 billion .....	0.40%
Next \$1 billion .....	0.35%
Over \$2 billion .....	0.325%

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

### International Equity Fund

	Effective Fee Rate	Amount of Fees Paid
Management Fees .....	0.35%	\$ 8,699,005
Sub-Advisor Fees .....	0.26%	6,396,045
Total .....	0.61%	\$ 15,095,050

### Tocqueville International Value Fund

	Effective Fee Rate	Amount of Fees Paid
Management Fees .....	0.35%	\$ 1,583,397
Sub-Advisor Fees .....	0.40%	1,796,650
Total .....	0.75%	\$ 3,380,047

As compensation for services provided by the Manager in connection with securities lending activities conducted by the Funds, 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 Statements of Operations. During the year ended October 31, 2020, the Manager received securities lending fees of \$52,945 and \$6,062 for the securities lending activities of the International Equity Fund and Tocqueville International Value Fund, respectively.

### Distribution Plans

The Funds, except for the Advisor, A, and C Classes of the Funds, have 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 Funds 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 Funds do 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 Funds. 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.



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

## Notes to Financial Statements

October 31, 2020

### Service Plans

The Investor, A and C Classes have each adopted a Service Plan (collectively, the “Plans”). The Plans authorize the payment to the Manager an annual fee up to 0.375% of the average daily net assets of the Investor Class, up to 0.25% of the average daily net assets of the A Class and up to 0.25% of the average daily net assets of the C Class. In addition, the Funds may reimburse the Manager for certain non-distribution shareholder services provided by financial intermediaries attributable to Y Class and R5 Class. The Manager or other approved entities may spend such amounts on any activities or expenses primarily intended to result in or relate to the servicing of A Class, C Class, Y Class, R5 Class and Investor Class including, but not limited to, payment of shareholder service fees and transfer agency or sub-transfer agency expenses. The fees will be payable monthly in arrears. The primary expenses expected to be incurred under the Plans are shareholder servicing, record keeping fees and servicing fees paid to financial intermediaries such as plan sponsors and broker-dealers.

### 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 Funds and has agreed to compensate the intermediaries for providing these services. Intermediaries transact with the Funds primarily through the use of omnibus accounts on behalf of their customers who hold positions in the Funds. Certain services would have been provided by the Funds’ transfer agent and other service providers if the shareholders’ accounts were maintained directly by the Funds’ transfer agent. Accordingly, the Funds, pursuant to Board approval, have 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 Statements of Operations, were as follows:

<u>Fund</u>	<u>Sub-Transfer Agent Fees</u>
International Equity . . . . .	\$ 1,033,618
Tocqueville International Value . . . . .	245,127

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

<u>Fund</u>	<u>Reimbursement Sub-Transfer Agent Fees</u>
International Equity . . . . .	\$ 97,324
Tocqueville International Value . . . . .	12,526



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

## Notes to Financial Statements

October 31, 2020

### Investments in Affiliated Funds

The Funds may invest in the American Beacon U.S. Government Money Market Select Fund (the “USG Select Fund”). Cash collateral received by the Funds in connection with securities lending may also be invested in the USG Select Fund. The Funds 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.

Affiliated Security	Type of Transaction	Fund	October 31, 2020 Shares/Principal	Change in Unrealized Gain (Loss)	Realized Gain (Loss)	Dividend Income	October 31, 2020 Fair Value
U.S. Government Money Market Select Fund . . .	Direct	International Equity	\$ 55,081,499	\$ -	\$ -	\$ 633,406	\$ 55,081,499
U.S. Government Money Market Select Fund . . .	Securities Lending	International Equity	5,030,543	-	-	N/A	5,030,543
U.S. Government Money Market Select Fund . . .	Direct	Tocqueville International Value	11,592,030	-	-	70,410	11,592,030
U.S. Government Money Market Select Fund . . .	Securities Lending	Tocqueville International Value	3,339,142	-	-	N/A	3,339,142

The Funds 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 Funds’ direct investments and securities lending collateral investments in the USG Select Fund as shown below:

Fund	Direct Investments in USG Select Fund	Securities Lending Collateral Investments in USG Select Fund	Total
International Equity . . . . .	\$ 72,249	\$ 8,683	\$ 80,932
Tocqueville International Value . . . . .	9,794	3,126	12,920

### Interfund Credit Facility

Pursuant to an exemptive order issued by the U.S. Securities and Exchange Commission (“SEC”), the Funds, 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 Tocqueville International Value Fund borrowed on average \$2,531,029 for 15 days at an average interest rate of 1.30% with interest charges of \$1,343. These amounts are recorded as “Other expenses” in the Statements of Operations. During the year ended October 31, 2020, the International Equity Fund did not utilize the credit facility.

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

## Notes to Financial Statements

October 31, 2020

### Expense Reimbursement Plan

The Manager contractually agreed to reduce fees and/or reimburse expenses for the R6 Class of the International Equity Fund and the R5 and Y Classes of the Tocqueville International Value Fund to the extent that total operating expenses exceed the 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 - 2/28/2020	3/1/2020 - 10/31/2020			
International Equity . . . . .	R6	0.66%	0.69%	\$ 91,407	\$ (48,680)**	2022 - 2023
Tocqueville International Value . . . . .	R5*	0.89%	0.89%	5,595	(10,088)***	2022 - 2023
Tocqueville International Value . . . . .	Y	0.99%	0.99%	82,705	(82,705)	2022 - 2023
Tocqueville International Value . . . . .	Investor	1.25%	1.25%	-	-	2022 - 2023

\*Formerly Institutional Class

\*\* This amount represents Recouped Expenses from prior fiscal years and is reflected in Total Expenses on the Statements of Operations.

\*\*\* Of this amount, \$8,968 represents Recouped Expenses from prior fiscal years and is reflected in Total Expenses on the Statements of Operations.

Of these amounts, \$48,631 and \$77,133 were disclosed as a payable to the Manager on the Statements of Assets and Liabilities at October 31, 2020 for the International Equity Fund and Tocqueville International Value Fund, respectively.

The Funds have 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 Funds 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 Funds' 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 Funds did not record a liability for potential reimbursements due to the current assessment that reimbursements are uncertain. 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
International Equity . . . . .	\$ 494	\$ -	\$ 2,507	2019 - 2020
International Equity . . . . .	8,383	-	-	2020 - 2021
International Equity . . . . .	39,803	3,462	-	2021 - 2022
Tocqueville International Value . . . . .	8,968	-	-	2021 - 2022

### Sales Commissions

The Funds' 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 \$196 for International Equity Fund from the sale of Class A Shares. The Tocqueville International Value Fund does not offer Class A Shares.

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 Funds' 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 International Equity Fund.

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## Notes to Financial Statements

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A CDSC of 1.00% will be deducted with respect to Class C of the International Equity Fund 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 \$61,418 were collected for the Class C Shares of International Equity Fund. The Tocqueville International Value Fund does not offer Class C Shares.

### *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 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.



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## Notes to Financial Statements

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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.

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 Funds' 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.



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## Notes to Financial Statements

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### *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. Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the close of the Exchange. These securities are valued using pricing service providers that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are 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.

OTC financial derivative instruments, such as forward foreign currency contracts derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued on the basis of broker dealer quotations or pricing service providers. Depending on the product and the terms of the transaction, the fair value of the financial derivative contracts can be estimated by a pricing service provider using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as issuer details, indices, spreads, interest rates, curves, dividends, and exchange rates. Financial derivatives that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

### *Level 3 trading assets and trading liabilities, at fair value*

The valuation techniques and significant inputs used in determining the fair values of financial instruments classified as Level 3 of the fair value hierarchy are as follows.

Securities and other assets for which market quotes are not readily available are valued at fair value as determined in good faith by the Board or persons acting at their direction and may be categorized as Level 3 of the fair value hierarchy.

Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information or broker quotes), including where events occur after the close of the relevant market, but prior to the Exchange close, that materially affect the values of the Fund's securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade, do not open for trading for the entire day and no other market prices are available. The Board has delegated to the Manager the responsibility for monitoring significant events that may materially affect the fair values of a Fund's securities or assets and for determining whether the value of the applicable securities or assets should be re-evaluated in light of such significant events.

The Board has adopted methods for valuing securities and other assets in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to the Manager. For instances in which daily market quotes are not readily available, investments may be valued pursuant to guidelines established by the Board. In the event that the security or asset cannot be valued, pursuant to one of the valuation methods established by the Board, the fair value of the security or asset will be determined in good faith by the Valuation Committee, generally based upon recommendations provided by the Manager.

When a Fund uses fair valuation methods applied by the Manager that use significant unobservable inputs to determine its NAV, the securities priced using this methodology are categorized as Level 3 of the fair value

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

## Notes to Financial Statements

October 31, 2020

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hierarchy. These methods may require subjective determinations about the value of a security. While the Trust's policy is intended to result in a calculation of the Fund's NAV that fairly reflects security values as of the time of pricing, the Trust cannot guarantee that values determined by the Board or persons acting at their direction would accurately reflect the price that a Fund could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by a Fund may differ from the value that would be realized if the securities were sold.

### 4. Securities and Other Investments

#### *American Depositary Receipts*

ADRs are depositary receipts for foreign issuers in registered form traded in U.S. securities markets. 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 Funds' 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 Funds 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 Funds 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.

#### *Foreign Securities*

The Funds may invest in U.S. dollar-denominated and non-U.S. dollar denominated equity and debt securities of foreign issuers and foreign branches of U.S. banks, including negotiable certificates of deposit ("CDs"), bankers' acceptances, and commercial paper. Foreign issuers are issuers organized and doing business principally outside the United States and include corporations, banks, non-U.S. governments, and quasi-governmental organizations. While investments in foreign securities may be intended to reduce risk by providing further diversification, such investments involve sovereign and other risks, in addition to the credit and market risks normally associated with domestic securities. These additional risks include the possibility of adverse political and economic developments (including political or social instability, nationalization, expropriation, or confiscatory taxation); the potentially adverse effects of unavailability of public information regarding issuers, different governmental supervision and regulation of financial markets, reduced liquidity of certain financial markets, and the lack of uniform accounting, auditing, and financial reporting standards or the application of standards that are different or less stringent than those applied in the United States; different laws and customs governing securities tracking; and possibly limited access to the courts to enforce the Funds' rights as an investor.



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

## Notes to Financial Statements

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### *Illiquid and Restricted Securities*

Generally, an illiquid asset is an asset that the Funds reasonably expect cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment, as determined pursuant to Rule 22e-4 under the Investment Company Act or as otherwise permitted or required by SEC rules and interpretations. Historically, illiquid securities have included securities that have not been registered under the Securities Act, securities that are otherwise not readily marketable, and repurchase agreements having a remaining maturity of longer than seven calendar days. Securities that have not been registered under the Securities Act are referred to as private placements or restricted securities and are purchased directly from the issuer or in the secondary market. These securities may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. A large institutional market exists for certain securities that are not registered under the Securities Act, including repurchase agreements, commercial paper, foreign securities, municipal securities and corporate bonds and notes. Institutional investors depend on an efficient institutional market in which the unregistered security can be readily resold or on an issuer's ability to honor a demand for repayment. However, the fact that there are contractual or legal restrictions on resale of such investments to the general public or to certain institutions may not be indicative of their liquidity.

Limitations on resale may have an adverse effect on the marketability of portfolio securities, and the Fund might be unable to dispose of restricted or other illiquid securities promptly or at reasonable prices and might thereby experience difficulty satisfying redemptions within seven calendar days. In addition, the Fund may get only limited information about an issuer, so it may be less able to predict a loss. The Fund also might have to register such restricted securities in order to dispose of them resulting in additional expense and delay. Adverse market conditions could impede such a public offering of securities.

In recognition of the increased size and liquidity of the institutional market for unregistered securities and the importance of institutional investors in the formation of capital, the SEC adopted Rule 144A under the Securities Act. Rule 144A is designed to facilitate efficient trading among institutional investors by permitting the sale of certain unregistered securities to qualified institutional buyers. To the extent privately placed securities held by the Fund qualify under Rule 144A and an institutional market develops for those securities, the Fund likely will be able to dispose of the securities without registering them under the Securities Act. To the extent that institutional buyers become, for a time, uninterested in purchasing these securities, investing in Rule 144A securities could increase the level of the Fund's illiquidity. The Manager or the Sub-Advisor, as applicable, may determine that certain securities qualified for trading under Rule 144A are liquid. Regulation S under the Securities Act permits the sale abroad of securities that are not registered for sale in the United States and includes a provision for U.S. investors, such as the Fund, to purchase such unregistered securities if certain conditions are met.

Securities sold in private placement offerings made in reliance on the "private placement" exemption from registration afforded by Section 4(a)(2) of the Securities Act and resold to qualified institutional buyers under Rule 144A under the Securities Act ("Section 4(a)(2) securities") are restricted as to disposition under the federal securities laws, and generally are sold to institutional investors, such as the Fund, that agree they are purchasing the securities for investment and not with an intention to distribute to the public. Any resale by the purchaser must be pursuant to an exempt transaction and may be accomplished in accordance with Rule 144A. Section 4(a)(2) securities normally are resold to other institutional investors through or with the assistance of the issuer or dealers that make a market in the Section 4(a)(2) securities, thus providing liquidity.

Restricted securities outstanding during the year ended October 31, 2020 are disclosed in the Notes to the Schedules of Investments.

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

## Notes to Financial Statements

October 31, 2020

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

The Funds 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 Funds 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 Funds become a shareholder of that investment company. As a result, the Funds’ shareholders indirectly will bear the Funds’ proportionate share of the fees and expenses paid by shareholders of the other investment company, in addition to the fees and expenses the Funds’ shareholders directly bear in connection with the Funds’ 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 Funds in their Prospectus, if applicable. Investments in other investment companies may involve the payment of substantial premiums above the value of such issuer’s portfolio securities.

### *Preferred Stock*

A preferred stock blends the characteristics of a bond and common stock. It can offer the higher yield of a bond and has priority over common stock in equity ownership, but does not have the seniority of a bond and its participation in the issuer’s growth may be limited. Preferred stock generally has preference over common stock in the receipt of dividends and in any residual assets after payment to creditors should the issuer be dissolved. Although the dividend is set at a fixed or variable rate, in some circumstances it can be changed or omitted by the issuer. Preferred stocks are subject to the risks associated with other types of equity securities, as well as additional risks, such as credit risk, interest rate risk, potentially greater volatility and risks related to deferral, non-cumulative dividends, subordination, liquidity, limited voting rights, and special redemption rights.

## 5. Financial Derivative Instruments

The Funds may utilize derivative instruments to gain market exposure on cash balances to hedge foreign currency exposure or reduce market exposure in anticipation of liquidity needs. When considering the Funds’ use of derivatives, it is important to note that the Funds do not use derivatives for the purpose of creating financial leverage.

### *Forward Foreign Currency Contracts*

The Funds may enter into forward foreign currency contracts to hedge the exchange rate risk on investment transactions or to hedge the value of the Funds’ securities denominated in foreign currencies. Forward foreign currency contracts are valued at the forward exchange rate prevailing on the day of valuation. The Funds may also use currency contracts to increase exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another. The Funds bear the market risk that arises from changes in foreign exchange rates, and accordingly, the unrealized gain (loss) on these contracts is reflected in the accompanying financial statements. The Funds also bear the credit risk if the counterparty fails to perform under the contract.

During the year ended October 31, 2020, the International Equity Fund entered into forward foreign currency contracts primarily for hedging foreign currency fluctuations.

The Fund’s forward foreign currency contract notional dollar values outstanding fluctuate throughout the operating year as required to meet strategic requirements. The following table illustrates the average quarterly volume of forward foreign currency contracts. For the purpose of this disclosure, volume is measured by the amounts bought and sold in USD at each quarter end.

Average Forward Foreign Currency Notional Amounts Outstanding			
Year Ended October 31, 2020			
Fund	Purchased Contracts		Sold Contracts
International Equity . . . . .	\$	434,740	\$ -



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

## Notes to Financial Statements

October 31, 2020

### Futures Contracts

Futures contracts are contracts to buy or sell a standard quantity of securities at a specified price on a future date. The Funds 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 Funds are 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 Funds usually reflects this amount on the Schedules of Investments as a U.S. Treasury Bill held as collateral for futures contracts or as cash deposited with broker on the Statements 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 International Equity 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>
International Equity . . . . .	799

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

### International Equity Fund

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

<u>Liabilities:</u>	<u>Derivatives not accounted for as hedging instruments</u>					<u>Total</u>
	<u>Credit contracts</u>	<u>Foreign exchange contracts</u>	<u>Commodity contracts</u>	<u>Interest rate contracts</u>	<u>Equity contracts</u>	
Payable for variation margin from open futures contracts <sup>(2)</sup> . . . . .	\$ -	\$ -	\$ -	\$ -	\$ (1,999,279)	\$ (1,999,279)

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

<u>Realized gain (loss) from derivatives recognized as a result of operations</u>	<u>Derivatives not accounted for as hedging instruments</u>					<u>Total</u>
	<u>Credit contracts</u>	<u>Foreign exchange contracts</u>	<u>Commodity contracts</u>	<u>Interest rate contracts</u>	<u>Equity contracts</u>	
Futures contracts . . . . .	\$ -	\$ -	\$ -	\$ -	\$ 2,018,231	\$ 2,018,231
<u>Net change in unrealized appreciation (depreciation) of derivatives recognized as a result from operations:</u>	<u>Derivatives not accounted for as hedging instruments</u>					<u>Total</u>
	<u>Credit contracts</u>	<u>Foreign exchange contracts</u>	<u>Commodity contracts</u>	<u>Interest rate contracts</u>	<u>Equity contracts</u>	
Futures contracts . . . . .	\$ -	\$ -	\$ -	\$ -	\$ (4,852,380)	\$ (4,852,380)

<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 Statements of Assets and Liabilities.

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

## Notes to Financial Statements

October 31, 2020

### Master Agreements

Master Securities Forward Transaction Agreements (“Master Forward Agreements”) govern the considerations and factors surrounding the settlement of certain forward settling transactions, such as delayed delivery or sale-buyback financing transactions by and between the Fund and select counterparties. The Master Forward Agreements maintain provisions for, among other things, initiation and confirmation, payment and transfer, events of default, termination, and maintenance of collateral.

### Offsetting Assets and Liabilities

The Funds are parties to enforceable master netting agreements between brokers and counterparties which provide for the right to offset under certain circumstances. The Funds employ multiple money managers and counterparties and have elected not to offset qualifying financial and derivative instruments on the Statements 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.

### International Equity Fund

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

	Assets	Liabilities
Futures Contracts <sup>(1)</sup> . . . . .	\$ -	\$ 1,999,279
Total derivative assets and liabilities in the Statement of Assets and Liabilities . . . . .	\$ -	\$ 1,999,279
Derivatives not subject to a Master Netting Agreement or similar agreement (“MNA”) . . . . .	\$ -	\$ (1,999,279)

#### Remaining Contractual Maturity of the Agreements As of October 31, 2020

	Overnight and Continuous	<30 days	Between 30 & 90 days	>90 days	Total
Securities Lending Transactions					
Common Stocks . . . . .	\$ 5,030,543	\$ -	\$ -	\$ -	\$5,030,543
Total Borrowings . . . . .	\$ 5,030,543	\$ -	\$ -	\$ -	\$5,030,543
Gross amount of recognized liabilities for securities lending transactions . . . . .					\$5,030,543

<sup>(1)</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 Statements of Assets and Liabilities.

### Tocqueville International Value Fund

#### Remaining Contractual Maturity of the Agreements As of October 31, 2020

	Overnight and Continuous	<30 days	Between 30 & 90 days	>90 days	Total
Securities Lending Transactions					
Common Stocks . . . . .	\$ 3,339,142	\$ -	\$ -	\$ -	\$3,339,142
Total Borrowings . . . . .	\$ 3,339,142	\$ -	\$ -	\$ -	\$3,339,142
Gross amount of recognized liabilities for securities lending transactions . . . . .					\$3,339,142

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## Notes to Financial Statements

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### 6. Principal Risks

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

#### *Counterparty Risk*

The Funds are subject to the risk that a party or participant to a transaction, such as a broker or derivative counterparty, will be unwilling or unable to satisfy its obligation to make timely principal, interest or settlement payments or to otherwise honor its obligations to the Funds. As a result the Fund may obtain no recovery of its investment or may only obtain a limited recovery, and any recovery may be delayed. Not all derivative transactions require a counterparty to post collateral, which may expose the Fund to greater losses in the event of a default by a counterparty.

Some of the markets in which the Funds may effect derivative transactions are OTC or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight to the same extent as are members of “exchange-based” markets. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty and the recent turbulence in the financial markets highlights the importance of being aware of counterparty risk resulting from OTC derivative transactions. The Funds are subject to the risk that a party or participant to a transaction, such as a broker or derivative counterparty, will be unwilling or unable to satisfy its obligation to make timely principal, interest or settlement payments or to otherwise honor its obligations to the Funds. As a result, the Funds may obtain no recovery of its investment or may only obtain a limited recovery, and any recovery may be delayed. Not all derivative transactions require a counterparty to post collateral, which may expose the Funds to greater losses in the event of a default by a counterparty.

#### *Credit Risk*

The Funds are subject to the risk that the issuer or guarantor of a debt security, or the counterparty to a derivatives contract or a loan will fail to make timely payment of interest or principal or otherwise honor its obligations or default completely. A decline in the credit rating of an individual security held by the Funds may have an adverse impact on its price and make it difficult for the Funds to sell it. Ratings represent a rating agency’s opinion regarding the quality of the security and are not a guarantee of quality. Rating agencies might not always change their credit rating on an issuer or security in a timely manner to reflect events that could affect the issuer’s ability to make timely payments on its obligations. Credit risk is typically greater for securities with ratings that are below investment grade. Since the Funds can invest significantly in high-yield investments considered speculative in nature, this risk may be substantial.

#### *Currency Risk*

The Funds may have exposure to foreign currencies by making direct investments in non-U.S. currencies or in securities denominated in non-U.S. currencies, or by purchasing or selling forward currency exchange contracts in non-U.S. currencies. Foreign currencies may decline in value relative to the U.S. dollar, or, in the case of hedging positions, the U.S. dollar may decline in value relative to the currency being hedged, and thereby affect a Fund’s investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies. Currency exchange rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, the Funds’ investments in foreign currency denominated securities may reduce the returns of the Funds. Currency futures, forwards, options or swaps may not always work as intended, and in specific cases, the Funds may be worse off than if it had not used such instrument(s). There may not always be suitable hedging instruments available. Even where suitable hedging instruments are available, the Funds may choose to not hedge its currency risks.



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

## Notes to Financial Statements

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### *Equity Investments Risk*

Equity securities are subject to market risk. The Funds' investments in equity securities may include common stocks, preferred stocks, securities convertible into or exchangeable for common stocks, real estate investment trusts ("REITs"), depositary receipts, and U.S. dollar-denominated foreign stocks traded on U.S. exchanges. Such investments may expose the Funds to additional risk. The value of a company's common stock may fall as a result of factors affecting the 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 fluctuations and political and financial instability in the home country of a particular depositary receipt or foreign stock.

### *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 Funds invest 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.

### *Forward Foreign Currency Contracts Risk*

Forward foreign currency contracts, including non-deliverable forwards, are derivative instruments pursuant to a contract with a counterparty to pay a fixed price for an agreed amount of securities or other underlying assets at an agreed date or to buy or sell a specific currency at a future date at a price set at the time of the contract. The use of forward foreign currency contracts may expose the Funds to additional risks that it would not be subject to if it invested directly in the securities or currencies underlying the forward foreign currency contract.



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## Notes to Financial Statements

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### *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 Funds to additional risks that they would not be subject to if they 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 a 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).

### *Market Risk*

The Funds are 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 a 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.

### *Market Timing Risk*

Because the Funds invest in foreign securities, it is particularly subject to the risk of market timing activities. Frequent trading by Fund shareholders poses risks to other shareholders in the Funds, including (i) the dilution of the Funds' NAV, (ii) an increase in the Funds' expenses, and (iii) interference with the portfolio manager's ability to execute efficient investment strategies. Because of specific securities in which the Funds may invest, it could be subject to the risk of market timing activities by shareholders. Some examples of these types of securities are high-yield and foreign securities. The limited trading activity of some high-yield securities may result in market prices that do not reflect the true market value of these securities. The Funds generally price foreign securities using their closing prices from the foreign markets in which they trade, typically prior to the Funds'

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## Notes to Financial Statements

October 31, 2020

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calculation of its NAV. These prices may be affected by events that occur after the close of a foreign market but before the Funds price its shares. In such instances, the Funds may fair value high yield and foreign securities. However, some investors may engage in frequent short-term trading in the Funds to take advantage of any price differentials that may be reflected in the NAV of the Funds' shares. While the Manager monitors trading in the Funds, there is no guarantee that it can detect all market timing activities.

### *Multiple Sub-Advisor Risk*

The Manager may allocate the Funds' assets among multiple sub-advisors, each of which is responsible for investing its allocated portion of the Funds' assets. To a significant extent, the Funds' performance will depend on the success of the Manager in allocating the Funds' assets to sub-advisors and its selection and oversight of the sub-advisors. Because each sub-advisor manages its allocated portion of the Funds independently from another sub-advisor, the same security may be held in different portions of the Funds, or may be acquired for one portion of the Funds 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 Funds' 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 Funds. Because each sub-advisor directs the trading for its own portion of the Funds, and does not aggregate its transactions with those of the other sub-advisors, the Funds 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 Funds' assets among the Funds' sub-advisors in a manner that it believes is consistent with achieving the Funds' investment objective(s), the Manager may be subject to potential conflicts of interest in allocating the Funds' assets among sub-advisors, due to factors that could impact the Manager's revenues and profits.

### *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,



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

## Notes to Financial Statements

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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.

### *Other Investment Companies Risk*

The Funds may invest in shares of other registered investment companies, including money market funds, ETFs and business development companies (“BDCs”). To the extent that the Funds invest in shares of other registered investment companies, the Funds 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 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 Funds 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 may decline, adversely affecting the Fund’s performance. ETFs are subject to the following risks that do not apply to conventional funds: (1) the market price of an ETF’s shares may trade at a discount or premium to its NAV; (2) an active trading market for an ETF’s shares may not develop or be maintained; or (3) trading of an ETF’s shares may be halted if the listing exchange’s officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide “circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally. An ETF that tracks an index may not precisely replicate the returns of its benchmark index. To the extent the Funds invest in other investment companies that invest in equity securities, fixed-income securities and/or foreign securities, or that track an index, the Funds are 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. ETFs have expenses associated with their operation, typically including advisory fees. For example, the Funds’ investments in money market funds are subject to interest rate risk, credit risk, and market risk.

### *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”.

### *Valuation Risk*

This is the risk that a Fund has valued a security at a price different from the price at which it can be sold. This risk may be especially pronounced for investments, such as derivatives, which may be illiquid or which may become illiquid and for securities that trade in relatively thin markets and/or markets that experience extreme volatility. If market conditions make it difficult to value certain investments, a Fund may value these investments using more subjective methods, such as fair-value methodologies. Investors who purchase or redeem Fund shares on days when a Fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received if the Fund had not fair-valued the securities or had used a different valuation methodology. The value of foreign securities, certain fixed-income securities and currencies, as

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applicable, may be materially affected by events after the close of the markets on which they are traded, but before a Fund determines its NAV. The Fund's ability to value its investments in an accurate and timely manner may be impacted by technological issues and/or errors by third-party service providers, such as pricing services or accounting agents.

## 7. Federal Income and Excise Taxes

It is the policy of each 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, each Fund is treated as a single entity for the purpose of determining such qualification.

The Funds do 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 Funds recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in "Other expenses" on the Statements of Operations.

The Funds 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:

	International Equity Fund		Tocqueville International Value Fund	
	Year Ended October 31, 2020	Year Ended October 31, 2019	Year Ended October 31, 2020	Year Ended October 31, 2019
<b>Distributions paid from:</b>				
<b>Ordinary income*</b>				
R5 Class**	\$ 43,205,283	\$ 34,537,408	\$ 913,408	\$ -
Y Class	24,303,477	18,518,557	5,529,636	-
Investor Class	5,738,579	4,755,772	5,612,764	12,373,617
Advisor Class	1,077,549	791,389	-	-
A Class	369,593	242,775	-	-
C Class	117,950	73,960	-	-
R6 Class	6,125,156	2,075,537	-	-
<b>Long-term capital gains</b>				
R5 Class	-	92,593,481	-	-
Y Class	-	51,602,996	-	-
Investor Class	-	15,263,739	-	-
Advisor Class	-	2,789,046	-	-
A Class	-	812,093	-	-
C Class	-	414,966	-	-
R6 Class	-	5,469,285	-	-
<b>Total distributions paid</b>	<b>\$ 80,937,587</b>	<b>\$ 229,941,004</b>	<b>\$ 12,055,808</b>	<b>\$ 12,373,617</b>

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

\*\*Formerly known as Institutional Class.



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

Fund	Tax Cost	Unrealized Appreciation	Unrealized (Depreciation)	Net Unrealized Appreciation (Depreciation)
International Equity . . . . .	\$2,291,562,887	\$162,104,119	\$ (423,224,320)	\$ (261,120,201)
Tocqueville International Value . . . . .	311,079,452	51,272,559	(13,332,374)	37,940,185

Fund	Net Unrealized Appreciation (Depreciation)	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Accumulated Capital and Other (Losses)	Other Temporary Differences	Distributable Earnings
International Equity . . . . .	\$ (261,120,201)	\$ 37,472,291	\$ -	\$ (151,997,702)	\$ 1	\$ (375,645,611)
Tocqueville International Value . . . . .	37,940,185	683,138	-	(44,888,087)	-	(6,264,764)

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 the realization for tax purposes of unrealized gains from passive foreign investment companies.

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 Statements of Assets and Liabilities.

Accordingly, the following amounts represent current year permanent differences derived from Section 732 basis adjustments as of October 31, 2020:

Fund	Paid-In-Capital	Distributable Earnings/(Deficits)
International Equity . . . . .	\$ 269,201	\$ (269,201)
Tocqueville International Value . . . . .	-	-

Under the Regulated Investment Company Modernization Act of 2010 ("RIC MOD"), net capital losses recognized by the Funds 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 Funds had the following capital loss carryforwards:

Fund	Short-Term Capital Loss Carryforwards	Long-Term Capital Loss Carryforwards
International Equity . . . . .	\$ 62,592,823	\$ 89,404,879
Tocqueville International Value . . . . .	6,777,051	38,111,036

## 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)
International Equity . . . . .	\$ 1,830,393,352	\$ 2,142,595,585
Tocqueville International Value . . . . .	123,887,244	369,203,139

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

## Notes to Financial Statements

October 31, 2020

A summary of the Funds' 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
International Equity .....	Direct	\$ 130,261,958	\$1,481,004,429	1,556,184,888	\$ 55,081,499
International Equity .....	Securities Lending	12,296,539	261,271,751	268,537,747	5,030,543
Tocqueville International Value .....	Direct	24,820,282	194,478,219	207,706,471	11,592,030
Tocqueville International Value .....	Securities Lending	9,185,400	66,262,863	72,109,121	3,339,142

## 9. Securities Lending

The Funds may lend their 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 Funds' Schedule of Investments and the collateral is shown on the Statements 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 Funds, the Agent, and the Manager retained 80%, 10%, and 10%, respectively, of the income generated from securities lending.

While securities are on loan, the Funds continue 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 Funds would be subject to on the dividend.

Securities lending transactions pose certain risks to the Funds, 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 could become illiquid and unable to be used to return collateral to the borrower. The Funds could also experience delays and costs in gaining access to the collateral. The Funds bear 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.

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

## Notes to Financial Statements

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

Fund	Market Value of Securities on Loan	Cash Collateral Received	Non-Cash Collateral Received	Total Collateral Received
International Equity . . . . .	\$ 11,928,357	\$ 5,030,543	\$ 3,746,480	\$ 8,777,023
Tocqueville International Value . . . . .	9,651,778	3,339,142	6,613,931	9,953,073

Cash collateral is listed on the Funds' Schedules of Investments and is shown on the Statements of Assets and Liabilities. Income earned on these investments is included in "Income derived from securities lending" on the Statements of Operations.

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

## 10. Borrowing Arrangements

Effective November 12, 2020 (the "Effective Date"), the Funds, 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 Funds, 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 expense" on the Statements 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 Funds did not utilize this facility.



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

## Notes to Financial Statements

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### 11. Capital Share Transactions

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

R5 Class <sup>A</sup>					
Year Ended October 31,					
	2020		2019		
	Shares	Amount	Shares	Amount	
<u>International Equity Fund</u>					
Shares sold	28,411,612	\$ 413,054,584	24,359,431	\$ 419,653,044	
Reinvestment of dividends	2,205,748	40,475,468	7,634,480	120,930,168	
Shares redeemed	(47,892,354)	(714,194,178)	(35,164,350)	(612,015,555)	
Net (decrease) in shares outstanding	(17,274,994)	\$ (260,664,126)	(3,170,439)	\$ (71,432,343)	
Y Class					
Year Ended October 31,					
	2020		2019		
	Shares	Amount	Shares	Amount	
<u>International Equity Fund</u>					
Shares sold	15,009,570	\$ 226,696,600	8,988,272	\$ 160,621,998	
Reinvestment of dividends	1,184,510	22,683,362	3,927,273	64,839,285	
Shares redeemed	(20,937,732)	(342,134,108)	(11,858,802)	(213,196,249)	
Net increase (decrease) in shares outstanding	(4,743,652)	\$ (92,754,146)	1,056,743	\$ 12,265,034	
Investor Class					
Year Ended October 31,					
	2020		2019		
	Shares	Amount	Shares	Amount	
<u>International Equity Fund</u>					
Shares sold	1,943,992	\$ 28,602,293	1,642,389	\$ 28,386,833	
Reinvestment of dividends	311,501	5,672,429	1,262,316	19,843,606	
Shares redeemed	(8,253,006)	(123,295,754)	(4,080,763)	(69,925,950)	
Net (decrease) in shares outstanding	(5,997,513)	\$ (89,021,032)	(1,176,058)	\$ (21,695,511)	
Advisor Class					
Year Ended October 31,					
	2020		2019		
	Shares	Amount	Shares	Amount	
<u>International Equity Fund</u>					
Shares sold	662,934	\$ 9,904,449	562,306	\$ 9,859,157	
Reinvestment of dividends	57,643	1,077,351	221,918	3,579,533	
Shares redeemed	(2,124,838)	(34,005,957)	(849,750)	(15,010,142)	
Net (decrease) in shares outstanding	(1,404,261)	\$ (23,024,157)	(65,526)	\$ (1,571,452)	
A Class					
Year Ended October 31,					
	2020		2019		
	Shares	Amount	Shares	Amount	
<u>International Equity Fund</u>					
Shares sold	248,254	\$ 3,772,133	285,160	\$ 4,957,603	
Reinvestment of dividends	20,020	364,173	65,896	1,035,879	
Shares redeemed	(397,233)	(6,125,328)	(332,804)	(5,767,829)	
Net increase (decrease) in shares outstanding	(128,959)	\$ (1,989,022)	18,252	\$ 225,653	
C Class					
Year Ended October 31,					
	2020		2019		
	Shares	Amount	Shares	Amount	
<u>International Equity Fund</u>					
Shares sold	45,274	\$ 697,918	87,222	\$ 1,451,278	
Reinvestment of dividends	6,493	114,278	30,807	468,881	
Shares redeemed	(165,810)	(2,343,389)	(130,112)	(2,138,130)	
Net (decrease) in shares outstanding	(114,043)	\$ (1,531,193)	(12,083)	\$ (217,971)	



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

## Notes to Financial Statements

October 31, 2020

R6 Class					
Year Ended October 31,					
2020			2019		
	Shares	Amount	Shares	Amount	
<b>International Equity Fund</b>					
Shares sold	19,524,226	\$ 278,276,194	9,972,905	\$ 177,211,308	
Reinvestment of dividends	319,483	5,868,905	451,747	7,160,193	
Shares redeemed	(9,816,515)	(153,229,952)	(3,082,577)	(53,857,861)	
Net (decrease) in shares outstanding	10,027,194	\$ 130,915,147	7,342,075	\$ 130,513,640	
R5 Class <sup>A</sup>					
Year Ended October 31, 2020			January 22, 2019 <sup>B</sup> to October 31, 2019		
	Shares	Amount	Shares	Amount	
<b>Tocqueville International Value Fund</b>					
Shares sold	254,151	\$ 3,799,313	2,912,811	\$ 45,150,396	
Reinvestment of dividends	56,556	910,567	-	-	
Shares redeemed	(1,379,136)	(17,985,926)	(539,578)	(8,170,774)	
Net increase (decrease) in shares outstanding	(1,068,429)	\$ (13,276,046)	2,373,233	\$ 36,979,622	
Y Class					
Year Ended October 31, 2020			January 22, 2019 <sup>B</sup> to October 31, 2019		
	Shares	Amount	Shares	Amount	
<b>Tocqueville International Value Fund</b>					
Shares sold	2,542,137	\$ 38,027,861	24,079,914	\$ 375,416,084	
Reinvestment of dividends	223,999	3,604,138	-	-	
Shares redeemed	(8,650,732)	(124,089,686)	(9,416,423)	(141,613,817)	
Net increase (decrease) in shares outstanding	(5,884,596)	\$ (82,457,687)	14,663,491	\$ 233,802,267	
Investor Class					
Year Ended October 31,					
2020			2019		
	Shares	Amount	Shares	Amount	
<b>Tocqueville International Value Fund</b>					
Shares sold	1,585,655	\$ 23,429,214	10,601,835	\$ 156,936,467	
Reinvestment of dividends	331,320	5,357,440	783,284	11,224,453	
Shares redeemed	(11,936,282)	(176,506,234)	(59,020,135)	(891,179,748)	
Net (decrease) in shares outstanding	(10,019,307)	\$ (147,719,580)	(47,635,016)	\$ (723,018,828)	

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

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

## 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 Funds' financial statements through this date.

# American Beacon International Equity Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	R5 Class <sup>AB</sup>				
	Year Ended October 31,				
	2020 <sup>C</sup>	2019	2018	2017	2016
Net asset value, beginning of period . . . . .	\$ 18.06	\$ 18.71	\$ 20.88	\$ 17.41	\$ 18.79
Income (loss) from investment operations:					
Net investment income . . . . .	0.36	0.55	0.44	0.39	0.29
Net gains (losses) on investments (both realized and unrealized) . . . .	(3.15)	0.34	(1.95)	3.51	(1.24)
Total income (loss) from investment operations . . . . .	(2.79)	0.89	(1.51)	3.90	(0.95)
Less distributions:					
Dividends from net investment income . . . . .	(0.54)	(0.40)	(0.35)	(0.43)	(0.27)
Distributions from net realized gains . . . . .	-	(1.14)	(0.31)	-	(0.16)
Total distributions . . . . .	(0.54)	(1.54)	(0.66)	(0.43)	(0.43)
Net asset value, end of period . . . . .	\$ 14.73	\$ 18.06	\$ 18.71	\$ 20.88	\$ 17.41
Total return <sup>D</sup> . . . . .	(16.04)%	5.94%	(7.55)%	22.94%	(5.07)%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 968,859,543	\$ 1,499,867,401	\$ 1,613,462,237	\$ 1,644,165,106	\$ 1,450,052,040
Ratios to average net assets:					
Expenses, before reimbursements . . .	0.72%	0.73%	0.73%	0.73%	0.69%
Expenses, net of reimbursements . . .	0.72%	0.73%	0.73%	0.73%	0.69%
Net investment income, before expense reimbursements . . . . .	1.83%	2.93%	2.17%	2.01%	2.22%
Net investment income, net of reimbursements . . . . .	1.83%	2.93%	2.17%	2.01%	2.22%
Portfolio turnover rate . . . . .	77%	36%	29%	32%	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 29, 2020, Templeton Investment Counsel, LLC, was terminated and ceased managing assets of the Fund. On January 30, 2020, American Century Investment Management, Inc. began 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 International Equity 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 . . . . .	\$ 18.81	\$ 19.42	\$ 21.64	\$ 18.03	\$ 19.46
Income (loss) from investment operations:					
Net investment income . . . . .	0.36	0.54	0.46	0.38	0.41
Net gains (losses) on investments (both realized and unrealized) . . . . .	(3.28)	0.37	(2.04)	3.65	(1.40)
Total income (loss) from investment operations . . . . .	(2.92)	0.91	(1.58)	4.03	(0.99)
Less distributions:					
Dividends from net investment income . . . . .	(0.53)	(0.38)	(0.33)	(0.42)	(0.28)
Distributions from net realized gains . . . . .	-	(1.14)	(0.31)	-	(0.16)
Total distributions . . . . .	(0.53)	(1.52)	(0.64)	(0.42)	(0.44)
Net asset value, end of period . . . . .	\$ 15.36	\$ 18.81	\$ 19.42	\$ 21.64	\$ 18.03
Total return <sup>B</sup> . . . . .	(16.09)%	5.83%	(7.58)%	22.84%	(5.14)%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 659,159,857	\$ 896,442,437	\$ 904,847,058	\$ 1,029,629,647	\$ 820,596,038
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	0.80%	0.80%	0.80%	0.80%	0.77%
Expenses, net of reimbursements . . . . .	0.80%	0.80%	0.80%	0.80%	0.77%
Net investment income, before expense reimbursements . . . . .	1.77%	2.87%	2.10%	1.95%	2.43%
Net investment income, net of reimbursements . . . . .	1.77%	2.87%	2.10%	1.95%	2.43%
Portfolio turnover rate . . . . .	77%	36%	29%	32%	25%

<sup>A</sup> On January 29, 2020, Templeton Investment Counsel, LLC, was terminated and ceased managing assets of the Fund. On January 30, 2020, American Century Investment Management, Inc. began 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 International Equity 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 . . . . .	\$ 17.87	\$ 18.52	\$ 20.67	\$ 17.24	\$ 18.60
Income (loss) from investment operations:					
Net investment income . . . . .	0.40	0.49	0.41	0.35	0.34
Net gains (losses) on investments (both realized and unrealized) . . . . .	(3.22)	0.33	(1.97)	3.45	(1.33)
Total income (loss) from investment operations . . . .	(2.82)	0.82	(1.56)	3.80	(0.99)
Less distributions:					
Dividends from net investment income . . . . .	(0.48)	(0.33)	(0.28)	(0.37)	(0.21)
Distributions from net realized gains . . . . .	-	(1.14)	(0.31)	-	(0.16)
Total distributions . . . . .	(0.48)	(1.47)	(0.59)	(0.37)	(0.37)
Net asset value, end of period . . . . .	\$ 14.57	\$ 17.87	\$ 18.52	\$ 20.67	\$ 17.24
Total return <sup>B</sup> . . . . .	(16.33)%	5.55%	(7.86)%	22.50%	(5.38)%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 92,817,287	\$221,043,036	\$250,804,403	\$316,589,769	\$ 334,895,337
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	1.07%	1.05%	1.06%	1.07%	1.06%
Expenses, net of reimbursements . . . . .	1.07%	1.05%	1.06%	1.07%	1.06%
Net investment income, before expense reimbursements . . . . .	1.35%	2.59%	1.83%	1.69%	1.95%
Net investment income, net of reimbursements . .	1.35%	2.59%	1.83%	1.69%	1.95%
Portfolio turnover rate . . . . .	77%	36%	29%	32%	25%

<sup>A</sup> On January 29, 2020, Templeton Investment Counsel, LLC, was terminated and ceased managing assets of the Fund. On January 30, 2020, American Century Investment Management, Inc. began 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 International Equity 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 . . . . .	\$ 18.31	\$ 18.93	\$ 21.15	\$ 17.62	\$ 19.01
Income (loss) from investment operations:					
Net investment income . . . . .	0.37	0.43	0.36	0.23	0.35
Net gains (losses) on investments (both realized and unrealized) . . . . .	(3.29)	0.39	(1.99)	3.64	(1.37)
Total income (loss) from investment operations . . . . .	(2.92)	0.82	(1.63)	3.87	(1.02)
Less distributions:					
Dividends from net investment income . . . . .	(0.45)	(0.30)	(0.28)	(0.34)	(0.21)
Distributions from net realized gains . . . . .	-	(1.14)	(0.31)	-	(0.16)
Total distributions . . . . .	(0.45)	(1.44)	(0.59)	(0.34)	(0.37)
Net asset value, end of period . . . . .	\$ 14.94	\$ 18.31	\$ 18.93	\$ 21.15	\$ 17.62
Total return <sup>C</sup> . . . . .	(16.43)%	5.38%	(7.99)%	22.38%	(5.40)%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 16,387,094	\$ 45,797,068	\$ 48,571,916	\$ 55,715,606	\$ 23,692,313
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	1.20%	1.20%	1.20%	1.20%	1.19%
Expenses, net of reimbursements . . . . .	1.20%	1.20%	1.20%	1.20%	1.19%
Net investment income, before expense reimbursements . . . . .	1.34%	2.40%	1.70%	1.51%	1.87%
Net investment income, net of reimbursements . . . . .	1.34%	2.40%	1.70%	1.51%	1.87%
Portfolio turnover rate . . . . .	77%	36%	29%	32%	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 29, 2020, Templeton Investment Counsel, LLC, was terminated and ceased managing assets of the Fund. On January 30, 2020, American Century Investment Management, Inc. began 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 International Equity 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 . . . . .	\$ 17.85	\$ 18.50	\$ 20.63	\$ 17.23	\$ 18.59
Income (loss) from investment operations:					
Net investment income . . . . .	0.21	0.45	0.38	0.30	0.32
Net gains (losses) on investments (both realized and unrealized) . . . . .	(3.04)	0.36	(1.95)	3.48	(1.30)
Total income (loss) from investment operations . . . . .	(2.83)	0.81	(1.57)	3.78	(0.98)
Less distributions:					
Dividends from net investment income . . . . .	(0.47)	(0.32)	(0.25)	(0.38)	(0.22)
Distributions from net realized gains . . . . .	-	(1.14)	(0.31)	-	(0.16)
Total distributions . . . . .	(0.47)	(1.46)	(0.56)	(0.38)	(0.38)
Net asset value, end of period . . . . .	\$ 14.55	\$ 17.85	\$ 18.50	\$ 20.63	\$ 17.23
Total return <sup>B</sup> . . . . .	(16.37)%	5.46%	(7.89)%	22.43%	(5.34)%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 9,512,972	\$ 13,973,709	\$ 14,141,551	\$ 17,829,657	\$ 18,673,142
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	1.13%	1.15%	1.08%	1.12%	1.07%
Expenses, net of reimbursements . . . . .	1.13%	1.15%	1.08%	1.12%	1.07%
Net investment income, before expense reimbursements . . . . .	1.35%	2.50%	1.80%	1.65%	1.94%
Net investment income, net of reimbursements . . . . .	1.35%	2.50%	1.80%	1.65%	1.94%
Portfolio turnover rate . . . . .	77%	36%	29%	32%	25%

<sup>A</sup> On January 29, 2020, Templeton Investment Counsel, LLC, was terminated and ceased managing assets of the Fund. On January 30, 2020, American Century Investment Management, Inc. began 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 International Equity 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 . . . . .	\$ 17.18	\$ 17.84	\$ 19.93	\$ 16.73	\$ 18.09
Income (loss) from investment operations:					
Net investment income . . . . .	0.01	0.29	0.22	0.17	0.18
Net gains (losses) on investments (both realized and unrealized) . . . . .	(2.86)	0.37	(1.87)	3.36	(1.28)
Total income (loss) from investment operations . . . . .	(2.85)	0.66	(1.65)	3.53	(1.10)
Less distributions:					
Dividends from net investment income . . . . .	(0.34)	(0.18)	(0.13)	(0.33)	(0.10)
Distributions from net realized gains . . . . .	-	(1.14)	(0.31)	-	(0.16)
Total distributions . . . . .	(0.34)	(1.32)	(0.44)	(0.33)	(0.26)
Net asset value, end of period . . . . .	\$ 13.99	\$ 17.18	\$ 17.84	\$ 19.93	\$ 16.73
Total return <sup>B</sup> . . . . .	(16.98)%	4.69%	(8.52)%	21.50%	(6.12)%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 3,431,934	\$ 6,174,460	\$ 6,625,329	\$ 7,622,425	\$ 2,945,246
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	1.86%	1.87%	1.81%	1.88%	1.85%
Expenses, net of reimbursements . . . . .	1.86%	1.87%	1.81%	1.88%	1.85%
Net investment income, before expense reimbursements . . . . .	0.61%	1.73%	1.08%	0.96%	1.12%
Net investment income, net of reimbursements . . . . .	0.61%	1.73%	1.08%	0.96%	1.12%
Portfolio turnover rate . . . . .	77%	36%	29%	32%	25%

<sup>A</sup> On January 29, 2020, Templeton Investment Counsel, LLC, was terminated and ceased managing assets of the Fund. On January 30, 2020, American Century Investment Management, Inc. began 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 International Equity Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	R6 Class			
	Year Ended October 31,			February 28, 2017 <sup>B</sup> to October 31, 2017
	2020 <sup>A</sup>	2019	2018	
Net asset value, beginning of period . . . . .	\$ 18.08	\$ 18.73	\$ 20.89	\$ 17.80
Income (loss) from investment operations:				
Net investment income . . . . .	0.39	0.51	0.39	0.08
Net gains (losses) on investments (both realized and unrealized) . . .	(3.16)	0.39	(1.88)	3.01
Total income (loss) from investment operations . . . . .	(2.77)	0.90	(1.49)	3.09
Less distributions:				
Dividends from net investment income . . . . .	(0.55)	(0.41)	(0.36)	-
Distributions from net realized gains . . . . .	-	(1.14)	(0.31)	-
Total distributions . . . . .	(0.55)	(1.55)	(0.67)	-
Net asset value, end of period . . . . .	\$ 14.76	\$ 18.08	\$ 18.73	\$ 20.89
Total return <sup>C</sup> . . . . .	(15.93)%	5.98%	(7.47)%	17.36% <sup>D</sup>
Ratios and supplemental data:				
Net assets, end of period . . . . .	\$ 294,708,893	\$ 179,802,437	\$ 48,725,523	\$ 6,367,999
Ratios to average net assets:				
Expenses, before reimbursements . . . . .	0.72%	0.70%	0.70%	0.89% <sup>E</sup>
Expenses, net of reimbursements . . . . .	0.69%	0.66%	0.66%	0.66% <sup>E</sup>
Net investment income, before expense reimbursements . . . . .	1.88%	3.09%	2.11%	1.63% <sup>E</sup>
Net investment income, net of reimbursements . . . . .	1.91%	3.13%	2.15%	1.85% <sup>E</sup>
Portfolio turnover rate . . . . .	77%	36%	29%	32% <sup>F</sup>

<sup>A</sup> On January 29, 2020, Templeton Investment Counsel, LLC, was terminated and ceased managing assets of the Fund. On January 30, 2020, American Century Investment Management, Inc. began managing assets of the Fund.

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

<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 Tocqueville International Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	R5 Class <sup>A</sup>	
	Year Ended October 31, 2020	January 22, 2019 <sup>B</sup> to October 31, 2019
<b>Net asset value, beginning of period</b> .....	\$ 15.65	\$ 14.78
Income from investment operations:		
Net investment income .....	0.03	0.21
Net gains on investments (both realized and unrealized) .....	0.29	0.66
Total income from investment operations .....	0.32	0.87
Less distributions:		
Dividends from net investment income .....	(0.39)	-
Total distributions .....	(0.39)	-
Net asset value, end of period .....	\$ 15.58	\$ 15.65
Total return <sup>C</sup> .....	1.94%	5.89% <sup>D</sup>
<b>Ratios and supplemental data:</b>		
Net assets, end of period .....	\$ 20,327,704	\$ 37,138,368
Ratios to average net assets:		
Expenses, before reimbursements or recoupments .....	0.91%	0.93% <sup>E</sup>
Expenses, net of reimbursements or recoupments .....	0.89%	0.89% <sup>E</sup>
Net investment income, before expense reimbursements or recoupments .....	0.84%	2.18% <sup>E</sup>
Net investment income, net of reimbursements or recoupments .....	0.86%	2.22% <sup>E</sup>
Portfolio turnover rate .....	28%	35% <sup>F</sup>

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

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

<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 is for the period ended herein.

See accompanying notes



# American Beacon Tocqueville International Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	Y Class	
	Year Ended October 31, 2020	January 22, 2019 <sup>A</sup> to October 31, 2019
Net asset value, beginning of period . . . . .	\$ 15.64	\$ 14.78
Income from investment operations:		
Net investment income . . . . .	0.05	0.23
Net gains on investments (both realized and unrealized) . . . . .	0.25	0.63
Total income from investment operations . . . . .	0.30	0.86
Less distributions:		
Dividends from net investment income . . . . .	(0.38)	-
Total distributions . . . . .	(0.38)	-
Net asset value, end of period . . . . .	\$ 15.56	\$ 15.64
Total return <sup>B</sup> . . . . .	1.84%	5.82% <sup>C</sup>
<b>Ratios and supplemental data:</b>		
Net assets, end of period . . . . .	\$ 136,563,697	\$ 229,275,205
Ratios to average net assets:		
Expenses, before reimbursements . . . . .	0.99%	0.98% <sup>D</sup>
Expenses, net of reimbursements . . . . .	0.99%	0.98% <sup>D</sup>
Net investment income, before expense reimbursements . . . . .	0.78%	2.10% <sup>D</sup>
Net investment income, net of reimbursements . . . . .	0.78%	2.10% <sup>D</sup>
Portfolio turnover rate . . . . .	28%	35% <sup>E</sup>

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

<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> Not annualized.

<sup>D</sup> Annualized.

<sup>E</sup> Portfolio turnover is for the period ended herein.

See accompanying notes

# American Beacon Tocqueville International Value Fund<sup>SM</sup>

## Financial Highlights

(For a share outstanding throughout the period)

	Investor Class				
	Year Ended October 31,				
	2020	2019	2018	2017	2016
Net asset value, beginning of period . . . . .	\$ 15.61	\$ 15.06	\$ 17.58	\$ 14.44	\$ 14.59
Income (loss) from investment operations:					
Net investment income . . . . .	0.25	0.40	0.24 <sup>A</sup>	0.14 <sup>A</sup>	0.14 <sup>A</sup>
Net gains (losses) on investments (both realized and unrealized) . . . . .	0.01	0.34	(2.53)	3.23	0.14
Total income (loss) from investment operations . . . . .	0.26	0.74	(2.29)	3.37	0.28
Less distributions:					
Dividends from net investment income . . . . .	(0.27)	(0.19)	(0.17)	(0.15)	(0.25)
Distributions from net realized gains . . . . .	-	-	(0.06)	(0.08)	(0.18)
Total distributions . . . . .	(0.27)	(0.19)	(0.23)	(0.23)	(0.43)
Net asset value, end of period . . . . .	\$ 15.60	\$ 15.61	\$ 15.06	\$ 17.58	\$ 14.44
Total return <sup>B</sup> . . . . .	1.63%	5.03%	(13.20)%	23.70%	2.00%
<b>Ratios and supplemental data:</b>					
Net assets, end of period . . . . .	\$ 198,905,986	\$ 355,423,059	\$ 1,060,000,108	\$ 1,120,993,795	\$ 525,808,058
Ratios to average net assets:					
Expenses, before reimbursements . . . . .	1.18%	1.29%	1.48%	1.53%	1.58%
Expenses, net of reimbursements . . . . .	1.18%	1.18%	1.25%	1.25%	1.25%
Net investment income, before expense reimbursements . . . . .	0.63%	1.42%	1.09%	0.73%	0.90%
Net investment income, net of reimbursements . . . . .	0.63%	1.53%	1.32%	1.01%	1.23%
Portfolio turnover rate . . . . .	28%	35%	25%	22%	26%

<sup>A</sup> Net investment income per share is calculated using the ending balance prior to consideration or adjustment for permanent book-to-tax differences.

<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 Funds<sup>SM</sup>

## Federal Tax Information

October 31, 2020 (Unaudited)

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Certain tax information regarding the Funds is 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 Funds designated the following items with regard to distributions paid during the fiscal year ended October 31, 2019. 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:

International Equity	N/A
Tocqueville International Value	3.11%

### Qualified Dividend Income:

International Equity	100.00%
Tocqueville International Value	100.00%

### Long-Term Capital Gain Distributions:

International Equity	\$-
Tocqueville International Value	-

### Short-Term Capital Gain Distributions:

International Equity	\$-
Tocqueville International Value	-

### Foreign tax credit:

International Equity	\$7,064,688
Tocqueville International Value	1,101,088

The foreign tax credits for International Equity and Tocqueville International Value are based on foreign source income of \$69,549,436 and \$9,006,229, respectively for the year ended October 31, 2020.

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 International Equity Fund (“International Equity Fund”) and the American Beacon Tocqueville International Value Fund (“Tocqueville Fund”) (each, a “Fund” and collectively, the “Funds”);

(2) the Investment Advisory Agreements among the Manager, the Trust, on behalf of the International Equity Fund, and each of Causeway Capital Management LLC (“Causeway”) and Lazard Asset Management LLC (“Lazard”); and

(3) the Investment Advisory Agreement among the Manager, the Trust, on behalf of the Tocqueville Fund and Tocqueville Asset Management LP (“Tocqueville”).

Causeway, Lazard and Tocqueville are hereinafter each referred to as a “subadvisor” and collectively as 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 Funds 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 each Fund.

The Board noted that the Manager provides management and administrative services to the Funds 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. For each Fund, 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

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

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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 Funds and their shareholders.

### 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 each 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 Funds and the subadvisors for the Funds; (3) the costs incurred by the Manager in rendering services to the Funds and its resulting profits or losses; (4) comparisons of services and fee rates with contracts entered into by the Manager or a subadvisor 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 relationship with the Funds.

*Nature, Extent and Quality of Services.* With respect to the renewal of the Management Agreement, the Board considered, among other factors: each Fund's long-term performance; the length of service of key investment personnel at the Manager; the cost structure of the Funds; the Manager's culture of compliance and support that reduce risks to the Funds; 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 Funds 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 each Fund.

*Investment Performance.* The Board evaluated the comparative information provided by Broadridge and the Manager regarding the performance of each 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 each Fund's Broadridge performance universe. The Board also considered that the performance universes selected by Broadridge may not provide appropriate comparisons for a 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 relevant Fund relative to the performance of a composite of comparable investment accounts managed by the subadvisor and the relevant 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 each Fund's performance appears below under "Additional Considerations and Conclusions with Respect to Each Fund."

*Costs of the Services Provided to the Funds and the Profits Realized by the Manager from its Relationship with the Funds.* 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 with respect to each Fund before and after the payment of distribution-related expenses by the



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

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Manager. 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 Funds, the Manager represented that, 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 Funds.

The Board also noted that the Manager proposed to continue the expense waivers and reimbursements for the Funds that were in place during the last fiscal year. The Board further considered that, with respect to each 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 each Fund. The Board also noted that certain share classes of the Funds 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 a 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 summary of the Board's considerations with respect to each Fund's fee rates is set forth below under "Additional Considerations and Conclusions with Respect to Each 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 each 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 each 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 each Fund. In this regard, the Board considered the Manager's representation that no Fund's current assets exceeded 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 each Fund provide for a reasonable sharing of benefits from any economies of scale with each Fund.

*Benefits Derived from the Relationship with the Funds.* 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 Funds, 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 Funds' cash balances and cash collateral provided by the borrowers of the Funds' 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 Funds appear to be fair and reasonable.

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

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## Additional Considerations and Conclusions with Respect to Each Fund

The performance comparisons below were made for each Fund's R5 Class shares in comparison to each Fund's Broadridge performance universe and Morningstar Category. With respect to the Broadridge performance universe, 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 each 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 Funds' custodian. In reviewing the performance, the Board viewed longer-term performance over a full market cycle, typically five years or longer, 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 each Fund's R5 Class shares in comparison to each 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 each 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 each 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 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.

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

In considering the renewal of the Management Agreement for the International Equity 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	1 <sup>st</sup> Quintile
Compared to Broadridge Expense Universe	1 <sup>st</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	2 <sup>nd</sup> Quintile

In considering the renewal of the Investment Advisory Agreements with Causeway and Lazard, the Board considered that the diversification of investment strategies facilitated by the International Equity Fund's multi-manager structure permits the International Equity 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)

Causeway	5 Years	2 <sup>nd</sup> Quintile
Lazard	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, given the International Equity Fund's value focus, the Morningstar Foreign Large Value category provides a more appropriate peer group comparison than the Broadridge performance universe, which utilizes the Lipper Foreign Large Core category; (2) the International Equity Fund's more limited exposure to emerging market countries than the funds in its Broadridge performance universe and Morningstar category, and that, accordingly, the Manager expects the International Equity Fund to underperform those peer groups when emerging markets outperform developed markets; (3) that, upon the Manager's recommendation, the Board previously had approved (a) the termination of a subadvisor, and (b) an Investment Advisory Agreement pursuant to which a replacement subadvisor began managing an allocation of the International Equity Fund during the first calendar quarter of 2020; (4) 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 International Equity Fund; and (5) 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 International Equity Fund and its shareholders would benefit from the Manager's and subadvisors' continued management of the International Equity Fund.

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

In considering the renewal of the Management Agreement and the Investment Advisory Agreement with Tocqueville for the Tocqueville 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	3 <sup>rd</sup> Quintile
Compared to Broadridge Expense Universe	3 <sup>rd</sup> Quintile
Morningstar Fee Level Ranking	3 <sup>rd</sup> Quintile

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

Compared to Broadridge Performance Universe	2 <sup>nd</sup> Quintile
Compared to Morningstar Category	2 <sup>nd</sup> Quintile

The Board also considered: (1) Tocqueville's representation that no other clients for which the subadvisor provides comparable services receive a lower fee; (2) the Tocqueville Fund acquired all of the assets of The Tocqueville International Value Fund ("Acquired Fund"), on January 18, 2019, and that the Tocqueville Fund's performance prior to that date is that of the Acquired Fund; and (3) the Manager's recommendation to continue to retain the subadvisor based upon, among other factors, the relatively brief period since the Tocqueville Fund was acquired.

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



## 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	
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).
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).

## 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	
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).
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).

## 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	
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).
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:**

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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. 20549-2736. 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  
Solutions, Inc.  
Quincy, Massachusetts

**INDEPENDENT REGISTERED  
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*This report is prepared for shareholders of the American Beacon Funds and may be distributed to others only if preceded or accompanied by a current Prospectus or Summary Prospectus.*

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