

# A MARKET-WISE, MONEY-SMART PERSPECTIVE ON HIGH YIELD INVESTING



**WHEN YOU INVEST FOR  
INCOME, YOU CAN'T IGNORE  
THE POTENTIAL ADVANTAGES  
OF HIGH YIELD SECURITIES**



## Three primary benefits of high yield securities

- ▶ Opportunity for high current income
- ▶ Potential for capital appreciation
- ▶ Diversification for a well-rounded portfolio

If your investment objectives include high current income—with the added goal of capital appreciation—we invite you to explore the possibilities of the American Beacon SiM High Yield Opportunities Fund. Keep in mind that investing in high yield securities involves additional risks when compared to investing in investment grade securities. These include a greater risk of default or bankruptcy and an increased sensitivity to financial difficulties or changes in interest rates.

### INSIDE

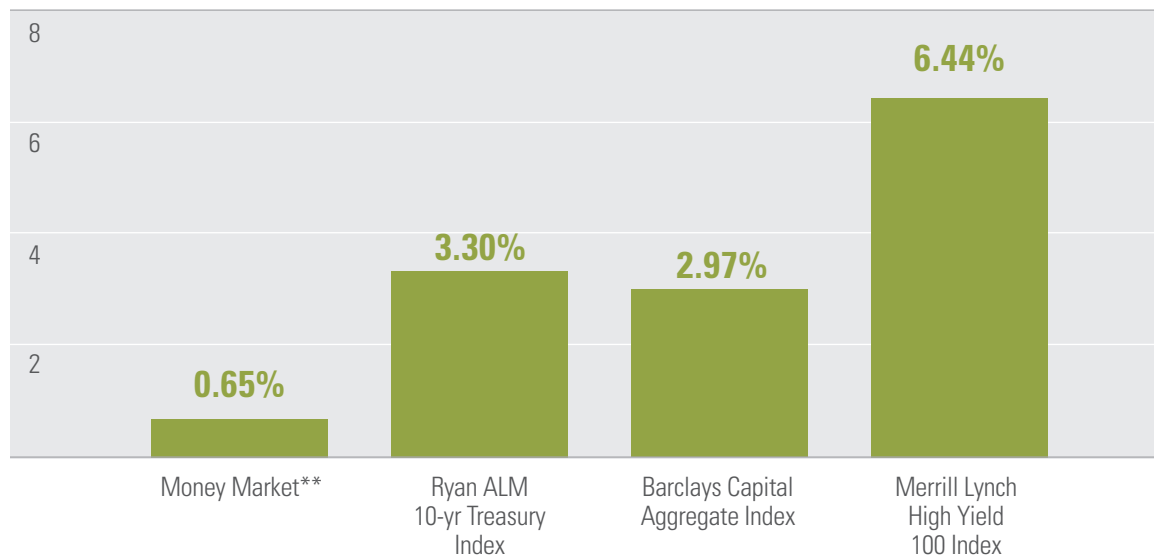
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# WHY CONSIDER HIGH YIELD BONDS?

Greater income potential in a challenging market environment for income investors

## HIGH YIELD BONDS: GREATER INCOME POTENTIAL

Average yields for 52-week period ended 12/31/10\*



► High yield securities offer a higher rate of current income in exchange for accepting a higher degree of volatility relative to more conservative income securities.

\* Yields as of 12/31/2010, The Wall Street Journal  
 \*\* Source: Bankrate.com

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# A smart approach to balancing risk and reward

## RELATIVE VALUE

The market continually provides attractive opportunities. An active, research-reliant management style is vital to discovering securities issued by companies that show evidence of strong or improving fundamentals.

## ACTIVE MANAGEMENT

An experienced high yield management team sticks to a logical and disciplined investment selection process, paying close attention to credit quality, industry developments, secular market trends and secular investment themes.

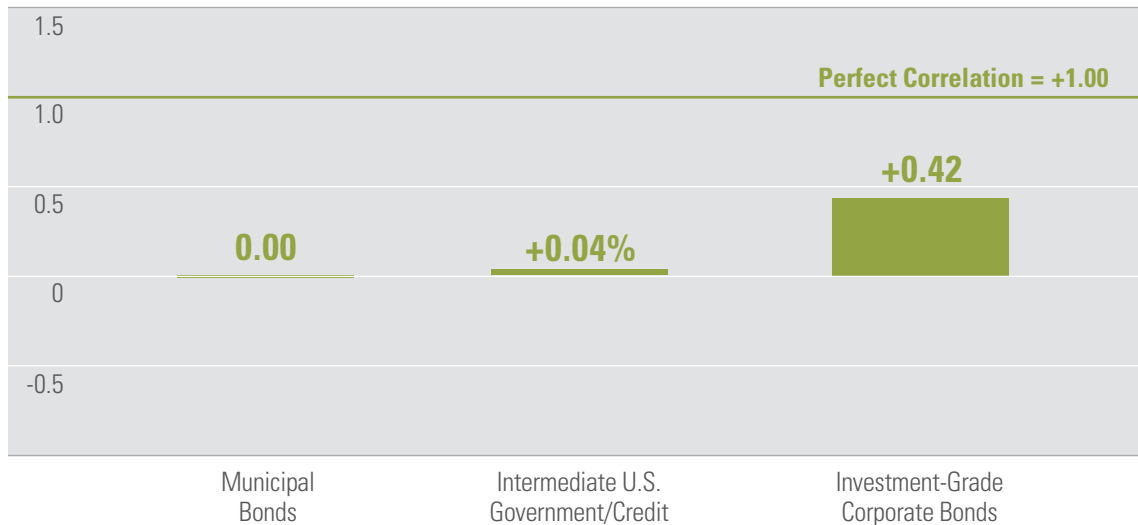
## ENHANCED DIVERSIFICATION

Because of their tendency to track the performance of stocks more closely than that of the bond markets, high yield securities may help a fixed-income investor build a more fully diversified portfolio.



## HIGH YIELD MOVES TO A DIFFERENT BEAT

High yield correlation factors based on the 12-month period ended 12/31/10



► High yield bonds offer low correlation to the performance of other fixed income investments. In other words, they tend to “zig” when other bonds “zag.” That’s why adding high yield securities to a portfolio may improve diversification and enhance the potential for improved overall performance.

Source: Zephyr StyleADVISOR. High yield bonds are represented by the BofA Merrill Lynch High Yield Master Index; municipal bonds are represented by the Barclays Capital Municipal Bond Index; intermediate U.S. government credit is represented by the Barclays Capital Intermediate U.S. Government/Credit Index; investment-grade corporate bonds are represented by the Barclays Capital U.S. Corporate Investment Grade Index.

# AMERICAN BEACON SiM HIGH YIELD OPPORTUNITIES FUND

Managed according to four proven,  
market-tested investment principles

## 1. TOTAL-RETURN ORIENTATION

The management team strives for a balance between the pursuit of income and capital appreciation, believing that this blended approach is essential to seeking compelling returns.

## 2. VALUE-DRIVEN SELECTION

At the heart of the Fund's value-driven strategy is a disciplined selection process that seeks to identify strong companies in out-of-favor sectors.

### **Think like a CFO**

The Fund's management brings the sensibilities of a CFO to the decision process, taking into account a number of financial factors, such as:


- ▶ Correct financial structure
- ▶ Cash flow stability
- ▶ Competitive advantage
- ▶ Return on capital
- ▶ Downside protection

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Going beyond the constraints of any one bond index or market sector, the Fund's management team invests based on demonstrated credit quality—laying the groundwork for greater confidence in up, down and flat markets alike.

### 3. MARKET-FOCUSED FLEXIBILITY

The Fund is managed with an opportunistic mindset, characterized by investment decisions based on value and potential, not a simplistic index-driven protocol. This approach takes the investment team beyond the traditional high yield market.

### 4. LONG-TERM PERSPECTIVE

The investment selection process includes keeping a close eye on secular trends and themes, such as demographics, inflation rates, regulatory issues and economic globalization. Other key targets include industries and sectors undergoing multi-year restructurings that can alter the investment landscape over time. As a result, the investment team expects the portfolio to have low turnover relative to its peers.

#### **The market is continually creating opportunities**

As conditions warrant, the management team seeks to capture relative value from a broad range of capital structure/alternative investments. These may include:\*

- ▶ Investment-grade “fallen angels”
- ▶ Convertible securities
- ▶ Preferred securities
- ▶ Income-oriented common stock (including real estate investment trusts, or REITs)
- ▶ International and emerging market securities
- ▶ Bank loans

*\*This is not a complete list of the investments available to the management team, and these securities are not necessarily representative of the Fund's typical portfolio.*

American Beacon Advisors:

# AN EXPERIENCED MANAGER OF MANAGERS

American Beacon is committed to partnering with “the best-of-the-best” when it comes to choosing sub-advisors for our funds. Whether that results in the selection of one sub-advisor or multiple sub-advisors, we select those that we believe show the greatest promise of continuing to meet the high standards of our shareholders.

## Strategic Income Management (SiM)

### FOUNDED BY RECOGNIZED HIGH YIELD MANAGERS

The credentials and long-term track record of the award-winning high yield managers at SiM illustrate their standing as high yield income specialists:

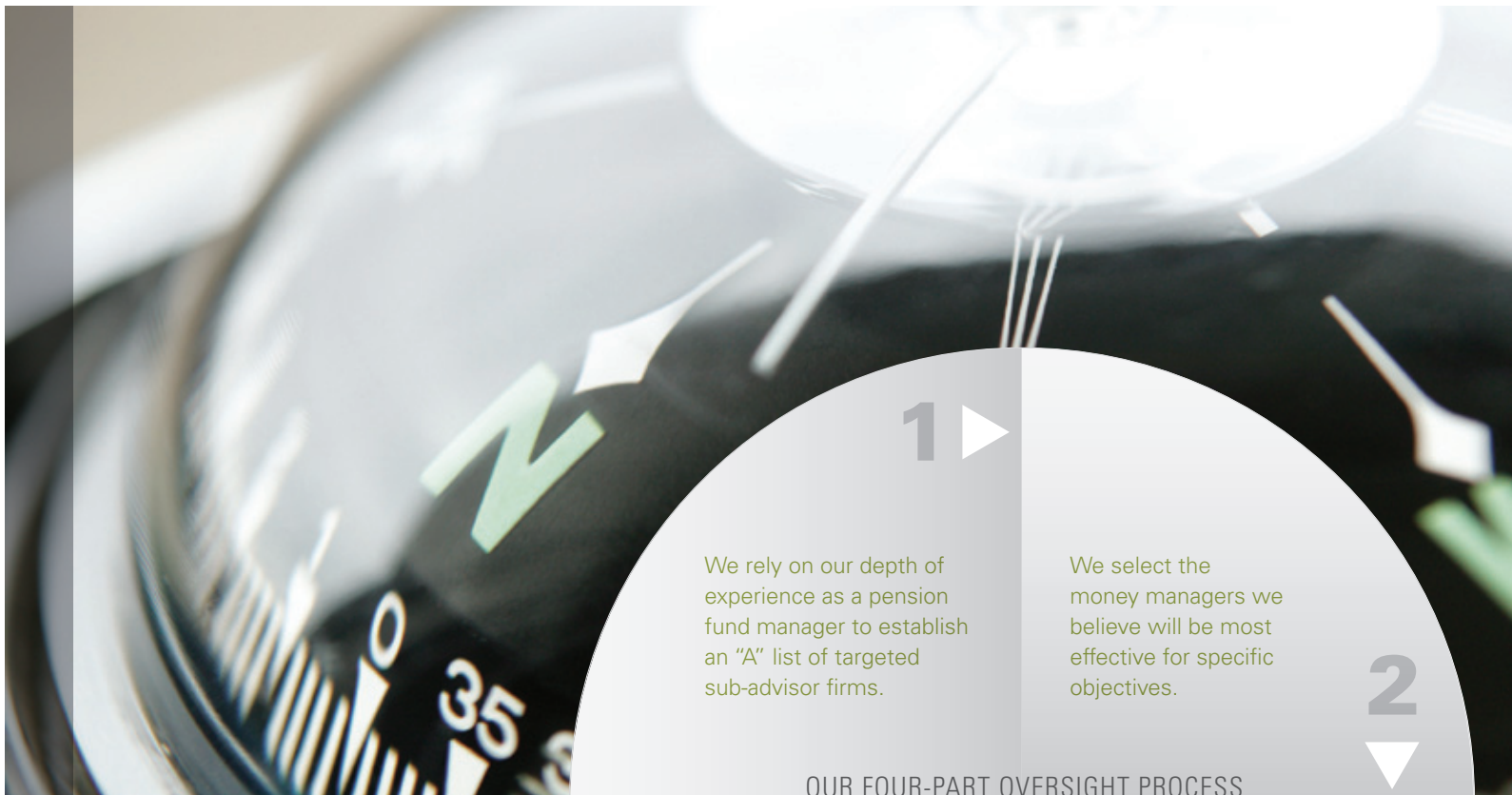
- ▶ Independent, employee-owned firm founded by Gary Pokrzywinski and Randy Yoakum in October 2010
- ▶ Gary Pokrzywinski (Chief Investment Officer and Portfolio Manager) and Brian Placzek (Director of Research—High Yield) have worked together for 19 years
- ▶ All senior team members hold the CFA® designation
- ▶ Gary Pokrzywinski managed the Principal High Yield Mutual Fund from its inception in April 1998 to May 2009

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## Oversight 360°

### OUR COMMITMENT TO QUALITY INVESTMENT MANAGEMENT

At American Beacon Advisors, we think a little differently about providing investment advisory services to institutional and retail markets. We believe that by identifying and harnessing the advanced thinking and specialized expertise of accomplished money managers in each asset class, we can bring institutional-caliber money management to the individual investor.

Our manager oversight is ongoing and our process demanding. To be selected as a manager for an American Beacon Fund, each investment firm must meet and maintain our criteria for:

- ▶ Long-term performance
- ▶ Adherence to stated investment philosophy
- ▶ Continuity of the management team



Let experienced money managers  
guide the way.

## A track record of delivering consistent performance

We believe the long-term performance our Funds have achieved is a direct result of our ability to identify “the best of the best” as we select the sub-advisors for our family of funds.

- ▶ Over the last three years, American Beacon Funds received three Lipper Fund Awards\* in three different asset classes.
- ▶ 90% of American Beacon’s actively managed funds outperformed their Lipper\* peer group average over the 10-year period ended December 31, 2010.

We invite you to consider the impact of skilled oversight—and the value it could add to your own investment program.

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*\*Lipper is an independent rating service that ranks mutual funds in various categories by making comparative calculations using total returns. Past performance is no guarantee of future results.*

# EXPLORE THE POSSIBILITIES FOR INCOME AND CAPITAL APPRECIATION.

## INVEST WITH A PROVEN HIGH YIELD MANAGER.

Find out more about the American Beacon SiM High Yield Opportunities Fund. Take the next step by requesting additional information from your financial advisor or by visiting us at [americanbeaconfunds.com](http://americanbeaconfunds.com) today.

### **American Beacon SiM High Yield Opportunities Fund**

Institutional Class	SHOIX
Investor Class	SHYPX
Y Class	SHOYX
A Class	SHOAX
C Class	SHOCX

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***You should consider the investment objectives, risks, fees and expenses of any mutual fund carefully before investing. This and other information is available in each Fund's prospectus and summary prospectus, which you may obtain at [americanbeaconfunds.com](http://americanbeaconfunds.com) or by calling 800-967-9009. Please read the prospectus and summary prospectus carefully before investing.***

**Past performance does not guarantee future results and there can be no assurance that any investment strategy or product will be successful. Diversification and asset allocation do not guarantee a profit, nor do they eliminate the risk of loss of principal.**

**Important Information:** All investing involves risk including the possible loss of principal. The Fund typically invests in a diversified portfolio of domestic and foreign high yield, high risk fixed-income securities that are generally rated below investment grade (such as BB or lower by Standard & Poor's Ratings Services or Fitch Ratings and/or Ba or lower by Moody's Investors Service, Inc.) or deemed to be below investment grade by the investment sub-advisor. These types of securities are commonly referred to as "high yield" or "junk" bonds. Investing in such securities involves additional risks when compared to investing in investment grade securities. These include a greater risk of default or bankruptcy and an increased sensitivity to financial difficulties or changes in interest rates. The principal risks of the Fund include also those derived from the investment in: foreign securities, emerging market securities, derivative securities including options and futures contracts (including options and futures contracts on stock indices and currencies), forward contracts (including currency forward contracts), swap agreements and structured notes, Rule 144A securities, bank loans and senior loans and to a lesser extent equity securities including those of small and mid-capitalization companies. Please see the prospectus for a more complete discussion of the risks of investing in this Fund.