



# Intermediate Bond Fund

Portfolio Information as of December 31, 2009

## Fund Overview

Total Fund Assets: \$219.3 Million

Fund Classes:	Institutional	Investor
Inception Date:	9/15/97	3/2/09
Fund NAV:	\$10.57	\$10.55
CUSIP:	02368A570	02368A240
Trading Symbol:	AABDX	ABIPX

## Investment Sub-Advisors

Barrow, Hanley, Mewhinney & Strauss, Inc.	50.4%
American Beacon Advisors, Inc.	49.6%

## Lipper Rankings

Category: Intermediate Investment Grade Funds

	1 Yr	3 Yr	5 Yr	10 Yr
Institutional	445	91	64	42
Investor	N/A	N/A	N/A	N/A
# of Funds in the Category	549	458	395	219

## Lipper Quartile

Institutional	4th	1st	1st	1st
Investor	N/A	N/A	N/A	N/A

Lipper is an independent rating service that ranks mutual funds in various categories by making comparative calculations using total returns.

*Securities of the Fund may only be sold by offering the Fund's Prospectus. You should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The Prospectus contains this and additional information regarding the Fund. To obtain a Prospectus, please contact your Financial Advisor, call 1-800-967-9009 or visit [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com). The Prospectus should be read carefully before investing.*

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## Investment Objective

A multi-manager Fund seeking income and capital appreciation through investments in investment grade debt obligations.

## Investing Style

The Fund seeks to maintain a duration of three to seven years. By emphasizing investment grade securities, the Fund seeks to provide shareholders a regular stream of income, while minimizing principal volatility.

The Fund invests in a diversified range of debt obligations, including securities of the U.S. Government, its agencies and instrumentalities; corporate bonds, notes and debentures; mortgage-backed and asset-backed securities; and other investments. At the time of purchase, all securities are rated in one of the four highest rating categories or, if unrated, deemed to be of comparable quality by the Fund's investment advisors.

## Maturity Distribution

0 to 1 Year	7.8%
1 to 3 Years	22.0%
3 to 5 Years	29.4%
5 to 7 Years	14.4%
7 to 10 Years	16.9%
10+ Years	9.5%

## Credit Quality

Aaa	59.6%
Aa	7.1%
A	19.8%
Baa	13.0%
Less than Baa	0.5%

## Asset Allocation

Fixed Income	95.1%
Cash Equivalent	4.9%



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## Sector Weightings

Corporate	42.9%
Mortgage-Backed	31.1%
U.S. Treasury	18.2%
Asset-Backed	3.0%
Other Government Related	2.5%
Agency	2.3%

## Portfolio Statistics

### Fixed Income:

Average Credit Quality	Aa2
Weighted Average Maturity	6.1
Weighted Average Duration	4.5
Weighted Average Coupon	5.0

## Expense Ratios

	Gross	Net
Institutional	0.31%	0.30% <sup>1</sup>
Investor	0.88%	0.68% <sup>2</sup>

<sup>1</sup>The net expense ratio is net of acquired fund fees and expenses that the Fund incurred indirectly as a result of investment in certain pooled investment vehicles

<sup>2</sup>The net expense ratio is net of expense reimbursements that American Beacon Advisors has voluntarily agreed to maintain through February 28, 2010. The voluntarily expense reimbursement can be changed at any time by the Manager without notice to the shareholders.

## Top 10 Holdings

Federal Home Loan Mortgage Corporation, Pool # G08269, 5.500%, Due 5/1/2038	1.6%
Morgan Stanley (FDIC Guaranteed), 2.250%, Due 3/13/2012	1.0%
Federal National Mortgage Association, Pool # 948590, 6.500%, Due 8/1/2037	1.0%
Federal Home Loan Mortgage Corporation, Pool # A73703, 5.000%, Due 3/1/2038	0.9%
Citibank NA (FDIC Guaranteed), 1.625%, Due 3/30/2011	0.9%
JP Morgan Chase & Co., 3.700%, Due 1/20/2015	0.9%
American Express Credit Account Master Trust, 5.350%, Due 1/15/2014	0.8%
Federal National Mortgage Association, 2.875%, Due 12/11/2013	0.7%
Federal National Mortgage Association, Pool # 930743, 5.000%, Due 3/1/2024	0.7%

Total Fund Holdings: 340

Total Returns	QTR	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Since Inception*
Institutional	0.25	7.33	7.33	6.54	5.31	6.23	5.93
Investor	0.03	6.78	6.78	6.36	5.20	6.17	5.89
Lipper Intermediate Investment Grade Debt Funds Index**	1.42	14.30	14.30	4.72	4.18	5.74	5.49
Barclays Capital Aggregate Index***	0.20	5.93	5.93	6.04	4.97	6.33	6.12

Performance shown is historical and may not be indicative of future returns. Investment returns and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Performance shown is as of date indicated, and current performance may be lower or higher than the performance data quoted. To obtain performance as of the most recent month end, please visit [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com) or call 1-800-967-9009. Please note that the recent market performance has helped to produce short-term returns that are not typical and may not continue in the future.

**IMPORTANT INFORMATION:** There is no guarantee that the investment objectives will be met. Indices are unmanaged and one cannot invest directly in an index. Investing in debt securities entails interest rate risk which is the risk that debt securities will decrease in value with increases in market interest rates. Performance shown prior to the 3/2/09 inception of the Investor Class is that of the Institutional Class. The returns have not been adjusted for any difference between the fees and expenses of the Investor Class and the historical fees and expenses of the Institutional Class. Because the Institutional Class had lower expenses, its performance was better than the Investor Class would have realized during the same period. A portion of the fees charged to the Fund has been waived. Performance prior to waiving fees was lower than the actual returns shown. Performance shown reflects the Fund's receipt in December 2006 and March 2008 of class action settlement proceeds that were related to investment activity in 2002. The Fund's performance that includes December 2006 was higher than it would have been absent receipt of the settlement proceeds. \* Annualized. \*\* The Lipper Intermediate Investment Grade Debt Funds Index tracks the results of the 30 largest mutual funds in the Lipper Intermediate Investment Grade Debt Funds category. Lipper is an independent mutual fund research and ranking service. \*\*\* The Barclays Capital Aggregate Index is a market value weighted performance benchmark for government, corporate, mortgage-backed and asset-backed fixed-rate debt securities of all maturities. Duration is a measure of price sensitivity relative to changes in interest rates. The four highest Moody's ratings for long-term obligations (or issuers thereof) are Aaa, Aa, A and Baa. Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk. Obligations rated Aa are judged to be of high quality and are subject to very low credit risk. Obligations rated A are considered upper-medium grade and are subject to low credit risk. Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Duration is a measure of price sensitivity relative to changes in interest rates.