

**AMERICAN BEACON BALANCED FUND  
AMERICAN BEACON LARGE CAP VALUE FUND**

4151 Amon Carter Boulevard, MD 2450  
Fort Worth, Texas 76155

**INFORMATION STATEMENT**

This document is an Information Statement for the shareholders of the American Beacon Balanced Fund (“Balanced Fund”) and the American Beacon Large Cap Value Fund (“Large Cap Value Fund”) (“Funds”). The Board of Trustees (“Trustees” or “Board”) of the American Beacon Funds (the “Trust”) has approved the appointment of Massachusetts Financial Services Co. (“MFS”) as a new sub-advisor to the Large Cap Value Fund and a revised fee schedule for Hotchkis and Wiley Capital Management, LLC (“Hotchkis”), a sub-advisor to the Balanced Fund and the Large Cap Value Fund. MFS manages a portion of the Large Cap Value Fund’s assets, while Hotchkis, Barrow, Hanley, Mewhinney & Strauss, LLC (“Barrow”) and Brandywine Global Investment Management, LLC (“Brandywine”) manage the remaining assets (other than certain short-term money market instruments). Hotchkis, Barrow and Brandywine each also manage a portion of the assets of the Balanced Fund.

This Information Statement is being furnished by the Board of the Trust in lieu of a proxy statement, pursuant to the terms of an exemptive order that the Trust has received from the Securities and Exchange Commission (the “SEC Order”). Pursuant to the SEC Order, American Beacon Advisors, Inc., which serves as manager and administrator to the Funds, is permitted to enter into new or modified advisory agreements with existing or new unaffiliated investment advisors without approval of Fund shareholders.

The purpose of this Information Statement is to provide an overview of the Trustees’ decision to appoint MFS as a new sub-advisor for the Large Cap Value Fund and approve a revised fee schedule for Hotchkis with respect to the Funds. This Information Statement also discusses the terms of the investment advisory agreements (“Agreements”) between MFS and American Beacon Advisors, Inc. (“Manager”), on behalf of the Large Cap Value Fund, dated December 13, 2010 (“MFS Agreement”), and Hotchkis and the Manager on behalf of the Funds, dated September 12, 2008 (“Hotchkis Agreement”). No action is required of you. **We Are Not Asking You For a Proxy and You Are Requested Not To Send Us a Proxy.**

**INTRODUCTION**

American Beacon Advisors, Inc. serves as manager and administrator to the Funds and is located at 4151 Amon Carter Boulevard, MD 2450, Fort Worth, Texas 76155. The principal underwriter of the Funds is Foreside Fund Services, LLC, whose principal office is at Three Canal Plaza, Suite 100, Portland, Maine 04101.

This Information Statement will be mailed on or about March 11, 2011 to each Fund’s shareholders of record as of February 16, 2011 (“Record Date”). The Funds will bear the expenses incurred in connection with preparing and delivering this Information Statement. If you invest in a Fund through a financial institution and you share an address with other Fund shareholders, you will be delivered a single copy of this Information Statement, unless you have instructed your financial institution to deliver separate copies. If you receive a single copy of this Information Statement and wish to request additional copies, please call 1-800-658-5811. If you wish to receive separate copies of future mailings from your financial institution, please contact the financial institution through which you invest. *You may obtain a copy of each Fund’s most recent Annual Report and Semi-Annual Report to Shareholders, free of*

charge, by writing to American Beacon Funds at P.O. Box 219643, Kansas City, MO 64121, by calling 1-800-658-5811 or by visiting [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com).

The issued and outstanding shares of each Fund as of the Record Date are set forth in Appendix A. Please see Appendix B for a listing of shareholders deemed to own beneficially more than 5% of the shares of each Fund as of the Record Date. The Trustees and officers of the Trust, as a group, own less than 1% of each class of the Large Cap Value Fund and the Balanced Fund. The beneficial ownership interests of the Funds' trustees in each of the Funds' share classes are set forth in Appendix C.

#### **APPOINTMENT OF MASSACHUSETTS FINANCIAL SERVICES COMPANY ("MFS")**

At the November 22, 2010 meeting of the Board, the Manager proposed that the Board approve the appointment of MFS as an investment advisor to the Large Cap Value Fund. At that meeting, the Manager also recommended that the Board terminate the investment advisory agreement with Metropolitan West Capital Management, LLC ("MetWest"), dated November 18, 2008. The Manager's recommendation to terminate MetWest was predicated on the departure of MetWest's lead large cap value portfolio strategist and Chief Investment Officer.

The Board reviewed the information provided by MFS in connection with their consideration of MFS and the MFS Agreement. The Board considered, among other materials, responses by MFS to inquiries requesting:

- a description of the advisory and related services proposed to be provided to the Fund;
- a description of how MFS anticipates handling the transition of the portion of the Fund's portfolio that was previously managed by MetWest to MFS and the extent to which current holdings will be maintained or sold;
- identification of the professional personnel to perform services for the Fund and their education, experience and responsibilities;
- a comparison of the performance of accounts similar to the Fund managed by MFS with the performance of applicable indices;
- an analysis of the proposed advisory fee, a comparison to the fees charged to other comparable clients and an explanation of any differences between the fee schedules;
- whether MFS charges a lower advisory fee to other clients for which it provides services comparable to the services proposed for the Fund and, if so, an explanation of the rationale for charging the other clients a lower fee;
- a description of the portfolio managers' compensation, including any incentive arrangements, and if compensation is tied to performance, a description of the oversight mechanisms to prevent a manager with lagging performance from taking undue risks;
- a description of MFS' compliance program and matters, as well as its trading activities; and
- any other information MFS believed would be material to the Board's consideration of the MFS Agreement.

The Board considered multiple factors when evaluating MFS and in approving the MFS Agreement, including that the Manager had screened a number of large cap value advisors to identify MFS. The Board considered MFS' experience in managing large cap value assets, its reputation and financial condition, the past performance of similar accounts managed by MFS, its overall capabilities to perform the services under the MFS Agreement and its willingness to perform those services for the Fund. A discussion of certain of the key factors relating to the Board's selection of MFS and approval of the MFS Agreement follows.

*Nature, extent and quality of the services to be provided by MFS.* The Board considered MFS' investment philosophy and investment process, as well as the background and experience of the personnel

who will be assigned responsibility for managing the portion of the Fund's assets allocated to MFS. The Board also considered information regarding MFS' principal business activities, its reputation, financial condition, infrastructure, its overall capabilities to perform the services under the MFS Agreement and the adequacy of its compliance program. In addition, the Board took into consideration MFS' representation that it has experience with several methods of transitioning portfolios from one sub-advisor to another, that it will work with management to determine the most appropriate transition process for the Fund and that it will transition the Fund in a manner consistent with the existing portfolios managed by the remaining sub-advisors to the Fund. The Board also took into consideration the Manager's recommendation on behalf of MFS. MFS also represented that current staffing levels would be sufficient to service the Fund. Based on this information, the Board concluded that the nature, extent and quality of the advisory services to be provided by MFS were appropriate for the Fund in light of its investment objective, and, thus, supported a decision to approve the MFS Agreement.

Performance of MFS. The Board evaluated MFS' historical investment performance record in managing assets utilizing a large cap value mandate. In particular, the Board evaluated the one-, three- and five-year performance of several mutual funds and private accounts that have similar investment objectives and policies to the Fund (the "Large Cap Value Composite"), as compared to the Russell 1000 Value Index (the "Index"). The Board noted that the accounts in the Large Cap Value Composite underperformed the Index for the one-year period and outperformed the Index for the three- and five-year periods ended September 30, 2010. The Board also considered MFS' rationale for the underperformance of the accounts in the Large Cap Value Composite for the one-year period ended September 30, 2010, and concluded that the historical investment performance record of MFS supported the approval of the MFS Agreement.

Comparisons of the amounts to be paid under the MFS Agreement with those under contracts between MFS and its other clients. In evaluating the MFS Agreement, the Board reviewed MFS' proposed advisory fee schedule and breakpoints for the Fund. The Board considered comparisons of the sub-advisory fees to be charged by MFS under the MFS Agreement versus the fees charged by MFS to other clients with a similar investment mandate. The Board noted that MFS may negotiate different advisory fees for certain accounts based on the client's particular needs and the type of account, inception dates, the initial or potential size of the accounts and other factors, such as the entirety of the client's relationship with MFS and/or its affiliates. The Board also noted that the proposed sub-advisory fee rate to be paid by the Fund compared favorably to the fee rates paid by MFS' other mutual fund and separate accounts clients. This information assisted the Board in concluding that MFS' advisory fees under the MFS Agreement appeared to be within a reasonable range for the services to be provided to the Fund, in light of all the factors considered.

Extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of Fund investors. The Board considered that the fees to be paid by the Fund to MFS are passed through the Manager and that the Manager would not benefit economically from the proposed fee agreement. The Board also considered that the Manager negotiated "breakpoints" in MFS' fee rate based on the levels of assets in the Fund allocated to and managed by MFS and that, in calculating assets under management for this purpose, MFS will include all other large cap value assets of the Manager's clients that are also managed by MFS. Thus, the Board concluded that the Fund is receiving economies of scale due to the breakpoints incorporated into the fee schedule.

Costs of the services to be provided and profits to be realized by MFS and its affiliates from the relationship with the Fund. The Board did not consider the costs of the services to be provided and profits to be realized by MFS from its relationship with the Fund, noting instead the arm's-length nature of the relationship between the Manager and MFS with respect to the negotiation of the advisory fee rate on behalf of the Fund.

*Benefits to be derived by MFS from the relationship with the Fund.* The Board considered the “fall-out” or ancillary benefits that may accrue to MFS as a result of the advisory relationship with the Fund, including research and brokerage products it may receive from brokers while executing brokerage transactions on behalf of the Fund. In this regard, the Board noted MFS’ representation that, if so instructed, it can restrict the Fund from participating in its client commission arrangements, meaning that Fund commissions will not be used to pay for third party research. MFS did not identify any other “fall-out” or ancillary benefits that may accrue to MFS. After consideration of this information, the Board concluded that the potential benefits accruing to MFS by virtue of its relationship with the Fund were not a material factor in approving the MFS Agreement.

*Board’s Conclusion.* The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. Legal counsel to the independent Trustees provided the Board with a memorandum regarding its responsibilities pertaining to the approval process. The memorandum explained the regulatory requirements surrounding the Trustees’ process for evaluating investment advisors and the terms of the contracts. Based on the various considerations described above, the Board, including a majority of Trustees who are not “interested persons” of the Funds, the Manager or MFS, as that term is defined in the Investment Company Act of 1940 (“1940 Act”), concluded that the proposed investment advisory fee rate is reasonable and that the approval of the MFS Agreement is in the best interests of the Fund and its shareholders and, as a result, approved the MFS Agreement.

#### **APPROVAL OF A REVISED FEE SCHEDULE FOR HOTCHKIS**

On March 9, 2011, the Board approved the Hotchkis Agreement with the revised fee schedule (“Modified Hotchkis Agreement”). Upon the termination of MetWest, the Manager allocated to Hotchkis a majority of the assets of the Large Cap Value Fund previously managed by MetWest. For purposes of determining the fee payable to Hotchkis by the Large Cap Value Fund and the Balanced Fund, the assets of the mutual funds, the exchange traded fund and certain pension funds of the Manager and its affiliates that are sub-advised by Hotchkis are combined. With the additional Large Cap Value Fund assets, the combined assets managed by Hotchkis exceeded the lowest breakpoint on the Hotchkis fee schedule. Due to capacity constraints attendant to the management of substantial additional assets, Hotchkis was reluctant to agree to manage the additional assets at the lower fee rate. Accordingly, Hotchkis requested that the Manager implement the revised fee schedule, which includes an additional breakpoint for the advisory fees to be paid by the Funds.

The Board reviewed the information provided by Hotchkis in connection with its consideration of the revised fee schedule. The Board noted that it had reviewed information provided by Hotchkis in connection with its consideration of the renewal of the Hotchkis Agreement in May 2010, and that the only change to the Hotchkis Agreement was the revised fee schedule. The Board also considered, among other materials, responses by Hotchkis to inquiries requesting:

- a description of the proposed changes to the advisory fee rate;
- a comparison of the proposed advisory fee rate to fee rates charged by Hotchkis to other clients for which Hotchkis provides comparable services;
- a description of any contemplated changes to the portfolio management services that Hotchkis currently provides;
- a comparison of the performance of Hotchkis’ portion of the Funds to other comparable investment accounts managed by Hotchkis and to the Funds’ primary benchmarks;
- identification of any changes to the Hotchkis personnel who are assigned primary responsibility for managing the Funds and, with respect to any new personnel, their education, experience and responsibilities;
- whether current and projected staffing levels continue to be adequate to service the Funds;

- whether any of Hotchkis' responses in connection with the May 2010 advisory contract renewal process between Hotchkis and the Manager would be materially different with respect to the Funds in light of the revised fee schedule; and
- any other information Hotchkis believed would be material to the Board's consideration of the Modified Hotchkis Agreement.

The Board considered multiple factors when approving the Modified Hotchkis Agreement, including Hotchkis' experience managing a portion of the assets of each Fund since the Funds' inception in 1987. The Board also considered the performance of the portion of each Fund managed by Hotchkis and other accounts managed by Hotchkis, its reputation and its overall ability to continue to perform the services under the Modified Hotchkis Agreement and its willingness to perform those services for the Funds. In addition, the Board considered Hotchkis' representation that none of Hotchkis' responses in connection with the renewal of the Hotchkis Agreement in May 2010 would be materially different with respect to the Funds in light of the revised fee schedule. A discussion of certain of the key factors relating to the Board's approval of the revised fee schedule and the Modified Hotchkis Agreement follows.

*Nature, extent and quality of the services to be provided by Hotchkis.* With respect to the Modified Hotchkis Agreement, the Trustees considered Hotchkis' size and ability to continue to attract and retain qualified investment personnel. In this regard, the Trustees considered that there had been no changes in Hotchkis' portfolio managers with the most significant responsibility for managing the Funds' assets during the 2010 calendar year. The Board noted the background and experience of a new investment analyst who joined Hotchkis' investment team in February 2010. The Board also considered Hotchkis' representations that current and projected staffing levels are adequate to service the Funds. Based on the foregoing information, the Board concluded that the nature, extent and quality of the management and advisory services to be provided by Hotchkis were appropriate for the Funds, and, thus, supported a decision to approve the Modified Hotchkis Agreement.

*Performance of Hotchkis.* The Board considered the information provided by Hotchkis regarding the performance of its portions of the Large Cap Value Fund and the Balanced Fund as compared to the performance of the Hotchkis Large Cap Diversified Composite ("Hotchkis Composite"), the Russell 1000 Value Index ("Russell Index") and the S&P 500 Index. The Board considered that the Hotchkis portion of the Large Cap Value Fund: (1) outperformed the Hotchkis Composite for the three- and five-year periods ended December 31, 2010 and matched the Hotchkis Composite for the one-year period; and (2) outperformed the Russell Index and the S&P 500 Index for the one- and three-year periods ended December 31, 2010 and underperformed the Russell Index and the S&P 500 for the five-year period. The Board also considered that Hotchkis' portion of the Balanced Fund: (1) outperformed the Hotchkis Composite for the one- and three-year periods ended December 31, 2010 and matched the performance of the Hotchkis Composite for the five-year period; and (2) outperformed the Russell Index for the one- and three year periods ended December 31, 2010 and underperformed the Russell Index for the five-year period; and (3) outperformed the S&P 500 Index for the one-year period ended December 31, 2010, matched the performance of the S&P 500 Index for the three-year period and underperformed the S&P 500 Index for the five-year period. Based on the performance information discussed above, the Board concluded that the Funds and their shareholders could benefit from Hotchkis' continued management of the Funds.

*Comparisons of the amounts to be paid under the Modified Hotchkis Agreement with those under contracts between Hotchkis and its other clients.* In evaluating the revised fee schedule for the Hotchkis Agreement, the Board reviewed Hotchkis' existing and proposed advisory fee rates and breakpoints for the Funds. The Board noted that Hotchkis had requested the revised fee schedule as a result of the increase in the assets allocated to Hotchkis by the Manager. The Board considered that, under the existing fee schedule, the Funds pay an annualized advisory fee rate of 0.125% on assets under management in excess of \$800 million, and that under the revised fee schedule the advisory fee rates

would be 0.125% on assets between \$800 million and \$1.45 billion and 0.15% on all remaining assets. The Board also considered that the fees to be paid by the Large Cap Value Fund under the revised fee schedule are lower than the fees that the Fund was paying to MetWest and lower than or equal to the fees that the Fund is paying the other sub-advisors. In addition, the Board considered Hotchkis' representations that Hotchkis does not have any clients directly comparable to the Funds and that both the existing and proposed fee schedules for the Funds are significantly lower than the fee rates that Hotchkis charges other clients and Hotchkis' standard fee schedule. This information assisted the Board in concluding that proposed rates under the revised fee schedule appeared to be within a reasonable range for the services to be provided to the Fund, in light of all the factors considered.

Extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of Fund investors. The Board considered that the fees paid to Hotchkis are passed through the Manager by the Funds and that the Manager would not benefit economically from the new proposed fee rates. The Board also considered that, like the existing fee rates, the "breakpoints" in the proposed fee rates are based on the combined assets of the Funds that are managed by Hotchkis. The Board also considered that the fee rate for assets in excess of \$1.45 billion is the same as for assets between \$150 million and \$400 million, which is less than Hotchkis' standard fee rates. Thus, the Board concluded that the Funds would continue to receive economies of scale due to the relatively low fees and breakpoints incorporated into the fee schedule.

Costs of the services to be provided and profits to be realized by Hotchkis and its affiliates from the relationship with the Funds. The Board did not consider the costs of the services to be provided and profits to be realized by Hotchkis from its relationships with each Fund, noting instead the arm's-length nature of the relationship between the Manager and Hotchkis with respect to the negotiation of the revised fee schedule on behalf of the Funds.

Benefits to be derived by Hotchkis from the relationship with the Fund. The Board considered the "fall-out" or ancillary benefits that may accrue to Hotchkis as a result of the advisory relationship with the Funds, including greater exposure in the marketplace with respect to Hotchkis' investment process and expanding the level of assets under management. In this regard, the Board noted that, in May 2010, it had considered that the Funds did not pay commissions to any affiliated broker-dealer. After consideration of this information, the Board concluded that the potential benefits accruing to Hotchkis by virtue of its relationship with the Funds appear to be fair and reasonable.

Board's Conclusion. The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. Legal counsel to the independent Trustees provided the Board with a memorandum regarding its responsibilities pertaining to the approval process. The memorandum explained the regulatory requirements surrounding the Trustees' process for evaluating investment advisors and the terms of the contracts. Based on the various considerations described above, the Board, including a majority of Trustees who are not "interested persons" of the Funds, the Manager or Hotchkis, as that term is defined in the 1940 Act, concluded that the proposed advisory fees are reasonable and that the approval of the Hotchkis Agreement with the revised fee schedule is in the best interests of the Funds and their shareholders and, as a result, approved the Modified Hotchkis Agreement.

## **DESCRIPTION OF THE INVESTMENT ADVISORY AGREEMENTS**

The MFS Agreement, which is dated December 13, 2010, will continue in effect for an initial term of two years. After the initial two-year term, the MFS Agreement will continue in effect only if it is approved annually by the Board or by the vote of the shareholders of a majority of the outstanding shares of the Fund, and also, in either event, approval by a majority of the independent Trustees.

The Hotchkis Agreement is dated September 12, 2008. The Hotchkis Agreement was last renewed by the Board on May 25, 2010. The Modified Hotchkis Agreement is dated September 12, 2008, as amended on March 9, 2011. The Modified Hotchkis Agreement is identical to the Hotchkis Agreement in all respects other than the fee schedule.

Under each Agreement, MFS and Hotchkis manage the portion of a Fund's assets allocated to it by the Manager. The Manager may change the amount of assets allocated to MFS or Hotchkis at any time. MFS and Hotchkis each have discretion pursuant to the Agreement to purchase and sell securities for its allocated segment of Fund assets in accordance with a Fund's objectives, policies and restrictions, and the more specific strategies provided by the Manager. In addition, MFS and Hotchkis may request that the Manager make investment decisions with respect to the portion of the allocated assets that MFS and Hotchkis determine should be invested in short-term money market instruments. MFS and Hotchkis are subject to general supervision by the Board and officers of the Funds and the Manager.

The Funds pay to the Manager the fees due to MFS and Hotchkis as compensation for their services. The Manager then remits this amount to MFS and Hotchkis. Under the MFS Agreement, the Large Cap Value Fund pays MFS an annualized advisory fee equal to 0.35% on assets up to \$100 million, 0.30% on assets between \$100 million and \$500 million, 0.275% on assets between \$500 million and \$1.5 billion, and 0.20% on assets over \$1.5 billion. Under the Hotchkis Agreement, the Funds paid Hotchkis an annualized advisory fee based on the combined assets of the Funds managed by Hotchkis equal to 0.60% on assets up to \$10 million, 0.50% on assets between \$10 million and \$50 million, 0.30% on assets between \$50 million and \$150 million, 0.20% on assets between \$150 million and \$400 million, 0.15% on assets between \$400 million and \$800 million, and 0.125% on assets in excess of \$800 million. Under the Modified Hotchkis Agreement, a new breakpoint has been added to the fee schedule such that the advisory fee rate is 0.125% on assets between \$800 million and \$1.45 billion and 0.15% on assets in excess of \$1.45 billion.

The Agreements do not protect MFS or Hotchkis against any liability to the Funds or their shareholders to which MFS or Hotchkis might otherwise be subject by reason of willful misfeasance, bad faith, or gross negligence in the performance of its duties or the reckless disregard of its obligations under the Agreements. Each Agreement will automatically and immediately terminate upon its assignment and may be terminated without penalty at any time by the Manager, by vote of a majority of the Board or by vote of a majority of the outstanding voting securities of a Fund on not less than thirty days' nor more than sixty days' written notice. MFS and Hotchkis may also terminate their respective Agreements without penalty upon sixty days' written notice to the Manager.

#### **FEES AND EXPENSES OF THE FUNDS**

During the fiscal year ended October 31, 2010, the Balanced Fund paid Hotchkis an advisory fee equal to \$288,825 and the Large Cap Value Fund paid Hotchkis an advisory fee equal to \$1,371,755. The advisory fees that each Fund paid to Hotchkis would have been the same if the revised fee schedule had been in effect. The revised fee schedule may result in an increase in the advisory fee rate paid by each Fund when the combined assets allocated to exceed \$1.45 billion.

#### **INFORMATION ABOUT MASSACHUSETTS FINANCIAL SERVICES COMPANY ("MFS")**

MFS, located at 500 Boylston Street, Boston, Massachusetts 02116, and its predecessor organizations have a history of money management dating from 1924, when it created the first U.S. mutual fund. MFS is a majority-owned subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings Inc., located at 500 Boylston Street, Boston, Massachusetts 02116, which in turn is an indirect majority-owned subsidiary of Sun Life Financial, Inc. (a diversified financial services organization),

located at Sun Life Financial Centre, 150 King Street West, Toronto, Ontario, Canada. Net assets under the management of the MFS organization were approximately \$219 billion as of December 31, 2010.

The following table provides the name and principal occupation of the directors and executive officers of MFS. The address of each of the directors and executive officers as it relates to that person's position with MFS is 500 Boylston Street, Boston, Massachusetts 02116.

<u>Name</u>	<u>Principal Occupation*</u>
Robert C. Pozen	Chairman Emeritus of the Board of Directors of MFS
Robert J. Manning	Director, Chief Executive Officer and Chairman of the Board of Directors of MFS
Thomas A. Bogart	Director of MFS; Executive Vice President and General Counsel of Sun Life Financial, Inc.
Dean A. Connor	Director of MFS; Chief Operating Officer of Sun Life Financial, Inc.
Martin E. Beaulieu	Director, Vice Chairman and Head of Global Distribution of MFS
Robin A. Stelmach	Executive Vice President and Chief Operating Officer of MFS
Maria F. DiOrio Dwyer	Executive Vice President, Chief Regulatory Officer and Chief Compliance Officer of MFS
Mark N. Polebaum	Executive Vice President, General Counsel and Secretary of MFS
Amrit Kanwal	Executive Vice President and Chief Financial Officer of MFS
Michael W. Roberge	President, Chief Investment Officer and Director of Global Research of MFS
David A. Antonelli	Vice Chairman of MFS

\*Aside from Messrs. Bogart and Connor, none of the principal executive officers and directors of MFS listed above have other principal employment other than their respective positions with MFS or positions with MFS affiliates. Messrs. Bogart and Connor are senior executive officers of Sun Life Financial, Inc., the ultimate parent of MFS. Their principal occupations are reflected in the titles shown for them in the table above.

MFS also serves as investment advisor to the following funds, which have similar investment objectives as the Fund.

<u>Comparable Fund</u>	<u>Comparable Fund Assets as of December 31, 2010</u>	<u>Comparable Fund Advisory Fee Rate</u>
Fund 1	\$16.1 million	0.60% on the first \$7.5 billion 0.53% from \$7.5 to \$10 billion 0.50% in excess of \$10 billion

Fund 2	\$1.1 million	0.75% on the first \$1 billion 0.65% in excess of \$1 billion
Fund 3	\$530.3 million	0.75% on the first \$1 billion 0.65% in excess of \$1 billion
Fund 4	\$152.9 million	0.55 on all assets
Fund 5	\$682.7 million	0.375% on the first \$250 million 0.35% on the next \$250 million 0.30% on the next \$1 billion 0.25% in excess of \$1 billion
Fund 6	\$238.3 million	0.40% of the first \$125 million; 0.30% in excess of \$125 million
Fund 7	\$346.0 million	0.45% on first \$100 million 0.35% on next \$150 million 0.325% on next \$250 million 0.30% in excess of \$500 million
Fund 8	\$2,365.4 million	0.35% on first \$250 million 0.30% on next \$1 billion 0.25% on next \$250 million 0.20% in excess of \$1.5 billion
Fund 9	\$242.5 million	0.40% of first \$300 million 0.375% on next \$300 million 0.35% in excess of \$600 million
Fund 10	\$1,535.5 million	0.35% of first \$100 million 0.30% of next \$400 million 0.275% in excess of \$500 million

## INFORMATION ABOUT HOTCHKIS AND WILEY CAPITAL MANAGEMENT, LLC

Hotchkis, located at 725 South Figueroa Street, 39<sup>th</sup> Floor, Los Angeles, California 90017-5439, is a professional investment management firm that focuses exclusively on finding and owning undervalued securities that it believes have potential for appreciation. Hotchkis was formed in October 2001 from the key domestic equity management personnel at Merrill Lynch Investment Managers, L.P., a former sub-advisor to the Funds. As of January 1, 2011, Hotchkis had approximately \$18 billion in domestic value equity and high yield assets under management, for institutional and mutual fund investors, including approximately \$360 million of assets of AMR Corporation and its subsidiaries and affiliated entities. Hotchkis also serves as a sub-advisor to the American Beacon Small Cap Value Fund, which also is a series of the Trust. Hotchkis is independently owned, with a majority interest held by its employees.

The following table provides the name and principal occupation of the directors and executive officers of Hotchkis. The address of each of the directors and executive officers as it relates to that person's position with Hotchkis is 725 South Figueroa Street, 39<sup>th</sup> Floor, Los Angeles, California 90017-5439.

<b>Name</b>	<b>Principal Occupation*</b>
George H. Davis, Jr.	Member of Executive Committee, Chief Executive Officer and Portfolio Manager of Hotchkis. Member of HWCap Holdings, LLC.
Sheldon Lieberman	Member of Executive Committee and Portfolio Manager of Hotchkis. Member of HWCap Holdings, LLC.
Nigel Hurst-Brown	Member of Executive Committee of Hotchkis. Chief Executive of Hotchkis and Wiley (UK) Limited.
Warren A. Stephens	Member of Executive Committee of Hotchkis. President and Chief Executive Officer of Stephens Inc.
Douglas H. Martin	Member of Executive Committee of Hotchkis. Executive Vice President of Stephens Inc.

\*Aside from Messrs. Stephens and Martin, none of the principal executive officers and directors of Hotchkis listed above have other principal employment other than their respective positions with Hotchkis or any affiliate of Hotchkis. Their principal occupations are reflected in the titles shown for them in the table above.

Hotchkis also serves as investment advisor to the following funds, which have similar investment objectives as the Funds.

<u>Comparable Fund</u>	<u>Comparable Fund Assets as of December 31, 2010</u>	<u>Comparable Fund Advisory Fee Rate</u>
Grail American Beacon Large Cap Value Exchange Traded Fund	\$1 million	0.60% on the first \$10 million 0.50% on the next \$40 million 0.30% on the next \$100 million 0.20% on the next \$250 million 0.15% on the next \$400 million 0.125% on all excess assets
Vanguard Windsor Fund II	\$2.1 billion	Performance fee
Hotchkis and Wiley Diversified Value Fund	\$385 million	0.75% on the first \$5 billion 0.65% on the next \$5 billion 0.60% thereafter

#### **INFORMATION ABOUT THE FUNDS' INVESTMENT ADVISORS**

The Funds' sub-advisors serve as investment advisors with respect to the portion of Fund assets allocated to them, pursuant to separate investment advisory agreements. The assets of the Large Cap Value Fund currently are allocated by the Manager to the following investment advisors:

Barrow, Hanley, Mewhinney & Strauss, LLC  
Brandywine Global Investment Management, LLC  
Hotchkis and Wiley Capital Management, LLC  
MFS Investment Management

The assets of the Balanced Fund currently are allocated by the Manager to itself and the following investment advisors:

Barrow, Hanley, Mewhinney & Strauss, LLC  
Brandywine Global Investment Management, LLC  
Hotchkis and Wiley Capital Management, LLC

Assets are allocated in this manner to provide diversification and to reduce the possible impact of any one investment advisor's sub-par performance on the performance of the Fund.

***Important Notice Regarding Electronic Availability of the Information Statement. This Information Statement and the Funds' most recent annual and semi-annual reports to shareholders are available on the Internet at [www.americanbeaconfunds.com](http://www.americanbeaconfunds.com).***

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*By Order of the Board of Trustees,*

Rosemary K. Behan  
*Secretary and Chief Legal Officer*

March 11, 2011

**APPENDIX A**

**LARGE CAP VALUE FUND OUTSTANDING SHARES  
(As of February 16, 2011)**

Outstanding Shares	A Class	C Class	Institutional Class	Y Class	Investor Class	Advisor Class	Retirement Class	AMR Class
Large Cap Value Fund	117,792	19,739	187,055,668	501,732	239,388,424	7,628,689	27,340	29,890,163

**BALANCED FUND OUTSTANDING SHARES  
(As of February 16, 2011)**

Outstanding Shares	A Class	C Class	Institutional Class	Y Class	Investor Class	Advisor Class	AMR Class
Balanced Fund	13,327	10,353	2,565,250	21,251	7,321,426	512,661	61,106,703

**APPENDIX B**

**LARGE CAP VALUE FUND BENEFICIAL OWNERS OF 5% OR MORE OF SHARES  
AS OF FEBRUARY 16, 2011**

<u>Large Cap Value Fund</u>	<u>Total Fund</u>	<u>Institutional Class</u>	<u>Y Class</u>	<u>Investor Class</u>	<u>Advisor Class</u>	<u>AMR Class</u>	<u>A Class</u>	<u>Retirement Class</u>	<u>C Class</u>
JP Morgan Chase Bank TTEE Super Saver Cap Accumulated Plan For EE Of PTP AMR Corp Subsidiaries PO Box 419784 Kansas City, MO 64141-6784	6%					98%			
LPL Financial FBO Customer Accounts* PO Box 509046 San Diego, CA 92150-9046			17%*						
National Financial Services Corp.* 200 Liberty Street New York, NY 10281	47%*	54%*		49%*					
Charles Schwab & Co.* 9601 E. Panorama Circle. Englewood, CO 80112	15%*	6%*	9%*	25%*					
JP Morgan Chase as TTEE FBO Elkay Manufacturing Co Bargaining Unit Employees Retirement and Savings Plan 9300 Ward PKWY Kansas City, MO 64114-3317			7%						
JP Morgan Chase as TTEE FBO Elkay Manufacturing Co Retirement and Savings Plan 9300 Ward PKWY Kansas City, MO 64114-3317			62%						
Wachovia Bank FBO* Various Retirement Plans 1525 West WT Harris Blvd. Charlotte, NC 28288-0001					19%*				
Saxon and Co. FBO: 20-01-302-9912426 P.O. Box 7780-1888 Philadelphia, PA 19182-0001					7%				
Massachusetts Mutual Insurance Co. 1295 State Street Springfield, MA 01111-0001					22%				
Wilmington Trust CO TTEE FBO St. Vincent Mercy Med CTR DEF Contribution PO Box 8880 Wilmington, DE 19899-8880					10%				
Wilmington Trust CO CUST FBO Lincoln Alliance 403B PRGM Mercy PO Box 8880 Wilmington, DE 19899-8880					5%				
UBS Financial Services Inc. FBO Graco Foundation ATTN Treasury PO Box 1441 Minneapolis, MN 55440-1441							25%		
LPL Financial FBO Customer Accounts* 9785 Towne Center Drive San Diego, CA 92121-1968							5%		
Orchard Trust Company* Employee Benefits Clients 401K 8515 E Orchard Road Greenwood VLG, CO 80111-5002								99%	

<u>Large Cap Value Fund</u>	<u>Total Fund</u>	<u>Institutional Class</u>	<u>Y Class</u>	<u>Investor Class</u>	<u>Advisor Class</u>	<u>AMR Class</u>	<u>A Class</u>	<u>Retirement Class</u>	<u>C Class</u>
LPL Financial 9785 Towne Centre DR San Diego, CA 92121-1968									11%
Robert W Baird & Co 777 East Wisconsin Ave. Milwaukee, WI 53202-5391									19%
Robert W Baird & Co 777 East Wisconsin Ave. Milwaukee, WI 53202-5391									75%
Robert W Baird & Co 777 East Wisconsin Ave. Milwaukee, WI 53202-5391									7%
Robert W Baird & Co 777 East Wisconsin Ave. Milwaukee, WI 53202-5391									6%
Pershing LLC PO Box 2052 Jersey City, NJ 07303									14%

**BALANCED FUND BENEFICIAL OWNERS OF 5% OR MORE OF SHARES  
AS OF February 16, 2011**

<u>Balanced Fund</u>	<u>Total Fund</u>	<u>Institutional Class</u>	<u>Y Class</u>	<u>Investor Class</u>	<u>Advisor Class</u>	<u>A Class</u>	<u>C Class</u>	<u>AMR Class</u>
American Airlines Prefund Retiree Med 2 Ave. De Lafayette Boston, MA 02111	11%							12%
JP Morgan Chase Bank TTEE Super Saver Cap Accumulated Plan For EE Of PTP AMR Corp Subsidiaries PO Box 419784 Kansas City, MO 64141-6784	26%							30%
Long Term Disability Trust 2 Ave. De Lafayette Boston, MA 02111	13%							15%
American Airlines Inc. Post Retirement Prefund TR-U 2 Ave. De Lafayette Boston, MA 02111	13%							15%
American Airlines Prefund Co Match Union 2 Ave. De Lafayette Boston, MA 02111	11%							13%
LPL Financial FBO Customer Accounts* 9785 Towne Center Drive San Diego, CA 92121-1968		22%*	36%*					
LPL Financial 9785 Towne Center Drive San Diego, CA 92121-1968						14%		
LPL Financial 9785 Towne Center Drive San Diego, CA 92121-1968						25%		
LPL Financial 9785 Towne Center Drive San Diego, CA 92121-1968						44%		
LPL Financial 9785 Towne Center Drive San Diego, CA 92121-1968							20%	
C.R. Smith Museum P.O. Box 619617 DFW Airport, TX 75261-9617		14%						

Balanced Fund	Total Fund	Institutional Class	Y Class	Investor Class	Advisor Class	A Class	C Class	AMR Class
Community Foundation of North Texas 306 W 7 <sup>th</sup> ST Fort Worth, TX 76102-4906		6%						
Charles Schwab & Co. * 9601 E. Panorama Circle Englewood, CO 80112				20%*				
National Financial Services Corp.* 200 Liberty Street New York, NY 10281		8%*		22%*				
Wachovia Bank FBO* Various Retirement Plans 1525 West WT Harris Blvd Charlotte, NC 28288					19%*			
Saxon and Co. FBO 20-01-302-9912426 P.O. Box 7780-1888 Philadelphia, PA 19182-0001					72%			
Orchard Trust Company* FBO Retirement Plans 8515 E Orchard Road Greenwood VLG, CO 80111-5002		34%*						
Standard Insurance Company P11D ATTN Separate Account A 1100 SW 6 <sup>th</sup> Avenue Portland, OR 97204-1020		5%						
TD Ameritrade Inc for the Exclusive Benefit of our Customers* PO Box 2226 Omaha, NE 68103-2226				8%*				
Massachusetts Mutual Insurance Co. 1295 State Street Springfield, MA 01111-0001				15%				
American Enterprise Investment Services FBO 270646091 PO Box 9446 Minneapolis, MN 55440-9446						12%		
Citigroup Global Markets Inc 0013541768F 333 West 34 <sup>th</sup> ST – 3 <sup>rd</sup> Floor New York, NY 10001-2402			16%					
Citigroup Global Markets Inc 0013541136F 333 West 34 <sup>th</sup> ST – 3 <sup>rd</sup> Floor New York, NY 10001-2402			7%					
Citigroup Global Markets Inc 0013541825F 333 West 34 <sup>th</sup> ST – 3 <sup>rd</sup> Floor New York, NY 10001-2402			9%					
Citigroup Global Markets Inc 0013541824F 333 West 34 <sup>th</sup> ST – 3 <sup>rd</sup> Floor New York, NY 10001-2402			9%					
Citigroup Global Markets Inc 0013541061F 333 West 34 <sup>th</sup> ST – 3 <sup>rd</sup> Floor New York, NY 10001-2402			7%					
Citigroup Global Markets Inc 0013546309K 333 West 34 <sup>th</sup> ST – 3 <sup>rd</sup> Floor New York, NY 10001-2402			11%					
Raymond James & Assoc Inc FBO Bruce C Anderson TTEE U/A DTD Jul 31 2002 Bruce C Anderson Trust 7 Brooks Xing West Boylston, MA 01583-1305							80%	