

2018 SEMI-ANNUAL REPORT

June 30, 2018

BRIDGEWAY LARGE CAP GROWTH FUND

BRIDGEWAY LARGE CAP VALUE FUND

About American Beacon Advisors

Since 1986, American Beacon Advisors 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.

BRIDGEWAY LARGE CAP GROWTH FUND

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales. Investing in **foreign securities** may involve heightened risk due to currency fluctuations and economic and political risks. While the Fund is managed pursuant to a tax management strategy, the Fund's investments could create **capital gains**. 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.

BRIDGEWAY LARGE CAP VALUE FUND

Investing in **value stocks** may limit downside risk over time; however, the Fund may produce more modest gains than riskier stock funds as a trade-off for this potentially lower risk. Investing in **foreign securities** may involve heightened risk due to currency fluctuations and economic and political risks. While the Fund is managed pursuant to a tax management strategy, the Fund's investments could create **capital gains**. 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.

Contents

| | |
|--|------------|
| President’s Message | 1 |
| Performance Overviews | 2 |
| Expense Examples | 6 |
| Schedules of Investments: | |
| American Beacon Bridgeway Large Cap Growth Fund | 8 |
| American Beacon Bridgeway Large Cap Value Fund | 13 |
| Financial Statements | 19 |
| Notes to Financial Statements | 23 |
| Financial Highlights: | |
| American Beacon Bridgeway Large Cap Growth Fund | 42 |
| American Beacon Bridgeway Large Cap Value Fund | 48 |
| Renewal and Approval of Management Agreement and Investment Advisory Agreement . . . | 54 |
| Additional Fund Information | Back Cover |

President's Message



Dear Shareholders,

Since 1986, American Beacon has endeavored to provide investors with a disciplined approach to realizing long-term investment goals:
Institutional wisdom + earned alpha = enduring value.

▶ We believe *institutional wisdom* comes from having more than 30 years of experience as manager of one of the country's largest pension plans. As a fiduciary, we have built an investment due-diligence and oversight infrastructure, which we leverage across all our investment products. When selecting our investment managers, we focus on their people, processes and performance. We perform due-diligence reviews with each investment manager on a quarterly basis.

▶ We believe *earned alpha* - that is, the returns of an actively managed fund beyond a benchmark - comes from employing and engaging investment managers we believe are best-in-class and who have defined, repeatable and proven processes. Our experience has shown us that, while it's important to be mindful of short-term considerations, having a long-term focus helps manage expectations, mitigate risks and realize goals. Thus, we seek relationships with leading investment managers who display a willingness to undertake time-intensive research strategies. The resulting investment portfolios are differentiated from their peers and allow incremental changes to help address periods of market volatility and economic uncertainty.

▶ We believe *enduring value* comes from "putting a portfolio in place and sticking with the plan." Our mutual funds provide you with access to institutional-quality, research-intensive investment managers with diverse processes and styles. In the long run, having such access and spending time in the market - rather than trying to time the market - may better position you to reach your long-term investment goals.

During periods of market volatility and economic uncertainty - such as what we've seen thus far in 2018 - investing for the long term requires *conviction*. It isn't about identifying and anticipating the next big market move. It's about identifying the right investment products for riding out those moves. It's about developing an approach based on long-term participation, while seeking some measure of protection against ongoing volatility.

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. Many of the sub-advisors to our mutual funds pursue upside capture and/or downside protection using proprietary strategies. 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 high quality and lower risk.

At American Beacon, our approach is more than a concept. It's the cornerstone of our culture. And we strive to apply it at every turn as we seek to provide a well-diversified line of investment products for your portfolio.

Thank you for your continued interest in American Beacon. For additional information about our funds or to access your account information, please visit our website at www.americanbeaconfunds.com.

Best Regards,



Gene L. Needles, Jr.
President
American Beacon Funds

American Beacon Bridgeway Large Cap Growth FundSM

Performance Overview

June 30, 2018 (Unaudited)

The Investor Class of the American Beacon Bridgeway Large Cap Growth Fund (the “Fund”) returned 7.62% for the six months ended June 30, 2018, compared to the Russell 1000[®] Growth Index (the “Index”) return of 7.25% for the same period.

Total Returns for the Period Ended June 30, 2018

| | Ticker | 6 Months* | 1 Year | 3 Years | 5 Years | 10 Years |
|--|--------|-----------|--------|---------|---------|----------|
| Institutional Class (1,7) | BRLGX | 7.76% | 23.78% | 12.67% | 16.19% | 10.03% |
| Y Class (1,2,7) | BLYYX | 6.85% | 23.74% | 12.60% | 16.14% | 10.01% |
| Investor Class (1,3,7) | BLYPX | 7.62% | 23.37% | 12.34% | 15.98% | 9.93% |
| A without Sales Charge (1,4,7) | BLYAX | 7.43% | 23.43% | 12.37% | 16.00% | 9.94% |
| A with Sales Charge (1,4,7) | BLYAX | 1.27% | 16.35% | 10.17% | 14.63% | 9.29% |
| C without Sales Charge (1,5,7) | BLYCX | 6.40% | 22.49% | 11.68% | 15.57% | 9.74% |
| C with Sales Charge (1,5,7) | BLYCX | 5.40% | 21.49% | 11.68% | 15.57% | 9.74% |
| R6 Class (1,6,8) | BLYRX | 7.80% | 23.82% | 12.68% | 16.19% | 10.03% |
| Russell 1000 [®] Growth Index (6) | | 7.25% | 22.51% | 14.98% | 16.36% | 11.83% |

* Not Annualized.

- 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 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. Please note that the recent performance of the securities market has helped produce short-term returns that are not typical and may not continue in the future. A portion of the fees charged to each Class of the Fund has been waived since Fund inception. Performance prior to waiving fees was lower than the actual returns shown since inception.
- Fund performance for the three-year, five-year and ten-year periods represent the returns achieved by the Institutional Class from 6/30/08 up to 2/5/16, the inception date of the Y Class, and the returns of the Y Class since its inception. Expenses of the Y Class are higher than those of the Institutional Class. As a result, total returns shown may be higher than they would have been had the Y Class been in existence since 6/30/08.
- Fund performance for the three-year, five-year and ten-year periods represent the returns achieved by the Institutional Class from 6/30/08 up to 2/5/16, the inception date of the Investor Class, and the returns of the Investor Class since its inception. Expenses of the Investor Class are higher than those of the Institutional Class. Therefore, total returns shown may be higher than they would have been had the Investor Class been in existence since 6/30/08.
- Fund performance for the three-year, five-year and ten-year periods represent the returns achieved by the Institutional Class from 6/30/08 through 2/5/16, the inception date of the A Class, and the returns of the A Class since its inception. Expenses of the A Class are higher than those of the Institutional Class. As a result, total returns shown may be higher than they would have been had the A Class been in existence since 6/30/08. A Class shares have a maximum sales charge of 5.75%.
- Fund performance for the three-year, five-year and ten-year periods represent the returns achieved by the Institutional Class from 6/30/08 through 2/5/16, the inception date of the C Class, and the returns of the C Class since its inception. Expenses of the C Class are higher than those of the Institutional Class. As a result, total returns shown may be higher than they would have been had the C Class been in existence since 6/30/08. C Class has a maximum contingent deferred sales charge of 1.00% for shares redeemed within one year of the date of purchase.
- Fund performance for the periods represent the returns achieved by the Institutional Class from 6/30/08 through 4/30/18, 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 the Institutional Class. As a result, total returns shown may be lower than they would have been had the R6 Class been in existence since 6/30/08. A portion of the fees charged to the R6 Class of the Fund has been waived. Performance prior to waiving fees was lower than actual returns shown.
- The Russell 1000[®] Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth Index and Russell 1000 Index are registered trademarks of the Frank Russell Company. Frank Russell Company (“Russell”) is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell[®] is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data, and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell’s express written consent. Russell does not promote, sponsor or endorse the content of this communication. One cannot directly invest in an index.
- The Total Annual Fund Operating Expense ratios set forth in the most recent Fund prospectus for the Institutional, Y, Investor, A, C and R6 Class shares were 1.06%, 1.13%, 1.40%, 1.44%, 2.09% and 1.01%, 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.

American Beacon Bridgeway Large Cap Growth FundSM

Performance Overview

June 30, 2018 (Unaudited)

The Fund outperformed the Index due to stock selection. Sector allocation detracted from relative returns.

Most of the Fund's outperformance related to security selection was attributable to holdings in the Health Care and Industrials sectors. In the Health Care sector, Abiomed (up 118.3%), Align Technology (up 54.3%) and IDEXX Laboratories (up 39.4%) contributed significantly to relative performance for the period. The Fund's absence from 3M Co. and United Parcel Service, which were down 15.4% and 9.4%, respectively, also added value in Industrials. Also, in Industrials, the position in TransUnion (up 24.2%) benefited the Fund.

In contrast, security selections in the Information Technology and Financials sectors modestly detracted from performance. On a relative basis, Cognex Corp. was down 25.0% and Applied Materials was down 9.1%. In Financials, Capital One was down 6.9% and Reinsurance Group of America was down 13.8%.

From a sector allocation perspective, the Fund was slightly underweight Consumer Staples, which was helpful as this was one of the lowest performing sectors in the Index. An underweight to Real Estate also added value for the period. These gains were largely offset by the Fund's overweight positions in Industrials and Materials, which were both low performing sectors in the Index. The Fund's underweight in Consumer Discretionary also detracted from relative returns.

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

Top Ten Holdings (% Net Assets)

| | |
|--------------------------|-----|
| Netflix, Inc. | 2.8 |
| Amazon.com, Inc. | 2.7 |
| Boeing Co. | 2.3 |
| Apple, Inc. | 2.2 |
| Align Technology, Inc. | 2.1 |
| ABIOMED, Inc. | 2.0 |
| IDEXX Laboratories, Inc. | 2.0 |
| UnitedHealth Group, Inc. | 2.0 |
| NVIDIA Corp. | 1.9 |
| Micron Technology | 1.9 |

Total Fund Holdings

80

Sector Allocation (% Equities)

| | |
|----------------------------|------|
| Information Technology | 35.6 |
| Health Care | 15.3 |
| Industrials | 13.9 |
| Consumer Discretionary | 13.2 |
| Consumer Staples | 8.1 |
| Materials | 5.4 |
| Financials | 5.2 |
| Real Estate | 2.2 |
| Telecommunication Services | 1.1 |

American Beacon Bridgeway Large Cap Value FundSM

Performance Overview

June 30, 2018 (Unaudited)

The Investor Class of the American Beacon Bridgeway Large Cap Value Fund (the “Fund”) returned -0.95% for the six months ended June 30, 2018, compared to the Russell 1000[®] Value Index (the “Index”) return of -1.69% for the same period.

Total Returns for the Period Ended June 30, 2018

| | Ticker | 6 Months* | 1 Year | 3 Years | 5 Years | 10 Years |
|---|--------|-----------|--------|---------|---------|----------|
| Institutional Class (1,8) | BRLGX | (0.77)% | 10.78% | 8.96% | 12.09% | 10.21% |
| Y Class (1,2,7) (1,2,8) | BLYYX | (0.81)% | 10.71% | 8.88% | 12.03% | 10.16% |
| Investor Class (1,3,7) (1,3,8) | BLYPX | (0.95)% | 10.42% | 8.59% | 11.74% | 9.98% |
| A without Sales Charge (1,4,7) (1,4,8) | BLYAX | (0.88)% | 10.43% | 8.57% | 11.67% | 9.92% |
| A with Sales Charge (1,4,7) (1,4,8) | BLYAX | (6.59)% | 4.08% | 6.45% | 10.35% | 9.27% |
| C without Sales Charge (1,5,7) (1,5,8) | BLYCX | (1.27)% | 9.61% | 7.75% | 10.85% | 9.42% |
| C with Sales Charge (1,5,7) (1,5,8) | BLYCX | (2.27)% | 8.61% | 7.75% | 10.85% | 9.42% |
| R6 Class (1,6,8) | BWLRX | (0.77)% | 10.73% | 8.94% | 12.08% | 10.20% |
| Russell 1000 [®] Value Index (7) | | (1.69)% | 6.77% | 8.26% | 10.34% | 8.49% |

* Not Annualized.

- 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 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. A portion of the fees charged to the Institutional Class was waived from 2008 through 2013, partially recovered in 2014, and fully recovered in 2015. Performance prior to waiving fees was lower than the actual returns shown from 2008 through 2013.
- Fund performance for the ten-year period represents the returns achieved by the Institutional Class from 6/30/08 up to 2/3/12, the inception date of the Y Class, and the returns of the Y Class since its inception. Expenses of the Y Class are higher than those of the Institutional Class. As a result, total returns shown may be higher than they would have been had the Y Class been in existence since 6/30/08. A portion of the fees charged to the Y Class was waived in 2012, partially recovered in 2013 and fully recovered in 2014. Performance prior to waiving fees was lower than the actual returns shown in 2012.
- Fund performance for the ten-year period represents the returns achieved by the Institutional Class from 6/30/08 up to 2/3/12, the inception date of the Investor Class, and the returns of the Investor Class since its inception. Expenses of the Investor Class are higher than those of the Institutional Class. Therefore, total returns shown may be higher than they would have been had the Investor Class been in existence since 6/30/08. A portion of the fees charged to the Investor Class was waived in 2012 and fully recovered in 2013. Performance prior to waiving fees was lower than the actual returns shown in 2012.
- Fund performance for the ten-year period represents the returns achieved by the Institutional Class from 6/30/08 through 2/3/12, the inception date of the A Class, and the returns of the A Class since its inception. Expenses of the A Class are higher than those of the Institutional Class. As a result, total returns shown may be higher than they would have been had the A Class been in existence since 6/30/08. A portion of the fees charged to the A Class was waived in 2012 and 2013 and fully recovered in 2014. Performance prior to waiving fees was lower than the actual returns shown in 2012 and 2013. A Class shares have a maximum sales charge of 5.75%.
- Fund performance for the ten-year period represents the returns achieved by the Institutional Class from 6/30/08 through 2/3/12, the inception date of the C Class, and the returns of the C Class since its inception. Expenses of the C Class are higher than those of the Institutional Class. As a result, total returns shown may be higher than they would have been had the C Class been in existence since 6/30/08. A portion of the fees charged to the C Class was waived in 2012 and 2013 and fully recovered in 2014. Performance prior to waiving fees was lower than the actual returns shown in 2012 and 2013. 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 three-year, five-year and ten-year periods represent the returns achieved by the Institutional Class from 6/30/08 through 4/30/17, 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 the Institutional Class. As a result, total returns shown may be lower than they would have been had the R6 Class been in existence since 6/30/08. A portion of the fees charged to the R6 Class of the Fund has been waived since 2017. Performance prior to waiving fees was lower than actual returns shown.
- The Russell 1000[®] Value Index is an unmanaged index of those stocks in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 Index measures the performance of the 1,000 largest U.S. companies based on total market capitalization. The Russell 1000 Value Index and Russell 1000 Index are registered trademarks of the Frank Russell Company. Frank Russell Company (“Russell”) is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell[®] is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data, and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell’s express written consent. Russell does not promote, sponsor or endorse the content of this communication. One cannot directly invest in an index.
- The Total Annual Fund Operating Expense ratios set forth in the most recent Fund prospectus for the Institutional, Y, Investor, A, C and R6 Class shares was 0.72%, 0.79%, 1.06%, 1.08%, 1.83%, and 0.75%, 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.

American Beacon Bridgeway Large Cap Value FundSM

Performance Overview

June 30, 2018 (Unaudited)

The Fund outperformed the Index due to stock selection, as sector allocation slightly detracted from relative returns.

Most of the Fund's performance related to security selection was attributed to holdings in the Consumer Discretionary and Energy sectors. The Fund's investments in Kohl's (up 36.8%), Macy's (up 52.0%), and Twenty First Century Fox (up 46.6%) were the primary drivers of performance in the Consumer Discretionary sector. In the Energy sector, HollyFrontier Corp. was up 35.2% and Valero Energy was up 22.5%.

The aforementioned performance was somewhat offset by security selection in the Financials and Health Care sectors. The Fund's positions in Ameriprise Financial and Prudential Financial were down 16.6% and 17.2%, respectively. In the Health Care sector, Cardinal Health was down 28.5% and United Therapeutics was down 22.8%. Not owning Merck & Co., which was up 9.7% in the Index, detracted from relative performance.

The Fund's underweight in Consumer Staples and Financials was additive to overall performance during the period. An overweight in Industrials, however, detracted from the Fund's returns. Similarly, an underweight to Energy, the best performing sector in the Index, detracted from relative performance.

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

Top Ten Holdings (% Net Assets)

| | |
|--------------------------------|-----|
| Valero Energy Corp. | 2.1 |
| Micron Technology, Inc. | 2.0 |
| Bank of America Corp. | 1.6 |
| Best Buy Co., Inc. | 1.5 |
| Marathon Petroleum Corp. | 1.5 |
| Walmart, Inc. | 1.5 |
| LyondellBasell Industries N.V. | 1.5 |
| Intel Corp. | 1.5 |
| Occidental Petroleum Corp. | 1.4 |
| Citigroup, Inc. | 1.4 |

Total Fund Holdings

103

Sector Allocation (% Equities)

| | |
|----------------------------|------|
| Financials | 25.8 |
| Consumer Discretionary | 12.7 |
| Industrials | 11.6 |
| Energy | 10.8 |
| Health Care | 10.3 |
| Information Technology | 8.0 |
| Consumer Staples | 7.1 |
| Materials | 7.0 |
| Utilities | 3.4 |
| Telecommunication Services | 2.3 |
| Real Estate | 1.0 |

Fund Expense Example

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments and redemption fees, if applicable, and (2) ongoing costs, including management fees, distribution (12b-1) fees, sub-transfer agent fees, and other Fund expenses. The Examples are intended to help you understand the ongoing cost (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The Examples are based on an investment of \$1,000 invested at the beginning of the period in each Class and held for the entire period from January 1, 2018 through June 30, 2018.

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 Institutional 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 Funds with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. Shareholders of the Investor and Institutional Classes that invest in the Funds through an IRA or Roth IRA may be subject to a custodial IRA fee of \$15 that is typically deducted each December. If your account was subject to a custodial IRA fee during the period, your costs would have been \$15 higher.

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

American Beacon FundsSM

Expense Examples

June 30, 2018 (Unaudited)

American Beacon Bridgeway Large Cap Growth Fund

| | Beginning Account Value 1/1/2018 | Ending Account Value 6/30/2018 | Expenses Paid During Period 1/1/2018-6/30/2018* |
|----------------------------|-------------------------------------|-----------------------------------|---|
| Institutional Class | | | |
| Actual | \$1,000.00 | \$1,077.60 | \$4.17 |
| Hypothetical** | \$1,000.00 | \$1,020.80 | \$4.06 |
| Y Class | | | |
| Actual | \$1,000.00 | \$1,077.80 | \$4.69 |
| Hypothetical** | \$1,000.00 | \$1,020.30 | \$4.56 |
| Investor Class | | | |
| Actual | \$1,000.00 | \$1,076.20 | \$6.13 |
| Hypothetical** | \$1,000.00 | \$1,018.90 | \$5.96 |
| A Class | | | |
| Actual | \$1,000.00 | \$1,076.10 | \$6.23 |
| Hypothetical** | \$1,000.00 | \$1,018.80 | \$6.06 |
| C Class | | | |
| Actual | \$1,000.00 | \$1,072.40 | \$10.07 |
| Hypothetical** | \$1,000.00 | \$1,015.10 | \$9.79 |
| R6 Class | | | |
| Actual | \$1,000.00 | \$1,042.70 | \$1.30 |
| Hypothetical** | \$1,000.00 | \$1,021.00 | \$3.81 |

* Expenses are equal to the Fund's annualized expense ratios for the six-month period of 0.81%, 0.91%, 1.19%, 1.21%, 1.96%, and 0.76% for the Institutional, Y, Investor, 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 (181) by days in the year (365) to reflect the half-year period.

** 5% return before expenses.

American Beacon Bridgeway Large Cap Value Fund

| | Beginning Account Value 1/1/2018 | Ending Account Value 6/30/2018 | Expenses Paid During Period 1/1/2018-6/30/2018* |
|----------------------------|-------------------------------------|-----------------------------------|---|
| Institutional Class | | | |
| Actual | \$1,000.00 | \$992.30 | \$3.51 |
| Hypothetical** | \$1,000.00 | \$1,021.30 | \$3.56 |
| Y Class | | | |
| Actual | \$1,000.00 | \$991.90 | \$3.85 |
| Hypothetical** | \$1,000.00 | \$1,020.90 | \$3.91 |
| Investor Class | | | |
| Actual | \$1,000.00 | \$990.50 | \$5.18 |
| Hypothetical** | \$1,000.00 | \$1,019.60 | \$5.26 |
| A Class | | | |
| Actual | \$1,000.00 | \$990.80 | \$5.03 |
| Hypothetical** | \$1,000.00 | \$1,019.70 | \$5.11 |
| C Class | | | |
| Actual | \$1,000.00 | \$987.00 | \$8.67 |
| Hypothetical** | \$1,000.00 | \$1,016.10 | \$8.80 |
| R6 Class | | | |
| Actual | \$1,000.00 | \$992.30 | \$3.41 |
| Hypothetical** | \$1,000.00 | \$1,021.40 | \$3.46 |

* Expenses are equal to the Fund's annualized expense ratios for the six-month period of 0.71%, 0.78%, 1.05%, 1.02%, 1.76%, and 0.69% for the Institutional, Y, Investor, 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 (181) by days in the year (365) to reflect the half-year period.

** 5% return before expenses.

American Beacon Bridgeway Large Cap Growth FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

| | Shares | Fair Value |
|---|---------|-------------------|
| COMMON STOCKS - 98.87% | | |
| Consumer Discretionary - 13.09% | | |
| Auto Components - 1.08% | | |
| Lear Corp. | 15,500 | \$ 2,880,055 |
| Hotels, Restaurants & Leisure - 2.28% | | |
| Domino's Pizza, Inc. | 12,800 | 3,611,776 |
| Marriott International, Inc., Class A | 19,500 | 2,468,700 |
| | | 6,080,476 |
| Household Durables - 0.79% | | |
| Toll Brothers, Inc. | 57,100 | 2,112,129 |
| Internet & Direct Marketing Retail - 5.54% | | |
| Amazon.com, Inc. ^A | 4,300 | 7,309,140 |
| Netflix, Inc. ^A | 19,100 | 7,476,313 |
| | | 14,785,453 |
| Media - 2.53% | | |
| Comcast Corp., Class A | 103,600 | 3,399,116 |
| Walt Disney Co. | 32,100 | 3,364,401 |
| | | 6,763,517 |
| Multiline Retail - 0.87% | | |
| Target Corp. | 30,400 | 2,314,048 |
| Total Consumer Discretionary | | 34,935,678 |
| Consumer Staples - 7.98% | | |
| Beverages - 2.36% | | |
| Coca-Cola Co. | 83,300 | 3,653,538 |
| Constellation Brands, Inc., Class A | 12,000 | 2,626,440 |
| | | 6,279,978 |
| Food & Staples Retailing - 2.08% | | |
| Sysco Corp. | 42,000 | 2,868,180 |
| Walgreens Boots Alliance, Inc. | 44,700 | 2,682,671 |
| | | 5,550,851 |
| Food Products - 2.67% | | |
| Campbell Soup Co. ^B | 53,200 | 2,156,728 |
| General Mills, Inc. | 49,300 | 2,182,018 |
| Kellogg Co. | 40,000 | 2,794,800 |
| | | 7,133,546 |
| Personal Products - 0.87% | | |
| Estee Lauder Cos, Inc., Class A | 16,300 | 2,325,847 |
| Total Consumer Staples | | 21,290,222 |
| Financials - 5.18% | | |
| Capital Markets - 2.10% | | |
| S&P Global, Inc. | 14,500 | 2,956,405 |
| State Street Corp. | 28,400 | 2,643,756 |
| | | 5,600,161 |
| Consumer Finance - 1.29% | | |
| Capital One Financial Corp. | 37,300 | 3,427,870 |

See accompanying notes

American Beacon Bridgeway Large Cap Growth FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

| | Shares | Fair Value |
|---|--------|-------------------|
| COMMON STOCKS - 98.87% (continued) | | |
| Financials - 5.18% (continued) | | |
| Insurance - 1.79% | | |
| Progressive Corp. | 46,300 | \$ 2,738,645 |
| Reinsurance Group of America, Inc. | 15,300 | 2,042,244 |
| | | 4,780,889 |
| Total Financials | | 13,808,920 |
| Health Care - 15.10% | | |
| Biotechnology - 3.65% | | |
| AbbVie, Inc. | 40,000 | 3,706,000 |
| Gilead Sciences, Inc. | 36,600 | 2,592,744 |
| Vertex Pharmaceuticals, Inc. ^A | 20,200 | 3,433,192 |
| | | 9,731,936 |
| Health Care Equipment & Supplies - 6.11% | | |
| ABIOMED, Inc. ^A | 13,300 | 5,440,365 |
| Align Technology, Inc. ^A | 16,000 | 5,474,240 |
| IDEXX Laboratories, Inc. ^A | 24,800 | 5,404,912 |
| | | 16,319,517 |
| Health Care Providers & Services - 3.93% | | |
| Cigna Corp. | 12,000 | 2,039,400 |
| HCA Healthcare, Inc. | 30,500 | 3,129,300 |
| UnitedHealth Group, Inc. | 21,700 | 5,323,878 |
| | | 10,492,578 |
| Life Sciences Tools & Services - 1.41% | | |
| Mettler-Toledo International, Inc. ^A | 6,500 | 3,761,095 |
| | | 40,305,126 |
| Industrials - 13.73% | | |
| Aerospace & Defense - 3.20% | | |
| Boeing Co. | 18,100 | 6,072,731 |
| Huntington Ingalls Industries, Inc. | 11,400 | 2,471,406 |
| | | 8,544,137 |
| Air Freight & Logistics - 0.89% | | |
| FedEx Corp. | 10,500 | 2,384,130 |
| Airlines - 1.79% | | |
| American Airlines Group, Inc. | 65,800 | 2,497,768 |
| United Continental Holdings, Inc. ^A | 32,500 | 2,266,225 |
| | | 4,763,993 |
| Commercial Services & Supplies - 2.24% | | |
| Rollins, Inc. | 64,800 | 3,407,184 |
| Waste Management, Inc. | 31,600 | 2,570,344 |
| | | 5,977,528 |
| Industrial Conglomerates - 0.94% | | |
| Honeywell International, Inc. | 17,400 | 2,506,470 |
| Machinery - 1.72% | | |
| Caterpillar, Inc. | 18,300 | 2,482,761 |
| Toro Co. | 34,800 | 2,096,700 |
| | | 4,579,461 |

See accompanying notes

American Beacon Bridgeway Large Cap Growth FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

| | Shares | Fair Value |
|---|---------|-------------------|
| COMMON STOCKS - 98.87% (continued) | | |
| Industrials - 13.73% (continued) | | |
| Professional Services - 1.29% | | |
| TransUnion | 48,000 | \$ 3,438,720 |
| Trading Companies & Distributors - 1.66% | | |
| United Rentals, Inc. ^A | 30,100 | 4,443,362 |
| Total Industrials | | 36,637,801 |
| Information Technology - 35.24% | | |
| Communications Equipment - 1.00% | | |
| Arista Networks, Inc. ^A | 10,400 | 2,677,896 |
| Electronic Equipment, Instruments & Components - 2.17% | | |
| Amphenol Corp., Class A | 42,800 | 3,730,020 |
| IPG Photonics Corp. ^A | 9,400 | 2,073,922 |
| | | 5,803,942 |
| Internet Software & Services - 2.14% | | |
| GoDaddy, Inc., Class A ^A | 37,300 | 2,633,380 |
| VeriSign, Inc. ^A | 22,300 | 3,064,466 |
| | | 5,697,846 |
| IT Services - 4.33% | | |
| Accenture PLC, Class A | 20,800 | 3,402,672 |
| DXC Technology Co. | 26,500 | 2,136,165 |
| Mastercard, Inc., Class A | 15,300 | 3,006,756 |
| Total System Services, Inc. | 35,500 | 3,000,460 |
| | | 11,546,053 |
| Semiconductors & Semiconductor Equipment - 12.03% | | |
| Applied Materials, Inc. | 93,100 | 4,300,289 |
| Intel Corp. | 58,000 | 2,883,180 |
| KLA-Tencor Corp. | 25,000 | 2,563,250 |
| Lam Research Corp. | 25,400 | 4,390,390 |
| Micron Technology, Inc. ^A | 94,800 | 4,971,312 |
| NVIDIA Corp. | 21,600 | 5,117,040 |
| ON Semiconductor Corp. ^A | 158,800 | 3,530,918 |
| Texas Instruments, Inc. | 39,500 | 4,354,875 |
| | | 32,111,254 |
| Software - 10.61% | | |
| Adobe Systems, Inc. ^A | 11,900 | 2,901,339 |
| Cadence Design Systems, Inc. ^A | 76,300 | 3,304,553 |
| Electronic Arts, Inc. ^A | 16,600 | 2,340,932 |
| Intuit, Inc. | 23,700 | 4,842,028 |
| Microsoft Corp. | 40,600 | 4,003,566 |
| Red Hat, Inc. ^A | 15,900 | 2,136,483 |
| ServiceNow, Inc. ^A | 26,000 | 4,484,220 |
| SS&C Technologies Holdings, Inc. | 26,100 | 1,354,590 |
| Take-Two Interactive Software, Inc. ^A | 24,800 | 2,935,328 |
| | | 28,303,039 |
| Technology Hardware, Storage & Peripherals - 2.96% | | |
| Apple, Inc. | 31,600 | 5,849,476 |
| Western Digital Corp. | 26,400 | 2,043,624 |
| | | 7,893,100 |
| Total Information Technology | | 94,033,130 |

See accompanying notes

American Beacon Bridgeway Large Cap Growth FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

| | Shares | Fair Value |
|--|-----------|-----------------------|
| COMMON STOCKS - 98.87% (continued) | | |
| Materials - 5.32% | | |
| Chemicals - 2.01% | | |
| Ecolab, Inc. | 17,900 | \$ 2,511,907 |
| LyondellBasell Industries N.V., Class A | 25,900 | 2,845,115 |
| | | 5,357,022 |
| Containers & Packaging - 1.86% | | |
| Avery Dennison Corp. | 22,600 | 2,307,460 |
| Packaging Corp. of America | 23,900 | 2,671,781 |
| | | 4,979,241 |
| Metals & Mining - 1.45% | | |
| Southern Copper Corp. | 82,500 | 3,866,775 |
| | | 14,203,038 |
| Total Materials | | |
| | | 14,203,038 |
| Real Estate - 2.14% | | |
| Equity Real Estate Investment Trusts (REITs) - 2.14% | | |
| Equity LifeStyle Properties, Inc. | 30,200 | 2,775,380 |
| Extra Space Storage, Inc. | 29,300 | 2,924,433 |
| | | 5,699,813 |
| | | 5,699,813 |
| Telecommunication Services - 1.09% | | |
| Wireless Telecommunication Services - 1.09% | | |
| T-Mobile US, Inc. ^A | 48,800 | 2,915,800 |
| | | 263,829,528 |
| Total Common Stocks (Cost \$215,441,958) | | |
| | | 263,829,528 |
| SHORT-TERM INVESTMENTS - 0.96% (Cost \$2,565,011) | | |
| Investment Companies - 0.96% | | |
| American Beacon U.S. Government Money Market Select Fund, Select Class, 1.82% ^{C D} | 2,565,011 | 2,565,011 |
| SECURITIES LENDING COLLATERAL - 0.71% (Cost \$1,901,295) | | |
| Investment Companies - 0.71% | | |
| American Beacon U.S. Government Money Market Select Fund, Select Class, 1.82% ^{C D} | 1,901,295 | 1,901,295 |
| | | 268,295,834 |
| TOTAL INVESTMENTS - 100.54% (Cost \$219,908,264) | | (1,434,653) |
| LIABILITIES, NET OF OTHER ASSETS - (0.54%) | | \$ 266,861,181 |
| TOTAL NET ASSETS - 100.00% | | \$ 266,861,181 |

Percentages are stated as a percent of net assets.

^A Non-income producing security.

^B All or a portion of this security is on loan at June 30, 2018.

^C The Fund is affiliated by having the same investment advisor.

^D 7-day yield.

PLC - Public Limited Company.

Futures Contracts Open on June 30, 2018:

Long Futures

Equity Futures Contracts

| Description | Number of Contracts | Expiration Date | Notional Amount | Contract Value | Unrealized Appreciation (Depreciation) |
|--|---------------------|-----------------|---------------------|---------------------|--|
| S&P 500 E-Mini Index Futures | 18 | September 2018 | \$ 2,483,475 | \$ 2,449,440 | \$ (34,035) |
| | | | <u>\$ 2,483,475</u> | <u>\$ 2,449,440</u> | <u>\$ (34,035)</u> |

See accompanying notes

American Beacon Bridgeway Large Cap Growth FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

Index Abbreviations:

S&P 500 Standard & Poor's U.S. Equity Large-Cap Index

The Fund's investments are summarized by level based on the inputs used to determine their values. As of June 30, 2018, the investments were classified as described below:

| Bridgeway Large Cap Growth Fund | Level 1 | Level 2 | Level 3 | Total |
|--|-----------------------|-------------|-------------|-----------------------|
| Assets | | | | |
| Common Stocks | \$ 263,829,528 | \$ - | \$ - | \$ 263,829,528 |
| Short-Term Investments | 2,565,011 | - | - | 2,565,011 |
| Securities Lending Collateral | 1,901,295 | - | - | 1,901,295 |
| Total Investments in Securities - Assets | <u>\$ 268,295,834</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 268,295,834</u> |
| Financial Derivative Instruments - Liabilities | | | | |
| Futures Contracts | \$ (34,035) | \$ - | \$ - | \$ (34,035) |
| Total Financial Derivative Instruments - Liabilities | <u>\$ (34,035)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (34,035)</u> |

U.S. GAAP requires all transfers between any levels to be disclosed. The end of period timing recognition has been adopted for the transfers between levels of the Fund's assets and liabilities. During the period ended June 30, 2018, there were no transfers between levels.

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

| | Shares | Fair Value |
|---|-----------|--------------------|
| COMMON STOCKS - 97.32% | | |
| Consumer Discretionary - 12.37% | | |
| Auto Components - 1.11% | | |
| Lear Corp. | 304,700 | \$ 56,616,307 |
| Automobiles - 1.72% | | |
| Ford Motor Co. | 3,640,040 | 40,295,243 |
| General Motors Co. | 1,204,980 | 47,476,212 |
| | | 87,771,455 |
| Hotels, Restaurants & Leisure - 0.56% | | |
| Carnival Corp. | 503,000 | 28,826,930 |
| Household Durables - 0.57% | | |
| PulteGroup, Inc. | 1,019,300 | 29,304,875 |
| Media - 1.91% | | |
| Comcast Corp., Class A | 1,098,900 | 36,054,909 |
| Twenty-First Century Fox, Inc., Class A | 1,232,300 | 61,232,987 |
| | | 97,287,896 |
| Multiline Retail - 3.45% | | |
| Kohl's Corp. | 902,600 | 65,799,540 |
| Macy's, Inc. | 1,400,400 | 52,416,972 |
| Target Corp. | 757,600 | 57,668,512 |
| | | 175,885,024 |
| Specialty Retail - 2.13% | | |
| Best Buy Co., Inc. | 1,036,600 | 77,309,628 |
| Burlington Stores, Inc. ^A | 207,700 | 31,265,081 |
| | | 108,574,709 |
| Textiles, Apparel & Luxury Goods - 0.92% | | |
| VF Corp. | 577,200 | 47,053,344 |
| Total Consumer Discretionary | | 631,320,540 |
| Consumer Staples - 6.93% | | |
| Beverages - 0.91% | | |
| Coca-Cola Co. | 1,053,700 | 46,215,282 |
| Food & Staples Retailing - 2.42% | | |
| Walgreens Boots Alliance, Inc. | 796,100 | 47,777,941 |
| Walmart, Inc. | 885,000 | 75,800,250 |
| | | 123,578,191 |
| Food Products - 1.87% | | |
| General Mills, Inc. | 1,149,100 | 50,859,166 |
| Kellogg Co. | 634,600 | 44,339,502 |
| | | 95,198,668 |
| Health Care Providers & Services - 0.66% | | |
| CVS Health Corp. | 524,700 | 33,764,445 |
| Household Products - 1.07% | | |
| Procter & Gamble Co. | 698,900 | 54,556,134 |
| Total Consumer Staples | | 353,312,720 |

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

| | Shares | Fair Value |
|---|-----------|----------------------|
| COMMON STOCKS - 97.32% (continued) | | |
| Energy - 10.55% | | |
| Oil, Gas & Consumable Fuels - 10.55% | | |
| Anadarko Petroleum Corp. | 773,700 | \$ 56,673,525 |
| Devon Energy Corp. | 962,400 | 42,307,104 |
| Diamondback Energy, Inc. | 402,600 | 52,970,082 |
| HollyFrontier Corp. | 1,007,800 | 68,963,754 |
| Marathon Petroleum Corp. | 1,100,800 | 77,232,128 |
| Occidental Petroleum Corp. | 869,100 | 72,726,288 |
| Phillips 66 | 560,000 | 62,893,600 |
| Valero Energy Corp. | 944,500 | 104,678,935 |
| | | 538,445,416 |
| Total Energy | | 538,445,416 |
| Financials - 25.13% | | |
| Banks - 5.89% | | |
| Bank of America Corp. | 2,889,100 | 81,443,729 |
| CIT Group, Inc. | 908,500 | 45,797,485 |
| Citigroup, Inc. | 1,041,500 | 69,697,180 |
| Fifth Third Bancorp | 1,686,200 | 48,393,940 |
| Regions Financial Corp. | 3,100,900 | 55,134,002 |
| | | 300,466,336 |
| Capital Markets - 4.78% | | |
| Ameriprise Financial, Inc. | 397,000 | 55,532,360 |
| Franklin Resources, Inc. | 1,521,100 | 48,751,255 |
| Morgan Stanley | 1,156,400 | 54,813,360 |
| State Street Corp. | 524,400 | 48,816,396 |
| T Rowe Price Group, Inc. | 311,500 | 36,162,035 |
| | | 244,075,406 |
| Consumer Finance - 4.62% | | |
| Ally Financial, Inc. | 1,621,600 | 42,599,432 |
| American Express Co. | 480,100 | 47,049,800 |
| Capital One Financial Corp. | 618,600 | 56,849,340 |
| Discover Financial Services | 715,836 | 50,402,013 |
| Synchrony Financial | 1,156,800 | 38,613,984 |
| | | 235,514,569 |
| Diversified Financial Services - 0.98% | | |
| Voya Financial, Inc. | 1,061,600 | 49,895,200 |
| Insurance - 8.86% | | |
| Aflac, Inc. | 1,061,200 | 45,652,824 |
| Allstate Corp. | 476,800 | 43,517,536 |
| American Financial Group, Inc. | 258,800 | 27,777,004 |
| American International Group, Inc. | 787,200 | 41,737,344 |
| Chubb Ltd. | 221,000 | 28,071,420 |
| Everest Re Group Ltd. | 171,500 | 39,527,320 |
| Hartford Financial Services Group, Inc. | 512,700 | 26,214,351 |
| Loews Corp. | 706,200 | 34,095,336 |
| Principal Financial Group, Inc. | 541,900 | 28,693,605 |
| Prudential Financial, Inc. | 476,900 | 44,594,919 |
| Reinsurance Group of America, Inc. | 211,200 | 28,190,976 |
| Travelers Companies, Inc. | 301,800 | 36,922,212 |
| Unum Group | 729,900 | 26,999,001 |
| | | 451,993,848 |
| Total Financials | | 1,281,945,359 |

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

| | Shares | Fair Value |
|--|-----------|--------------------|
| COMMON STOCKS - 97.32% (continued) | | |
| Health Care - 9.99% | | |
| Biotechnology - 1.86% | | |
| Amgen, Inc. | 272,400 | \$ 50,282,316 |
| Gilead Sciences, Inc. | 631,600 | 44,742,544 |
| | | 95,024,860 |
| Health Care Providers & Services - 6.13% | | |
| Aetna, Inc. | 62,100 | 11,395,350 |
| Cardinal Health, Inc. | 761,600 | 37,188,928 |
| Cigna Corp. | 292,600 | 49,727,370 |
| Express Scripts Holding Co. ^A | 725,300 | 56,000,413 |
| HCA Healthcare, Inc. | 616,500 | 63,252,900 |
| Humana, Inc. | 181,000 | 53,871,030 |
| McKesson Corp. | 308,400 | 41,140,560 |
| | | 312,576,551 |
| Pharmaceuticals - 2.00% | | |
| Allergan PLC | 266,800 | 44,480,896 |
| Pfizer, Inc. | 1,583,700 | 57,456,636 |
| | | 101,937,532 |
| | | 509,538,943 |
| Industrials - 11.27% | | |
| Aerospace & Defense - 2.57% | | |
| Arconic, Inc. | 1,215,300 | 20,672,253 |
| Spirit AeroSystems Holdings, Inc., Class A | 739,000 | 63,487,490 |
| United Technologies Corp. | 377,600 | 47,211,328 |
| | | 131,371,071 |
| Airlines - 2.92% | | |
| American Airlines Group, Inc. | 811,852 | 30,817,902 |
| Delta Air Lines, Inc. | 674,700 | 33,424,638 |
| JetBlue Airways Corp. ^A | 1,829,800 | 34,729,604 |
| United Continental Holdings, Inc. ^A | 717,800 | 50,052,194 |
| | | 149,024,338 |
| Building Products - 0.51% | | |
| Lennox International, Inc. | 131,000 | 26,219,650 |
| Commercial Services & Supplies - 1.98% | | |
| Republic Services, Inc. | 806,600 | 55,139,176 |
| Waste Management, Inc. | 561,900 | 45,704,946 |
| | | 100,844,122 |
| Electrical Equipment - 0.51% | | |
| Eaton Corp. PLC | 348,800 | 26,069,312 |
| Industrial Conglomerates - 0.57% | | |
| General Electric Co. | 2,118,600 | 28,834,146 |
| Machinery - 1.19% | | |
| Caterpillar, Inc. | 448,000 | 60,780,160 |
| Road & Rail - 1.02% | | |
| Norfolk Southern Corp. | 344,700 | 52,004,889 |
| | | 575,147,688 |

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

| | Shares | Fair Value |
|---|-----------|--------------------|
| COMMON STOCKS - 97.32% (continued) | | |
| Information Technology - 7.77% | | |
| Electronic Equipment, Instruments & Components - 1.17% | | |
| Corning, Inc. | 2,160,200 | \$ 59,427,102 |
| Internet Software & Services - 0.31% | | |
| Twitter, Inc. ^A | 366,500 | 16,005,055 |
| IT Services - 0.92% | | |
| Amdocs Ltd. | 712,600 | 47,166,994 |
| Semiconductors & Semiconductor Equipment - 4.53% | | |
| Intel Corp. | 1,516,200 | 75,370,302 |
| Micron Technology, Inc. ^A | 1,991,500 | 104,434,260 |
| ON Semiconductor Corp. ^A | 2,309,800 | 51,358,403 |
| | | 231,162,965 |
| Technology Hardware, Storage & Peripherals - 0.84% | | |
| Western Digital Corp. | 551,400 | 42,683,874 |
| Total Information Technology | | 396,445,990 |
| Materials - 6.78% | | |
| Chemicals - 4.27% | | |
| Air Products & Chemicals, Inc. | 227,500 | 35,428,575 |
| Eastman Chemical Co. | 502,700 | 50,249,892 |
| LyondellBasell Industries N.V., Class A | 689,300 | 75,719,605 |
| Westlake Chemical Corp. | 523,800 | 56,376,594 |
| | | 217,774,666 |
| Containers & Packaging - 1.64% | | |
| Avery Dennison Corp. | 411,100 | 41,973,310 |
| WestRock Co. | 732,200 | 41,750,044 |
| | | 83,723,354 |
| Metals & Mining - 0.87% | | |
| Freeport-McMoRan, Inc. | 2,572,300 | 44,397,898 |
| Total Materials | | 345,895,918 |
| Real Estate - 1.02% | | |
| Equity Real Estate Investment Trusts (REITs) - 1.02% | | |
| Extra Space Storage, Inc. | 522,500 | 52,150,725 |
| Telecommunication Services - 2.20% | | |
| Diversified Telecommunication Services - 2.20% | | |
| AT&T, Inc. | 1,944,000 | 62,421,840 |
| CenturyLink, Inc. | 2,674,500 | 49,852,680 |
| | | 112,274,520 |
| Total Telecommunication Services | | 112,274,520 |
| Utilities - 3.31% | | |
| Electric Utilities - 1.62% | | |
| Duke Energy Corp. | 629,700 | 49,796,676 |
| PPL Corp. | 1,140,200 | 32,552,710 |
| | | 82,349,386 |

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

| | Shares | Fair Value |
|--|------------|-------------------------|
| COMMON STOCKS - 97.32% (continued) | | |
| Utilities - 3.31% (continued) | | |
| Multi-Utilities - 1.69% | | |
| Ameren Corp. | 629,700 | \$ 38,317,245 |
| CenterPoint Energy, Inc. | 1,733,200 | 48,026,972 |
| | | 86,344,217 |
| Total Utilities | | 168,693,603 |
| Total Common Stocks (Cost \$4,449,193,682) | | 4,965,171,422 |
| SHORT-TERM INVESTMENTS - 1.40% (Cost \$71,282,401) | | |
| Investment Companies - 1.40% | | |
| American Beacon U.S. Government Money Market Select Fund, Select Class, 1.82% ^{B C} | 71,282,401 | 71,282,401 |
| TOTAL INVESTMENTS - 98.72% (Cost \$4,520,476,083) | | 5,036,453,823 |
| OTHER ASSETS, NET OF LIABILITIES - 1.28% | | 65,098,027 |
| TOTAL NET ASSETS - 100.00% | | \$ 5,101,551,850 |

Percentages are stated as a percent of net assets.

^A Non-income producing security.

^B The Fund is affiliated by having the same investment advisor.

^C 7-day yield.

PLC - Public Limited Company.

Futures Contracts Open on June 30, 2018:

Long Futures

Equity Futures Contracts

| Description | Number of Contracts | Expiration Date | Notional Amount | Contract Value | Unrealized Appreciation (Depreciation) |
|--|---------------------|-----------------|----------------------|----------------------|--|
| S&P 500 E-Mini Index Futures | 557 | September 2018 | \$ 77,242,370 | \$ 75,796,572 | \$ (1,445,798) |
| | | | <u>\$ 77,242,370</u> | <u>\$ 75,796,572</u> | <u>\$ (1,445,798)</u> |

Index Abbreviations:

S&P 500 Standard & Poor's U.S. Equity Large-Cap Index

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Schedule of Investments

June 30, 2018 (Unaudited)

The Fund's investments are summarized by level based on the inputs used to determine their values. As of June 30, 2018, the investments were classified as described below:

| Bridgeway Large Cap Value Fund | Level 1 | Level 2 | Level 3 | Total |
|--|------------------|---------|---------|------------------|
| Assets | | | | |
| Common Stocks | \$ 4,965,171,422 | \$ - | \$ - | \$ 4,965,171,422 |
| Short-Term Investments | 71,282,401 | - | - | 71,282,401 |
| Total Investments in Securities - Assets | \$ 5,036,453,823 | \$ - | \$ - | \$ 5,036,453,823 |
| Financial Derivative Instruments - Liabilities | | | | |
| Futures Contracts | \$ (1,445,798) | \$ - | \$ - | \$ (1,445,798) |
| Total Financial Derivative Instruments - Liabilities | \$ (1,445,798) | \$ - | \$ - | \$ (1,445,798) |

U.S. GAAP requires all transfers between any levels to be disclosed. The end of period timing recognition has been adopted for the transfers between levels of the Fund's assets and liabilities. During the period ended June 30, 2018, there were no transfers between levels.

See accompanying notes

American Beacon FundsSM

Statements of Assets and Liabilities

June 30, 2018 (Unaudited)

| | Bridgeway Large Cap Growth Fund | Bridgeway Large Cap Value Fund |
|--|------------------------------------|-----------------------------------|
| Assets: | | |
| Investments in unaffiliated securities, at fair value ¹⁵ | \$ 263,829,528 | \$ 4,965,171,422 |
| Investments in affiliated securities, at fair value ^f | 4,466,306 | 71,282,401 |
| Cash | 752 | - |
| Deposit with brokers for futures contracts | 130,048 | 3,991,570 |
| Dividends and interest receivable | 137,944 | 6,702,393 |
| Receivable for investments sold | - | 13,915,937 |
| Receivable for fund shares sold | 422,225 | 56,956,889 |
| Receivable for expense reimbursement (Note 2) | 47,436 | - |
| Prepaid expenses | 213,931 | 126,640 |
| Total assets | 269,248,170 | 5,118,147,252 |
| Liabilities: | | |
| Payable for investments purchased | - | 9,540,340 |
| Payable for fund shares redeemed | 179,008 | 2,043,800 |
| Payable for variation margin from open futures contracts (Note 5) | 34,013 | 872,370 |
| Cash due to custodian | - | 572,299 |
| Management and sub-advisory fees payable (Note 2) | 168,222 | 2,792,947 |
| Service fees payable (Note 2) | 11,745 | 466,472 |
| Transfer agent fees payable (Note 2) | 16,412 | 199,953 |
| Payable upon return of securities loaned (Note 9) ^s | 1,901,295 | - |
| Custody and fund accounting fees payable | - | 47,470 |
| Professional fees payable | 50,131 | 37,299 |
| Payable for prospectus and shareholder reports | - | 18,957 |
| Other liabilities | 26,163 | 3,495 |
| Total liabilities | 2,386,989 | 16,595,402 |
| Net assets | \$ 266,861,181 | \$ 5,101,551,850 |
| Analysis of net assets: | | |
| Paid-in-capital | \$ 209,324,744 | \$ 4,296,939,956 |
| Undistributed net investment income | 269,362 | 34,784,706 |
| Accumulated net realized gain | 8,913,540 | 255,295,246 |
| Unrealized appreciation of investments in unaffiliated securities ^A | 48,387,570 | 515,977,740 |
| Unrealized (depreciation) of futures contracts | (34,035) | (1,445,798) |
| Net assets | \$ 266,861,181 | \$ 5,101,551,850 |

See accompanying notes

American Beacon FundsSM

Statements of Assets and Liabilities

June 30, 2018 (Unaudited)

| | Bridgeway Large Cap Growth Fund | Bridgeway Large Cap Value Fund |
|--|------------------------------------|-----------------------------------|
| Shares outstanding at no par value (unlimited shares authorized): | | |
| Institutional Class | 5,685,293 | 59,057,740 |
| Y Class | 77,269 | 63,762,164 |
| Investor Class | 2,320,928 | 45,947,642 |
| A Class | 198,803 | 3,315,455 |
| C Class | 24,697 | 3,643,663 |
| R6 Class ^B | 3,237 | 4,962,688 |
| Net assets: | | |
| Institutional Class | \$ 183,094,135 | \$ 1,673,988,463 |
| Y Class | \$ 2,483,801 | \$ 1,801,745,651 |
| Investor Class | \$ 74,050,089 | \$ 1,292,850,396 |
| A Class | \$ 6,352,871 | \$ 93,016,213 |
| C Class | \$ 776,022 | \$ 99,358,325 |
| R6 Class ^B | \$ 104,263 | \$ 140,592,802 |
| Net asset value, offering and redemption price per share: | | |
| Institutional Class | \$ 32.20 | \$ 28.34 |
| Y Class | \$ 32.14 | \$ 28.26 |
| Investor Class | \$ 31.91 | \$ 28.14 |
| A Class | \$ 31.96 | \$ 28.06 |
| A Class (offering price) | \$ 33.91 | \$ 29.77 |
| C Class | \$ 31.42 | \$ 27.27 |
| R6 Class ^B | \$ 32.21 | \$ 28.33 |
| † Cost of investments in unaffiliated securities | \$ 215,441,958 | \$ 4,449,193,682 |
| ‡ Cost of investments in affiliated securities | \$ 4,466,306 | \$ 71,282,401 |
| § Fair value of securities on loan | \$ 1,846,192 | \$ - |

^A The Fund's investments in affiliated securities did not have unrealized appreciation (depreciation) at period end.

^B Class commenced operations April 30, 2018 in the Bridgeway Large Cap Growth Fund (Note 1).

See accompanying notes

American Beacon FundsSM
Statements of Operations
For the period ended June 30, 2018 (Unaudited)

| | Bridgeway Large Cap Growth Fund | Bridgeway Large Cap Value Fund |
|--|------------------------------------|-----------------------------------|
| Investment income: | | |
| Dividend income from unaffiliated securities | \$ 1,493,980 | \$ 54,893,020 |
| Dividend income from affiliated securities (Note 8) | 33,807 | 696,200 |
| Income derived from securities lending (Note 9) | 10,857 | - |
| Total investment income | 1,538,644 | 55,589,220 |
| Expenses: | | |
| Management and sub-advisory fees (Note 2) | 1,008,087 | 15,841,144 |
| Transfer agent fees: | | |
| Institutional Class (Note 2) | 54,966 | 200,442 |
| Y Class (Note 2) | 912 | 790,178 |
| Investor Class | 14,179 | 25,816 |
| A Class | 226 | 5,184 |
| C Class | 5 | 3,848 |
| R6 Class ^A | 61 | 703 |
| Custody and fund accounting fees | 13,416 | 213,085 |
| Professional fees | 92,439 | 82,134 |
| Registration fees and expenses | 63,811 | 108,360 |
| Service fees (Note 2): | | |
| Investor Class | 92,476 | 2,452,233 |
| A Class | 2,544 | 34,640 |
| C Class | 60 | 38,210 |
| Distribution fees (Note 2): | | |
| A Class | 7,053 | 116,076 |
| C Class | 3,638 | 504,360 |
| Prospectus and shareholder report expenses | 30,965 | 120,464 |
| Trustee fees (Note 2) | 9,599 | 172,136 |
| Other expenses | 7,672 | 93,708 |
| Total expenses | 1,402,109 | 20,802,721 |
| Net fees waived and expenses (reimbursed) / recouped (Note 2) | (132,827) | 1,792 |
| Net expenses | 1,269,282 | 20,804,513 |
| Net investment income | 269,362 | 34,784,707 |
| Realized and unrealized gain (loss) from investments: | | |
| Net realized gain (loss) from: | | |
| Investments in unaffiliated securities ^B | 10,601,348 | 172,496,303 |
| Foreign currency transactions | - | (3) |
| Futures contracts | 79,543 | 2,160,395 |
| Change in net unrealized appreciation (depreciation) of: | | |
| Investments in unaffiliated securities ^C | 9,421,606 | (252,531,631) |
| Futures contracts | (28,613) | (1,311,539) |
| Net gain (loss) from investments | 20,073,884 | (79,186,475) |
| Net increase (decrease) in net assets resulting from operations | \$ 20,343,246 | \$ (44,401,768) |

^A Class commenced operations April 30, 2018 in the Bridgeway Large Cap Growth Fund (Note 1).

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

^C The Fund's investments in affiliated securities did not have a change in unrealized appreciation (depreciation) at period end.

See accompanying notes

American Beacon FundsSM

Statements of Changes in Net Assets

| | Bridgeway Large Cap Growth Fund | | Bridgeway Large Cap Value Fund | |
|---|--|---------------------------------|--|---------------------------------|
| | Six Months Ended June 30, 2018 (unaudited) | Year Ended December 31, 2017 | Six Months Ended June 30, 2018 (unaudited) | Year Ended December 31, 2017 |
| Increase (decrease) in net assets: | | | | |
| Operations: | | | | |
| Net investment income | \$ 269,362 | \$ 569,019 | \$ 34,784,707 | \$ 52,841,263 |
| Net realized gain from investments in unaffiliated securities, foreign currency transactions, and futures contracts | 10,680,891 | 15,901,228 | 174,656,695 | 237,451,122 |
| Change in net unrealized appreciation (depreciation) of investments in unaffiliated securities, and futures contracts | 9,392,993 | 19,947,420 | (253,843,170) | 348,971,034 |
| Net increase (decrease) in net assets resulting from operations | 20,343,246 | 36,417,667 | (44,401,768) | 639,263,419 |
| Distributions to shareholders: | | | | |
| Institutional Class | - | (484,349) | - | (20,161,179) |
| Y Class | - | (5,409) | - | (19,084,760) |
| Investor Class | - | (191,071) | - | (13,087,732) |
| A Class | - | (9,014) | - | (742,378) |
| C Class | - | - | - | (248,713) |
| R6 Class ^A | - | - | - | (992,942) |
| Net realized gain from investments: | | | | |
| Institutional Class | - | (6,720,047) | - | (66,124,077) |
| Y Class | - | (75,954) | - | (65,433,464) |
| Investor Class | - | (2,741,957) | - | (59,258,862) |
| A Class | - | (173,903) | - | (4,128,443) |
| C Class | - | (29,746) | - | (4,510,939) |
| R6 Class ^A | - | - | - | (3,198,781) |
| Net distributions to shareholders | - | (10,431,450) | - | (256,972,270) |
| Capital share transactions (Note 11): | | | | |
| Proceeds from sales of shares | 31,575,525 | 21,584,214 | 959,558,543 | 1,914,217,676 |
| Reinvestment of dividends and distributions | - | 10,260,437 | - | 246,592,299 |
| Issued in reorganization | - | 89,545,160 | - | - |
| Cost of shares redeemed | (41,805,201) | (25,647,762) | (586,082,336) | (1,672,312,273) |
| Net increase (decrease) in net assets from capital share transactions | (10,229,676) | 95,742,049 | 373,476,207 | 488,497,702 |
| Net increase in net assets | 10,113,570 | 121,728,266 | 329,074,439 | 870,788,851 |
| Net assets: | | | | |
| Beginning of period | 256,747,611 | 135,019,345 | 4,772,477,411 | 3,901,688,560 |
| End of period * | \$ 266,861,181 | \$ 256,747,611 | \$ 5,101,551,850 | \$ 4,772,477,411 |
| *Includes undistributed (overdistribution of) net investment income | \$ 269,362 | \$ - | \$ 34,784,706 | \$ (1) |

^A Class commenced operations April 30, 2018 in the Bridgeway Large Cap Growth Fund and April 28, 2017 in the Bridgeway Large Cap Value Fund (Note 1).

See accompanying notes

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

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 (the “Act”), as amended, as diversified, open-end management investment companies. As of June 30, 2018, the Trust consists of thirty-three active series, two of which are presented in this filing: American Beacon Bridgeway Large Cap Growth Fund and American Beacon Bridgeway Large Cap Value Fund (collectively, the “Funds” and each individually a “Fund”). The remaining thirty-one 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. 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.

Class Disclosure

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:

| <u>Class</u> | <u>Eligible Investors</u> | <u>Minimum Initial Investments</u> |
|---------------|--|------------------------------------|
| Institutional | 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 | All investors using intermediary organizations, such as broker-dealers or retirement plan sponsors. | \$ 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 | Large institutional retirement plan investors - sold through retirement plan sponsors. | None |

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 on the basis of 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 Financial Accounting Standards Board Accounting Standard Codification Topic 946, *Financial Services - Investment Companies*, a part of Generally Accepted Accounting Principles (“U.S. GAAP”).

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

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 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 on the basis of specific lot identification.

Distributions to Shareholders

Distributions, if any, of net investment income of the Balanced Fund will normally be declared and paid quarterly. Distributions, if any, of net investment income of the Mid-Cap Value Fund will normally be declared and be paid at least annually. Distributions, if any, of net realized capital gains are generally paid at least annually and recorded on the ex-dividend date. 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 a 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 in the Funds' Statements of Operations, if applicable.

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 any 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.

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

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 schedule:

| | |
|-------------------------|--------|
| 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 Funds, and the Manager have entered into an Investment Advisory Agreements with Bridgeway Capital Management, Inc. (the "Sub-Advisor") pursuant to which each Fund has agreed to pay an annualized sub-advisory fee that is calculated and accrued daily based on the Funds' average daily net assets according to the following schedule:

| | |
|---------------------------|-------|
| First \$250 million | 0.40% |
| Next \$250 million | 0.35% |
| Over \$500 million | 0.30% |

The Management and Sub-Advisory Fees paid by the Fund for the period ended June 30, 2018 were as follows:

Bridgeway Large Cap Growth Fund

| | <u>Effective Fee Rate</u> | <u>Amount of Fees Paid</u> |
|------------------------|---------------------------|----------------------------|
| Management Fees | 0.35% | \$ 481,179 |
| Sub-Advisor Fees | 0.40% | 526,908 |
| Total | <u>0.75%</u> | <u>\$1,008,087</u> |

Bridgeway Large Cap Value Fund

| | <u>Effective Fee Rate</u> | <u>Amount of Fees Paid</u> |
|------------------------|---------------------------|----------------------------|
| Management Fees | 0.35% | \$ 8,546,291 |
| Sub-Advisor Fees | 0.32% | 7,294,853 |
| Total | <u>0.67%</u> | <u>\$15,841,144</u> |

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 up to 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 up to 10% of such loan fees. These fees are included in "Income derived from securities lending" and "Management and investment advisory fees" on the Statements of Operations. During the period ended June 30, 2018, the Manager received securities lending fees of \$1,258 for the securities lending activities of the Bridgeway Large Cap Growth Fund.

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

Distribution Plans

The Funds, except for the 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 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 A Class and 1.00% of the average daily net assets of the C Class. The fee will be payable without regard to whether the amount of the fee is more or less than the actual expenses incurred in a particular month by the Manager for distribution assistance.

Service Plans

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

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 Institutional 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 the Board approval, have agreed to reimburse the Manager for certain non-distribution shareholder services provided by financial intermediaries for the Institutional 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 Institutional and Y Classes on an annual basis. During the period ended June 30, 2018, 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> |
|--------------------------------------|--------------------------------|
| Bridgeway Large Cap Growth | \$ 44,051 |
| Bridgeway Large Cap Value | 918,949 |

As of June 30, 2018, 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> |
|--------------------------------------|--|
| Bridgeway Large Cap Growth | \$ 3,515 |
| Bridgeway Large Cap Value | 173,886 |

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

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 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 period ended June 30, 2018, 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 in USG Select Fund | Total |
|--------------------------------------|--|--|----------|
| Bridgeway Large Cap Growth | \$ 2,278 | \$ 1,134 | \$ 3,412 |
| Bridgeway Large Cap Value | 46,574 | - | 46,574 |

Interfund Credit Facility

Pursuant to an exemptive order issued by the 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 period ended June 30, 2018, the Bridgeway Large Cap Growth Fund borrowed on average \$4,767,063 for 2 days at an average interest rate of 2.53% with interest charges of \$662. These amounts are recorded as “Other expenses” in the Statements of Operations. For the period ended June 30, 2018, the Bridgeway Large Cap Value Fund did not utilize the credit facility.

Expense Reimbursement Plan

The Manager contractually agreed to reduce fees and/or reimburse expenses for the classes of the Funds to the extent that total operating expenses exceed the Funds’ expense cap. During the period ended June 30, 2018, the Manager waived and/or reimbursed expenses as follows:

| Fund | Class | Expense Cap | Reimbursed Expenses | (Recouped) Expenses | Expiration of Reimbursed Expenses |
|--------------------------------------|---------------|-------------------------|------------------------|------------------------|---|
| | | 1/1/2018 - 6/30/2018 | | | |
| Bridgeway Large Cap Growth | Institutional | 0.81% | \$ 134,627 | \$ - | 2021 |
| Bridgeway Large Cap Growth | Y | 0.91% | 776 | - | 2021 |
| Bridgeway Large Cap Growth | Investor | 1.19% | - | (3,476) | 2021 |
| Bridgeway Large Cap Growth | A | 1.21% | 1,000 | - | 2021 |
| Bridgeway Large Cap Growth | C | 1.96% | - | (194) | 2021 |
| Bridgeway Large Cap Growth | R6 | 0.76% | 94 | - | 2021 |
| Bridgeway Large Cap Value | R6 | 0.70% | - | (1,792) | 2021 |

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

Of these amounts, \$47,436 was disclosed as a receivable from the Manager on the Statements of Assets and Liabilities at June 30, 2018 for the Bridgeway Large Cap Growth Fund.

The Funds have adopted an Expense Reimbursement Plan whereby the Manager may seek repayment of such fee 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 after the Manager's own waiver or 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 2021. The Funds did not record a liability for potential reimbursements due to the current assessment that reimbursements are unlikely. 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 |
|----------------------------------|-------------------|--------------------------|---------------------------|-----------------------------------|
| Bridgeway Large Cap Growth | \$ - | \$ 238,079 | \$ - | 2019 |
| Bridgeway Large Cap Growth | - | 375,714 | - | 2020 |

The Distributor

Effective March 1, 2018, Resolute Investment Distributors, Inc. ("RID" or "Distributor") replaced Foreside Fund Services, LLC ("Foreside") as the Funds' distributor and principal underwriter of the Funds' shares.

RID is a registered broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Distributor is affiliated with the Manager through common ownership. Under a Distribution Agreement with the Trust, the Distributor acts as the distributor and principal underwriter of the Trust in connection with the continuous offering of shares of the Funds. The Distributor continually distributes shares of the Funds on a best efforts basis. The Distributor has no obligation to sell any specific quantity of the Funds' shares. Pursuant to the Distribution Agreement, to the extent applicable, the Distributor receives, and may re-allow to broker-dealers, all or a portion of the sales charge paid by the purchasers of A Class and C Class shares. For A Class and C Class shares, the Distributor receives commission revenue consisting of the portion of A Class and C Class sales charge remaining after the allowances by the Distributor to the broker-dealers. The Distributor retains any portion of the commission fees that are not paid to the broker-dealers for use solely to pay distribution related expenses.

Prior to March 1, 2018, Foreside served as the distributor and principal underwriter of the Funds' shares. Pursuant to a Sub-Administration Agreement between Foreside and the Manager in effect through February 28, 2018, Foreside received a fee from the Manager for providing administrative services in connection with the marketing and distribution of shares of the Trust, including the registration of Manager employees as registered representatives of Foreside to facilitate distribution of Fund shares. Foreside also received a fee from the Manager under a Marketing Agreement pursuant to which Foreside provided services in connection with the marketing of a Fund to institutional investors. Pursuant to the Distribution Agreement with the Trust in effect through February 28, 2018, Foreside received, and may have re-allowed to broker-dealers, all or a portion of the sales charge paid by the purchasers of A and C Class shares. For A and C Class shares, Foreside received commission revenues consisting of the portion of A and C Class sales charge remaining after the allowances by Foreside to the broker-dealers. Foreside retained any portion of the commission fees that were not paid to the broker-dealers for use solely to pay distribution related expenses.

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

Sales Commissions

The Funds' Distributor, formerly Foreside, may receive a portion of A Class sales charges from broker dealers and it may be used to offset distribution related expenses. During the period ended February 28, 2018, Foreside collected \$462 and \$4,615 in sales commissions for American Beacon Bridgeway Large Cap Growth Fund and American Beacon Bridgeway Large Cap Value Fund, respectively, from the sale of Class A Shares. During the period March 1, 2018 through June 30, 2018, RID collected \$301 and \$9,915 for the American Beacon Bridgeway Large Cap Growth Fund and American Beacon Bridgeway Large Cap Value Fund, respectively, from the sale of 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 period ended June 30, 2018, there were no CDSC fees collected for Class A Shares of the Funds.

A CDSC of 1.00% will be deducted with respect to Class C Shares redeemed within 12 months of purchase, unless waived as discussed in the Funds' 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 period ended February 28, 2018, Foreside collected CDSC fees of \$129 and \$1,918 for Class C Shares of the American Beacon Bridgeway Large Cap Growth Fund and American Beacon Bridgeway Large Cap Value Fund, respectively. During the period March 1, 2018 through June 30, 2018, RID collected \$58 and \$2,335 for both Funds, respectively, for Class C Shares.

Trustee Fees and Expenses

As compensation for their service to the Trust, American Beacon Select Funds, American Beacon Institutional Funds Trust, and American Beacon Sound Point Enhanced Income Fund, each Trustee receives an annual retainer of \$120,000, plus \$10,000 for each Board meeting attended in person or via teleconference, \$2,500 for attendance by Committee members at meetings of the Audit Committee and the Investment Committee, and \$1,500 for attendance by Committee members at meetings of the Nominating and Governance Committee, plus 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. The Board Chairman receives an additional annual retainer of \$50,000 as well as a \$2,500 fee each quarter for his attendance at the committee meetings. Effective January 1, 2018, the Board Vice Chair receives an additional annual retainer of \$10,000. The Chairpersons of the Audit Committee and the Investment Committee each receive an additional annual retainer of \$25,000 and the Chairman of the Nominating and Governance Committee receives an additional annual retainer of \$10,000. These expenses are allocated on a prorated basis to each Fund of the Trusts according to its respective net assets.

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.

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

Equity securities and certain derivative instruments that are traded on an exchange are valued based on market value. Certain derivative instruments (other than short-term securities) usually are valued on the basis of prices provided by a pricing service. The price of debt securities generally is determined using pricing services or quotes obtained from broker/dealers who may consider a number of inputs and factors, such as comparable characteristics, yield curve, credit spreads, estimated default rates, coupon rates, underlying collateral and estimated cash flow. Investments in other mutual funds are valued at the closing NAV per share of the mutual funds on the day of valuation. Equity securities, including shares of closed-end funds and exchanged-traded funds (“ETFs”), are valued at the last sale price or official closing price.

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

Securities may be valued at fair value, as determined in good faith and pursuant to procedures approved by the Board of Trustees, 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.

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

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.

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

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

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

The Funds did not hold any Level 2 securities at the period ended June 30, 2018.

4. Securities and Other Investments

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 over-the-counter ("OTC"). OTC stock may be less liquid than exchange-traded stock.

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, ETFs, unit investment trusts, and other investment companies of the Trust. The Funds may invest in investment company securities 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

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

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.

Real Estate Investment Trusts

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

5. Financial Derivative Instruments

The Funds may utilize derivative instruments to enhance return, hedge risk, gain efficient exposure to an asset class or to manage liquidity. 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.

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. 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 period ended June 30, 2018, the Funds entered into future contracts primarily for exposing cash to markets.

The Funds' 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 purpose of this disclosure, volume is measured by contracts outstanding at each quarter end.

| <u>Average Futures Contracts Outstanding</u> | |
|--|-----------------------------------|
| <u>Fund</u> | <u>Period Ended June 30, 2018</u> |
| Bridgeway Large Cap Growth | 27 |
| Bridgeway Large Cap Value | 579 |

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

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

Bridgeway Large Cap Growth Fund

Fair values of financial instruments on the Statements of Assets and Liabilities as of June 30, 2018:

| Liabilities: | Derivatives not accounted for as hedging instruments | | | | | Total |
|---|--|----------------------------|---------------------|-------------------------|------------------|------------|
| | Credit contracts | Foreign exchange contracts | Commodity contracts | Interest rate contracts | Equity contracts | |
| Payable for variation margin from open futures contracts ⁽²⁾ | \$ - | \$ - | \$ - | \$ - | \$ (34,035) | \$(34,035) |

The effect of financial derivative instruments on the Statements of Operations as of June 30, 2018:

| Realized gain (loss) from derivatives recognized as a result of operations | Derivatives not accounted for as hedging instruments | | | | | Total |
|---|--|----------------------------|---------------------|-------------------------|------------------|------------|
| | Credit contracts | Foreign exchange contracts | Commodity contracts | Interest rate contracts | Equity contracts | |
| Futures contracts | \$ - | \$ - | \$ - | \$ - | \$ 79,543 | \$ 79,543 |
| Net change in unrealized appreciation (depreciation) of derivatives recognized as a result from operations: | Credit contracts | Foreign exchange contracts | Commodity contracts | Interest rate contracts | Equity contracts | Total |
| Futures contracts | \$ - | \$ - | \$ - | \$ - | \$ (28,613) | \$(28,613) |

Bridgeway Large Cap Value Fund

Fair values of financial instruments on the Statements of Assets and Liabilities as of June 30, 2018:

| Liabilities: | Derivatives not accounted for as hedging instruments | | | | | Total |
|---|--|----------------------------|---------------------|-------------------------|------------------|---------------|
| | Credit contracts | Foreign exchange contracts | Commodity contracts | Interest rate contracts | Equity contracts | |
| Payable for variation margin from open futures contracts ⁽²⁾ | \$ - | \$ - | \$ - | \$ - | \$ (1,445,798) | \$(1,445,798) |

The effect of financial derivative instruments on the Statements of Operations as of June 30, 2018:

| Realized gain (loss) from derivatives recognized as a result of operations | Derivatives not accounted for as hedging instruments | | | | | Total |
|---|--|----------------------------|---------------------|-------------------------|------------------|---------------|
| | Credit contracts | Foreign exchange contracts | Commodity contracts | Interest rate contracts | Equity contracts | |
| Futures contracts | \$ - | \$ - | \$ - | \$ - | \$ (2,160,395) | \$(2,160,395) |
| Net change in unrealized appreciation (depreciation) of derivatives recognized as a result from operations: | Credit contracts | Foreign exchange contracts | Commodity contracts | Interest rate contracts | Equity contracts | Total |
| Futures contracts | \$ - | \$ - | \$ - | \$ - | \$ (1,311,539) | \$(1,311,539) |

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

⁽²⁾ 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.

Offsetting Assets and Liabilities

The Funds is a party 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

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

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. 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, June 30, 2018.

Bridgeway Large Cap Growth Fund

Offsetting of Financial and Derivative Assets as of June 30, 2018:

| | Assets | Liabilities |
|--|--------|-------------|
| Futures Contracts | \$ - | \$ 34,035 |
| Total derivative assets and liabilities in the Statement of Assets and Liabilities | \$ - | \$ 34,035 |
| Derivatives not subject to a Master Netting Agreement or similar agreement ("MNA") | \$ - | \$ (34,035) |

Remaining Contractual Maturity of the Agreements As of June 30, 2018

| | Overnight and Continuous | <30 days | Between 30 & 90 days | >90 days | Total |
|--|-----------------------------|----------|-------------------------|----------|--------------|
| Securities Lending Transactions | | | | | |
| Common Stocks | \$ 1,901,295 | \$ - | \$ - | \$ - | \$ 1,901,295 |
| Total Borrowings | \$ 1,901,295 | \$ - | \$ - | \$ - | \$ 1,901,295 |
| Gross amount of recognized liabilities for securities lending transactions | | | | | \$ 1,901,295 |

Bridgeway Large Cap Value Fund

Offsetting of Financial and Derivative Assets as of June 30, 2018:

| | Assets | Liabilities |
|--|--------|----------------|
| Futures Contracts | \$ - | \$ 1,445,798 |
| Total derivative assets and liabilities in the Statement of Assets and Liabilities | \$ - | \$ 1,445,798 |
| Derivatives not subject to a Master Netting Agreement or similar agreement ("MNA") | \$ - | \$ (1,445,798) |

6. Principal Risks

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

Equity Investment 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, 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.

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

Foreign Investing 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 and greater volatility, (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.

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. Futures contracts may experience potentially dramatic price changes (losses) and imperfect correlation between the price of the contract and the underlying security or index, which will increase the volatility of the Funds 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

Since the financial crisis that started in 2008, the U.S. and many foreign economies continue to experience its after-effects. Conditions in the U.S. and many foreign economies have resulted, and may continue to result, in certain instruments experiencing unusual liquidity issues, increased price volatility and, in some cases, credit downgrades and increased likelihood of default. These events have reduced the willingness and ability of some lenders to extend credit, and have made it more difficult for some borrowers to obtain financing on attractive terms, if at all. In some cases, traditional market participants have been less willing to make a market in some types of debt instruments, which has affected the liquidity of those instruments. During times of market turmoil, investors tend to look to the safety of securities issued or backed by the U.S. Treasury, causing the prices of these securities to rise and the yields to decline. The reduced liquidity in fixed income and credit markets may negatively affect many issuers worldwide. In addition, global economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country or region might adversely impact issuers in a different country or region.

In response to the financial crisis, the U.S. and other governments and the Federal Reserve and certain foreign central banks have taken steps to support financial markets. In some countries where economic conditions are recovering, they are nevertheless perceived as still fragile. Withdrawal of government support, failure of efforts in response to the crisis, or investor perception that such efforts are not succeeding, could adversely impact the value and liquidity of certain securities. The severity or duration of adverse economic conditions may also be affected by policy changes made by governments or quasi-governmental organizations, including changes in tax laws. The impact of new financial regulation legislation on the markets and the practical implications for market participants may not be fully known for some time. Regulatory changes are causing some financial services companies to exit long-standing lines of business, resulting in dislocations for other market participants. In addition, political and diplomatic events within the U.S. and abroad, such as the U.S. government's inability at times to agree on a long-term budget and deficit reduction plan, the threat of a federal government shutdown and threats not to increase the federal government's debt limit, may affect investor and consumer confidence and may adversely impact financial markets and the broader economy, perhaps suddenly and to a significant degree. The results of the 2016 U.S. presidential election may result in significant changes in certain policies. These changes may result in lower corporate taxes, higher levels of public debt, higher interest rates, more restrictions on international trade, and less stringent prudential regulation of certain players in the financial markets.

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

Other Investment Companies Risk

The Funds may invest in shares of other registered investment companies, including ETFs and money market funds that are advised by the Manager. To the extent that the Funds invest in shares of other registered investment companies, the Funds will indirectly bear the fees and expenses charged by those investment companies in addition to the Funds' direct fees and expenses and will be subject to the risks associated with investments in those companies.

Securities Lending Risk

To the extent the Fund lends its securities, it may be subject to the following risks; i) borrowers of the Fund's securities typically provide collateral in the form of cash that is reinvested in securities, ii) the securities in which the collateral is invested may not perform sufficiently to cover the return collateral payments owed to borrowers, iii) delays may occur in the recovery of securities from borrowers, which could interfere with the Fund's ability to vote proxies or to settle transactions, and iv) there is the risk of possible loss of rights in the collateral should the borrower fail financially.

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 December 31, 2017 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.

As of June 30, 2018 the tax cost for each Fund and their respective gross unrealized appreciation (depreciation) were as follows:

| <u>Fund</u> | <u>Tax Cost</u> | <u>Unrealized Appreciation</u> | <u>Unrealized (Depreciation)</u> | <u>Net Unrealized Appreciation (Depreciation)</u> |
|--------------------------------------|-----------------|------------------------------------|--------------------------------------|---|
| Bridgeway Large Cap Growth | \$ 219,906,213 | \$ 53,868,354 | \$ (5,478,733) | \$ 48,389,621 |
| Bridgeway Large Cap Value | 4,520,476,083 | 758,767,359 | (242,789,619) | 515,977,740 |

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.

For the year ended December 31, 2017 the Funds did not have any capital loss carryforwards.

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

The Funds are permitted for tax purposes to defer into their next fiscal year qualified late year losses. Qualified late year capital losses are any capital losses incurred after October 31 through the Funds' fiscal year end, December 31, 2017. Qualified late year ordinary losses are specified losses generally incurred after October 31 and ordinary losses incurred after December 31 through the end of the Funds' fiscal year, December 31, 2017. For the period ended December 31, 2017, Bridgeway Large Cap Growth Fund deferred \$1,770,090 of capital losses to January 1, 2018.

8. Investment Transactions

The aggregate cost of purchases and proceeds from sales and maturities of investments, other than short-term obligations, for the period ended June 30, 2018 were as follows:

| Fund | Purchases (non-U.S. Government Securities) | Sales (non-U.S. Government Securities) |
|--------------------------------------|--|--|
| Bridgeway Large Cap Growth | \$ 71,058,910 | \$ 82,430,979 |
| Bridgeway Large Cap Value | 1,526,644,603 | 1,156,826,518 |

A summary of the Funds' transactions in the USG Select Fund for the period ended June 30, 2018 are as follows:

| Fund | Type of Transaction | December 31, 2017 | | | June 30, 2018 | Dividend Income |
|-----------------------------------|---------------------|-------------------|---------------|---------------|-------------------|-----------------|
| | | Shares/Fair Value | Purchases | Sales | Shares/Fair Value | |
| Bridgeway Large Cap Growth . . . | Direct | \$ 1,441,964 | \$ 60,681,071 | \$ 59,558,024 | \$ 2,565,011 | \$ 33,807 |
| Bridgeway Large Cap Growth . . . | Securities Lending | - | 39,786,678 | 37,885,383 | 1,901,295 | N/A |
| Bridgeway Large Cap Value | Direct | 104,213,767 | 1,073,510,649 | 1,106,442,015 | 71,282,401 | 696,200 |

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 Statement of Assets and Liabilities as a payable.

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

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

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.

As of June 30, 2018, the value of outstanding securities on loan and the value of collateral were as follows:

| <u>Fund</u> | <u>Market Value of Securities on Loan</u> | <u>Cash Collateral Received</u> | <u>Non-Cash Collateral Received</u> | <u>Total Collateral Received</u> |
|--------------------------------------|---|---------------------------------|-------------------------------------|----------------------------------|
| Bridgeway Large Cap Growth | \$ 1,846,192 | \$ 1,901,295 | \$ - | \$ 1,901,295 |

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 16, 2017, the Funds, along with certain other funds managed by the Manager ("Participating Funds"), entered into 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 \$50 million with interest at a rate equal to the higher of (a) one-month London Inter-Bank Offered Rate ("LIBOR") plus 1.25% per annum or (b) the Federal Funds rate plus 1.25% per annum on amounts borrowed. Each of the Participating Funds will pay a commitment fee at a rate of 0.25% per annum on the unused portion of the Committed Line amount. The Committed Line expires November 15, 2018, unless extended by the Bank or terminated by the Participating Funds in accordance with the agreement.

Effective November 16, 2017, the Funds, along with certain other Participating Funds managed by the Manager, entered into 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) one-month LIBOR plus 1.25% per annum or (b) the Federal Funds rate. The Uncommitted Line expires November 15, 2018 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 "Other expenses" 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 period ended June 30, 2018, the Funds did not utilize this facility.

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

11. Capital Share Transactions

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

| | Institutional Class | | | |
|---|--|----------------|---------------------------------|---------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Growth Fund | | | | |
| Shares sold | 705,306 | \$ 22,536,424 | 573,230 | \$ 15,764,540 |
| Reinvestment of dividends | - | - | 234,024 | 7,037,103 |
| Issued in Reorganization | - | - | 560,148 | 17,375,797 |
| Shares redeemed | (980,152) | (31,871,801) | (869,054) | (23,815,289) |
| Net increase (decrease) in shares outstanding | (274,846) | \$ (9,335,377) | 498,348 | \$ 16,362,151 |

| | Y Class | | | |
|--|--|--------------|---------------------------------|--------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Growth Fund | | | | |
| Shares sold | 114,944 | \$ 3,627,542 | 35,909 | \$ 1,013,797 |
| Reinvestment of dividends | - | - | 2,711 | 81,363 |
| Issued in Reorganization | - | - | 5,051 | 156,423 |
| Shares redeemed | (105,282) | (3,394,570) | (3,449) | (96,277) |
| Net increase in shares outstanding | 9,662 | \$ 232,972 | 40,222 | \$ 1,155,306 |

| | Investor Class | | | |
|---|--|----------------|---------------------------------|---------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Growth Fund | | | | |
| Shares sold | 104,436 | \$ 3,330,259 | 55,661 | \$ 1,500,036 |
| Reinvestment of dividends | - | - | 98,167 | 2,930,272 |
| Issued in Reorganization | - | - | 2,283,713 | 70,337,259 |
| Shares redeemed | (187,107) | (5,876,577) | (50,343) | (1,467,164) |
| Net increase (decrease) in shares outstanding | (82,671) | \$ (2,546,318) | 2,387,198 | \$ 73,300,403 |

| | A Class | | | |
|--|--|--------------|---------------------------------|--------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Growth Fund | | | | |
| Shares sold | 56,992 | \$ 1,809,068 | 108,872 | \$ 3,081,503 |
| Reinvestment of dividends | - | - | 6,085 | 181,953 |
| Issued in Reorganization | - | - | 43,610 | 1,344,061 |
| Shares redeemed | (13,956) | (447,396) | (8,365) | (233,976) |
| Net increase in shares outstanding | 43,036 | \$ 1,361,672 | 150,202 | \$ 4,373,541 |

| | C Class | | | |
|---|--|-------------|---------------------------------|------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Growth Fund | | | | |
| Shares sold | 5,346 | \$ 172,232 | 8,335 | \$ 224,338 |
| Reinvestment of dividends | - | - | 1,008 | 29,746 |
| Issued in Reorganization | - | - | 10,919 | 331,620 |
| Shares redeemed | (6,916) | (214,857) | (1,258) | (35,056) |
| Net increase (decrease) in shares outstanding | (1,570) | \$ (42,625) | 19,004 | \$ 550,648 |

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

| | R6 Class | | | |
|--|--|-------------------------|--|--|
| | April 30, 2018 ^A to June 30, 2018 (unaudited) | | | |
| | Shares | Amount | | |
| Bridgeway Large Cap Growth Fund | | | | |
| Shares sold | 3,237 ^B | \$ 100,000 ^B | | |
| Net increase in shares outstanding | 3,237 | \$ 100,000 | | |

| | Institutional Class | | | |
|---------------------------------------|--|----------------|---------------------------------|----------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Value Fund | | | | |
| Shares sold | 10,600,020 | \$ 305,379,725 | 22,141,959 | \$ 605,634,913 |
| Reinvestment of dividends | - | - | 2,851,013 | 81,738,543 |
| Shares redeemed | (5,723,271) | (165,959,160) | (16,256,439) | (452,560,664) |
| Net increase in shares outstanding | 4,876,749 | \$ 139,420,565 | 8,736,533 | \$ 234,812,792 |

| | Y Class | | | |
|---------------------------------------|--|----------------|---------------------------------|----------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Value Fund | | | | |
| Shares sold | 14,728,592 | \$ 423,691,445 | 30,846,571 | \$ 837,274,698 |
| Reinvestment of dividends | - | - | 2,784,424 | 79,606,684 |
| Shares redeemed | (5,278,237) | (151,981,820) | (13,143,773) | (357,121,560) |
| Net increase in shares outstanding | 9,450,355 | \$ 271,709,625 | 20,487,222 | \$ 559,759,822 |

| | Investor Class | | | |
|---------------------------------------|--|-----------------|---------------------------------|------------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Value Fund | | | | |
| Shares sold | 4,944,462 | \$ 142,012,311 | 12,127,050 | \$ 327,627,225 |
| Reinvestment of dividends | - | - | 2,532,136 | 72,191,205 |
| Shares redeemed | (7,831,581) | (225,960,927) | (26,895,237) | (724,443,760) |
| Net (decrease) in shares outstanding | (2,887,119) | \$ (83,948,616) | (12,236,051) | \$ (324,625,330) |

| | A Class | | | |
|---------------------------------------|--|----------------|---------------------------------|-----------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Value Fund | | | | |
| Shares sold | 555,840 | \$ 15,936,803 | 1,323,482 | \$ 35,172,571 |
| Reinvestment of dividends | - | - | 166,852 | 4,741,923 |
| Shares redeemed | (638,520) | (18,330,726) | (4,000,004) | (109,268,040) |
| Net (decrease) in shares outstanding | (82,680) | \$ (2,393,923) | (2,509,670) | \$ (69,353,546) |

| | C Class | | | |
|---------------------------------------|--|----------------|---------------------------------|----------------|
| | Six Months Ended June 30, 2018 (unaudited) | | Year Ended December 31, 2017 | |
| | Shares | Amount | Shares | Amount |
| Bridgeway Large Cap Value Fund | | | | |
| Shares sold | 292,500 | \$ 8,135,982 | 646,529 | \$ 16,939,095 |
| Reinvestment of dividends | - | - | 148,656 | 4,122,220 |
| Shares redeemed | (361,007) | (10,052,338) | (1,057,869) | (27,847,899) |
| Net (decrease) in shares outstanding | (68,507) | \$ (1,916,356) | (262,684) | \$ (6,786,584) |

American Beacon FundsSM

Notes to Financial Statements

June 30, 2018 (Unaudited)

| | R6 Class | | | |
|--|-----------------------------------|----------------------|---|----------------------|
| | Six Months Ended June 30, 2018 | | April 28, 2017 ^A to December 31, 2017 | |
| | (unaudited) | | | |
| | <u>Shares</u> | <u>Amount</u> | <u>Shares</u> | <u>Amount</u> |
| Bridgeway Large Cap Value Fund | | | | |
| Shares sold | 2,238,403 | \$ 64,402,277 | 3,096,230 | \$ 91,569,174 |
| Reinvestment of dividends | - | - | 146,308 | 4,191,724 |
| Shares redeemed | (481,499) | (13,797,365) | (36,754) | (1,070,350) |
| Net increase in shares outstanding | <u>1,756,904</u> | <u>\$ 50,604,912</u> | <u>3,205,784</u> | <u>\$ 94,690,548</u> |

^A Commencement of operations.

^B Seed capital was received on April 30, 2018 in the amount of \$100,000 for the R6 Class. As a result, shares were issued in the amount of 3,237 for R6 Class.

12. Subsequent Events

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

American Beacon Bridgeway Large Cap Growth FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | Institutional Class ^A | | | | | | |
|--|----------------------------------|---|------------------------------------|---------------------|-------------------|---------------------|---------------------|
| | Six Months Ended June 30, 2018 | Year Ended December 31, 2017 ^B | Six Months Ended December 31, 2016 | Year Ended June 30, | | | |
| | | | | 2016 | 2015 | 2014 | 2013 |
| (unaudited) | | | | | | | |
| Net asset value, beginning of period | \$ 29.88 | \$ 24.47 | \$ 22.77 | \$ 23.71 | \$ 20.51 | \$ 16.18 | \$ 13.33 |
| Income (loss) from investment operations: | | | | | | | |
| Net investment income | 0.05 | 0.10 | 0.04 | 0.07 | 0.17 ^C | 0.13 ^C | 0.16 ^C |
| Net gains (losses) on investments (both realized and unrealized) | 2.27 | 6.56 | 1.82 | (0.90) | 3.14 | 4.29 | 2.88 |
| Total income (loss) from investment operations | 2.32 | 6.66 | 1.86 | (0.83) | 3.31 | 4.42 | 3.04 |
| Less distributions: | | | | | | | |
| Dividends from net investment income | - | (0.08) | (0.16) | (0.11) | (0.11) | (0.09) | (0.19) |
| Distributions from net realized gains | - | (1.17) | - | - | - | - | - |
| Total distributions | - | (1.25) | (0.16) | (0.11) | (0.11) | (0.09) | (0.19) |
| Net asset value, end of period | \$ 32.20 | \$ 29.88 | \$ 24.47 | \$ 22.77 | \$ 23.71 | \$ 20.51 | \$ 16.18 |
| Total return ^D | 7.76% ^E | 27.21% | 8.15% ^E | (3.52)% | 16.19% | 27.41% ^F | 23.06% ^F |
| Ratios and supplemental data: | | | | | | | |
| Net assets, end of period | \$183,094,135 | \$178,062,388 | \$133,638,400 | \$136,460,611 | \$156,493,513 | \$56,343,594 | \$47,966,566 |
| Ratios to average net assets: | | | | | | | |
| Expenses, before reimbursements | 0.95% ^G | 1.06% | 1.02% ^G | 0.89% | 0.81% | 0.87% | 0.90% |
| Expenses, net of reimbursements | 0.81% ^G | 0.81% | 0.81% ^G | 0.83% | 0.81% | 0.84% | 0.84% |
| Net investment income, before expense reimbursements | 0.17% ^G | 0.15% | 0.12% ^G | 0.30% | 0.75% | 0.70% | 1.10% |
| Net investment income, net of reimbursements | 0.31% ^G | 0.40% | 0.33% ^G | 0.35% | 0.75% | 0.70% | 1.10% |
| Portfolio turnover rate | 27% ^E | 78% | 40% ^E | 100% | 48% | 74% | 49% |

^A Prior to the reorganization on February 5, 2016, the Institutional Class was known as Class N.

^B On December 15, 2017, pursuant to a plan of Reorganization on termination, the American Beacon Bridgeway Large Cap Growth II Fund ("Target Fund") transferred all of its property and assets to the American Beacon Bridgeway Large Cap Growth Fund ("Acquiring Fund") in exchange solely for voting shares of the Acquiring Fund and the assumption of the Target Fund's liabilities.

^C Per share amounts have been calculated using the average shares method.

^D 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.

^E Not annualized.

^F Total return would have been lower had various fees not been waived during the period.

^G Annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Growth FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | Y Class | | | |
|---|--------------------------------|---|------------------------------------|--|
| | Six Months Ended June 30, 2018 | Year Ended December 31, 2017 ^A | Six Months Ended December 31, 2016 | February 5, 2016 ^B to June 30, 2016 |
| Net asset value, beginning of period | (unaudited) \$ 29.82 | \$ 24.45 | \$ 22.77 | \$ 20.46 |
| Income from investment operations: | | | | |
| Net investment income | 0.02 | 0.05 | 0.03 | 0.03 |
| Net gains on investments (both realized and unrealized) | 2.30 | 6.57 | 1.81 | 2.28 |
| Total income from investment operations | 2.32 | 6.62 | 1.84 | 2.31 |
| Less distributions: | | | | |
| Dividends from net investment income | - | (0.08) | (0.16) | - |
| Distributions from net realized gains | - | (1.17) | - | - |
| Total distributions | - | (1.25) | (0.16) | - |
| Net asset value, end of period | \$ 32.14 | \$ 29.82 | \$ 24.45 | \$ 22.77 |
| Total return ^C | 7.78% ^D | 27.06% | 8.06% ^D | 11.29% ^D |
| Ratios and supplemental data: | | | | |
| Net assets, end of period | \$ 2,483,801 | \$ 2,016,161 | \$ 669,530 | \$ 401,220 |
| Ratios to average net assets: | | | | |
| Expenses, before reimbursements | 0.97% ^E | 1.13% | 1.09% ^E | 4.00% ^E |
| Expenses, net of reimbursements | 0.91% ^E | 0.91% | 0.91% ^E | 0.91% ^E |
| Net investment income (loss), before expense reimbursements | 0.24% ^E | 0.08% | 0.11% ^E | (2.69)% ^E |
| Net investment income, net of reimbursements | 0.30% ^E | 0.30% | 0.28% ^E | 0.40% ^E |
| Portfolio turnover rate | 27% ^D | 78% | 40% ^D | 100% ^F |

^A On December 15, 2017, pursuant to a plan of Reorganization on termination, the American Beacon Bridgeway Large Cap Growth II Fund ("Target Fund") transferred all of its property and assets to the American Beacon Bridgeway Large Cap Growth Fund ("Acquiring Fund") in exchange solely for voting shares of the Acquiring Fund and the assumption of the Target Fund's liabilities.

^B Commencement of operations.

^C 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.

^D Not annualized.

^E Annualized.

^F Portfolio turnover rate is for the period from February 5, 2016 through June 30, 2016 and is not annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Growth FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | Investor Class | | | |
|---|--------------------------------|---|------------------------------------|--|
| | Six Months Ended June 30, 2018 | Year Ended December 31, 2017 ^A | Six Months Ended December 31, 2016 | February 5, 2016 ^B to June 30, 2016 |
| Net asset value, beginning of period | \$ 29.65 | \$ 24.38 | \$ 22.74 | \$ 20.46 |
| Income (loss) from investment operations: | | | | |
| Net investment income (loss) | (0.01) | (0.01) | (0.01) | 0.01 |
| Net gains on investments (both realized and unrealized) | 2.27 | 6.53 | 1.81 | 2.27 |
| Total income from investment operations | 2.26 | 6.52 | 1.80 | 2.28 |
| Less distributions: | | | | |
| Dividends from net investment income | - | (0.08) | (0.16) | - |
| Distributions from net realized gains | - | (1.17) | - | - |
| Total distributions | - | (1.25) | (0.16) | - |
| Net asset value, end of period | \$ 31.91 | \$ 29.65 | \$ 24.38 | \$ 22.74 |
| Total return ^C | 7.62% ^D | 26.72% | 7.90% ^D | 11.14% ^D |
| Ratios and supplemental data: | | | | |
| Net assets, end of period | \$74,050,089 | \$ 71,273,896 | \$ 399,798 | \$ 133,696 |
| Ratios to average net assets: | | | | |
| Expenses, before reimbursements | 1.18% ^E | 1.40% | 1.55% ^E | 8.43% ^E |
| Expenses, net of reimbursements | 1.19% ^E | 1.19% | 1.19% ^E | 1.18% ^E |
| Net investment (loss), before expense reimbursements | (0.06)% ^E | (0.66)% | (0.35)% ^E | (7.08)% ^E |
| Net investment income (loss), net of reimbursements | (0.07)% ^E | (0.45)% | 0.02% ^E | 0.17% ^E |
| Portfolio turnover rate | 27% ^D | 78% | 40% ^D | 100% ^F |

^A On December 15, 2017, pursuant to a plan of Reorganization on termination, the American Beacon Bridgeway Large Cap Growth II Fund ("Target Fund") transferred all of its property and assets to the American Beacon Bridgeway Large Cap Growth Fund ("Acquiring Fund") in exchange solely for voting shares of the Acquiring Fund and the assumption of the Target Fund's liabilities.

^B Commencement of operations.

^C 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.

^D Not annualized.

^E Annualized.

^F Portfolio turnover rate is for the period from February 5, 2016 through June 30, 2016 and is not annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Growth FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | A Class | | | |
|---|--------------------------------|---|------------------------------------|--|
| | Six Months Ended June 30, 2018 | Year Ended December 31, 2017 ^A | Six Months Ended December 31, 2016 | February 5, 2016 ^B to June 30, 2016 |
| Net asset value, beginning of period | <u>\$ 29.70</u> | <u>\$ 24.39</u> | <u>\$ 22.74</u> | <u>\$ 20.46</u> |
| <i>(unaudited)</i> | | | | |
| Income (loss) from investment operations: | | | | |
| Net investment income (loss) | (0.01) | 0.00 ^C | 0.00 ^C | 0.00 ^C |
| Net gains on investments (both realized and unrealized) | 2.27 | 6.54 | 1.81 | 2.28 |
| Total income (loss) from investment operations | <u>2.26</u> | <u>6.54</u> | <u>1.81</u> | <u>2.28</u> |
| Less distributions: | | | | |
| Dividends from net investment income | - | (0.06) | (0.16) | - |
| Distributions from net realized gains | - | (1.17) | - | - |
| Total distributions | <u>-</u> | <u>(1.23)</u> | <u>(0.16)</u> | <u>-</u> |
| Net asset value, end of period | <u>\$ 31.96</u> | <u>\$ 29.70</u> | <u>\$ 24.39</u> | <u>\$ 22.74</u> |
| Total return ^D | <u>7.61%^E</u> | <u>26.79%</u> | <u>7.94%^E</u> | <u>11.14%^E</u> |
| Ratios and supplemental data: | | | | |
| Net assets, end of period | \$ 6,352,871 | \$ 4,625,607 | \$ 135,710 | \$ 159,744 |
| Ratios to average net assets: | | | | |
| Expenses, before reimbursements | 1.25% ^F | 1.44% | 1.43% ^F | 5.25% ^F |
| Expenses, net of reimbursements | 1.21% ^F | 1.21% | 1.21% ^F | 1.21% ^F |
| Net investment (loss), before expense reimbursements | (0.12)% ^F | (0.23)% | (0.26)% ^F | (4.01)% ^F |
| Net investment income (loss), net of reimbursements | (0.08)% ^F | 0.00% ^G | (0.05)% ^F | 0.02% ^F |
| Portfolio turnover rate | 27% ^E | 78% | 40% ^E | 100% ^H |

^A On December 15, 2017, pursuant to a plan of Reorganization on termination, the American Beacon Bridgeway Large Cap Growth II Fund ("Target Fund") transferred all of its property and assets to the American Beacon Bridgeway Large Cap Growth Fund ("Acquiring Fund") in exchange solely for voting shares of the Acquiring Fund and the assumption of the Target Fund's liabilities.

^B Commencement of operations.

^C Amount represents less than \$0.01 per share.

^D 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.

^E Not annualized.

^F Annualized.

^G Amount rounds to less than 0.005%.

^H Portfolio turnover rate is for the period from February 5, 2016 through June 30, 2016 and is not annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Growth FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | C Class | | | |
|---|---|---|------------------------------------|--|
| | Six Months Ended June 30, 2018 (unaudited) | Year Ended December 31, 2017 ^A | Six Months Ended December 31, 2016 | February 5, 2016 ^B to June 30, 2016 |
| Net asset value, beginning of period | \$ 29.30 | \$ 24.22 | \$ 22.67 | \$ 20.46 |
| Income (loss) from investment operations: | | | | |
| Net investment (loss) | (0.12) | (0.10) | (0.13) | (0.04) |
| Net gains on investments (both realized and unrealized) | 2.24 | 6.35 | 1.84 | 2.25 |
| Total income (loss) from investment operations | 2.12 | 6.25 | 1.71 | 2.21 |
| Less distributions: | | | | |
| Dividends from net investment income | - | - | (0.16) | - |
| Distributions from net realized gains | - | (1.17) | - | - |
| Total distributions | - | (1.17) | (0.16) | - |
| Net asset value, end of period | \$ 31.42 | \$ 29.30 | \$ 24.22 | \$ 22.67 |
| Total return ^C | 7.24% ^D | 25.78% | 7.52% ^D | 10.80% ^D |
| Ratios and supplemental data: | | | | |
| Net assets, end of period | \$ 776,022 | \$ 769,559 | \$ 175,907 | \$ 244,146 |
| Ratios to average net assets: | | | | |
| Expenses, before reimbursements | 1.91% ^E | 2.09% | 2.18% ^E | 7.33% ^E |
| Expenses, net of reimbursements | 1.96% ^E | 1.96% | 1.96% ^E | 1.96% ^E |
| Net investment (loss), before expense reimbursements | (0.80)% ^E | (0.90)% | (1.04)% ^E | (5.98)% ^E |
| Net investment (loss), net of reimbursements | (0.85)% ^E | (0.77)% | (0.81)% ^E | (0.62)% ^E |
| Portfolio turnover rate | 27% ^D | 78% | 40% ^D | 100% ^F |

^A On December 15, 2017, pursuant to a plan of Reorganization on termination, the American Beacon Bridgeway Large Cap Growth II Fund ("Target Fund") transferred all of its property and assets to the American Beacon Bridgeway Large Cap Growth Fund ("Acquiring Fund") in exchange solely for voting shares of the Acquiring Fund and the assumption of the Target Fund's liabilities.

^B Commencement of operations.

^C 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.

^D Not annualized.

^E Annualized.

^F Portfolio turnover rate is for the period from February 5, 2016 through June 30, 2016 and is not annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Growth FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | R6 Class |
|---|---|
| | April 30, 2018 ^A to June 30, 2018 (unaudited) |
| | \$ 30.89 |
| Net asset value, beginning of period | |
| Income from investment operations: | |
| Net investment income | 0.04 |
| Net gains on investments (both realized and unrealized) | 1.28 |
| Total income from investment operations | 1.32 |
| Less distributions: | |
| Dividends from net investment income | - |
| Net asset value, end of period | \$ 32.21 |
| Total return ^B | 4.27% ^C |
| Ratios and supplemental data: | |
| Net assets, end of period | \$ 104,263 |
| Ratios to average net assets: | |
| Expenses, before reimbursements | 1.29% ^D |
| Expenses, net of reimbursements | 0.76% ^D |
| Net investment income, before expense reimbursements | 0.15% ^D |
| Net investment income, net of reimbursements | 0.68% ^D |
| Portfolio turnover rate | 27% ^E |

^A Commencement of operations.

^B 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.

^C Not annualized.

^D Annualized.

^E Portfolio turnover rate is for the period from April 30, 2018 through June 30, 2018 and is not annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | Institutional Class | | | | | |
|---|---|-------------------------|------------------|---------------------|----------------|---------------|
| | Six Months Ended June 30, 2018 (unaudited) | Year Ended December 31, | | | | |
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net asset value, beginning of period | \$ 28.57 | \$ 26.08 | \$ 22.75 | \$ 23.89 | \$ 21.39 | \$ 15.85 |
| Income (loss) from investment operations: | | | | | | |
| Net investment income | 0.21 | 0.37 | 0.38 | 0.28 | 0.10 | 0.11 |
| Net gains (losses) on investments (both realized and unrealized) | (0.44) | 3.78 | 3.32 | (0.58) | 2.94 | 5.87 |
| Total income (loss) from investment operations | (0.23) | 4.15 | 3.70 | (0.30) | 3.04 | 5.98 |
| Less distributions: | | | | | | |
| Dividends from net investment income | - | (0.39) | (0.35) | (0.29) | (0.17) | (0.11) |
| Distributions from net realized gains | - | (1.27) | (0.02) | (0.55) | (0.37) | (0.33) |
| Tax return of capital | - | - | - | (0.00) ^A | - | - |
| Total distributions | - | (1.66) | (0.37) | (0.84) | (0.54) | (0.44) |
| Net asset value, end of period | \$ 28.34 | \$ 28.57 | \$ 26.08 | \$ 22.75 | \$ 23.89 | \$ 21.39 |
| Total return ^B | (0.77)% ^C | 15.88% | 16.24% | (1.23)% | 14.18% | 37.77% |
| Ratios and supplemental data: | | | | | | |
| Net assets, end of period | \$ 1,673,988,463 | \$ 1,547,760,278 | \$ 1,185,013,905 | \$ 682,849,171 | \$ 313,660,568 | \$ 79,889,063 |
| Ratios to average net assets: | | | | | | |
| Expenses, before reimbursements or recoupments | 0.71% ^D | 0.72% | 0.73% | 0.75% | 0.79% | 1.01% |
| Expenses, net of reimbursements or recoupments | 0.71% ^D | 0.72% | 0.73% | 0.79% | 0.84% | 0.84% |
| Net investment income, before expense reimbursements or recoupments | 1.57% ^D | 1.41% | 1.69% | 1.61% | 1.08% | 0.98% |
| Net investment income, net of reimbursements or recoupments | 1.57% ^D | 1.41% | 1.69% | 1.57% | 1.04% | 1.16% |
| Portfolio turnover rate | 24% ^C | 48% | 56% | 43% | 31% | 38% |

^A The distributions from return of capital is calculated based on outstanding shares at the time of distribution. Amounts are less than \$0.01 per share.

^B 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.

^C Not annualized.

^D Annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | Y Class | | | | | |
|---|---|-------------------------|----------------|---------------------|----------------|---------------|
| | Six Months Ended June 30, 2018 (unaudited) | Year Ended December 31, | | | | |
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net asset value, beginning of period | \$ 28.49 | \$ 26.01 | \$ 22.69 | \$ 23.84 | \$ 21.35 | \$ 15.84 |
| Income (loss) from investment operations: | | | | | | |
| Net investment income | 0.20 | 0.33 | 0.32 | 0.27 | 0.13 | 0.22 |
| Net gains (losses) on investments (both realized and unrealized) | (0.43) | 3.79 | 3.35 | (0.57) | 2.90 | 5.72 |
| Total income (loss) from investment operations | (0.23) | 4.12 | 3.67 | (0.30) | 3.03 | 5.94 |
| Less distributions: | | | | | | |
| Dividends from net investment income | - | (0.37) | (0.33) | (0.30) | (0.17) | (0.10) |
| Distributions from net realized gains | - | (1.27) | (0.02) | (0.55) | (0.37) | (0.33) |
| Tax return of capital | - | - | - | (0.00) ^A | - | - |
| Total distributions | - | (1.64) | (0.35) | (0.85) | (0.54) | (0.43) |
| Net asset value, end of period . . . | \$ 28.26 | \$ 28.49 | \$ 26.01 | \$ 22.69 | \$ 23.84 | \$ 21.35 |
| Total return ^B | (0.81)% ^C | 15.82% | 16.17% | (1.26)% | 14.15% | 37.55% |
| Ratios and supplemental data: | | | | | | |
| Net assets, end of period | \$ 1,801,745,651 | \$ 1,547,228,114 | \$ 879,852,983 | \$ 414,585,125 | \$ 119,162,044 | \$ 19,913,753 |
| Ratios to average net assets: | | | | | | |
| Expenses, before reimbursements or recoupments | 0.78% ^D | 0.79% | 0.80% | 0.81% | 0.84% | 0.93% |
| Expenses, net of reimbursements or recoupments | 0.78% ^D | 0.79% | 0.80% | 0.81% | 0.85% | 0.94% |
| Net investment income, before expense reimbursements or recoupments | 1.51% ^D | 1.35% | 1.63% | 1.55% | 1.03% | 1.07% |
| Net investment income, net of reimbursements or recoupments | 1.51% ^D | 1.35% | 1.63% | 1.55% | 1.03% | 1.06% |
| Portfolio turnover rate | 24% ^C | 48% | 56% | 43% | 31% | 38% |

^A The distributions from return of capital is calculated based on outstanding shares at the time of distribution. Amounts are less than \$0.01 per share.

^B 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.

^C Not annualized.

^D Annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | Investor Class | | | | | |
|---|---|-------------------------|-----------------|---------------------|---------------|---------------|
| | Six Months Ended June 30, 2018 (unaudited) | Year Ended December 31, | | | | |
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net asset value, beginning of period | \$ 28.41 | \$ 25.93 | \$ 22.64 | \$ 23.77 | \$ 21.28 | \$ 15.81 |
| Income (loss) from investment operations: | | | | | | |
| Net investment income | 0.18 | 0.32 | 0.27 | 0.25 | 0.14 | 0.21 |
| Net gains (losses) on investments (both realized and unrealized) | (0.45) | 3.71 | 3.31 | (0.61) | 2.82 | 5.68 |
| Total income (loss) from investment operations | (0.27) | 4.03 | 3.58 | (0.36) | 2.96 | 5.89 |
| Less distributions: | | | | | | |
| Dividends from net investment income | - | (0.28) | (0.27) | (0.22) | (0.10) | (0.09) |
| Distributions from net realized gains | - | (1.27) | (0.02) | (0.55) | (0.37) | (0.33) |
| Tax return of capital | - | - | - | (0.00) ^A | - | - |
| Total distributions | - | (1.55) | (0.29) | (0.77) | (0.47) | (0.42) |
| Net asset value, end of period | \$ 28.14 | \$ 28.41 | \$ 25.93 | \$ 22.64 | \$ 23.77 | \$ 21.28 |
| Total return ^B | (0.95)% ^C | 15.52% | 15.81% | (1.51)% | 13.89% | 37.28% |
| Ratios and supplemental data: | | | | | | |
| Net assets, end of period | \$1,292,850,396 | \$1,387,184,369 | \$1,583,853,257 | \$977,719,149 | \$668,659,150 | \$274,113,476 |
| Ratios to average net assets: | | | | | | |
| Expenses, before reimbursements or recoupments | 1.05% ^D | 1.06% | 1.08% | 1.09% | 1.11% | 1.08% |
| Expenses, net of reimbursements or recoupments | 1.05% ^D | 1.06% | 1.08% | 1.09% | 1.11% | 1.09% |
| Net investment income, before expense reimbursements or recoupments | 1.21% ^D | 1.04% | 1.35% | 1.28% | 0.76% | 0.95% |
| Net investment income, net of reimbursements or recoupments | 1.21% ^D | 1.04% | 1.35% | 1.28% | 0.76% | 0.94% |
| Portfolio turnover rate | 24% ^C | 48% | 56% | 43% | 31% | 38% |

^A The distributions from return of capital is calculated based on outstanding shares at the time of distribution. Amounts are less than \$0.01 per share.

^B 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.

^C Not annualized.

^D Annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | A Class | | | | | |
|---|---|-------------------------|-----------------|---------------------|-----------------|-----------------|
| | Six Months Ended June 30, 2018 (unaudited) | Year Ended December 31, | | | | |
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net asset value, beginning of period | \$ 28.32 | \$ 25.82 | \$ 22.53 | \$ 23.66 | \$ 21.22 | \$ 15.78 |
| Income (loss) from investment operations: | | | | | | |
| Net investment income | 0.18 | 0.42 | 0.32 | 0.27 | 0.09 | 0.19 |
| Net gains (losses) on investments (both realized and unrealized) | (0.44) | 3.58 | 3.24 | (0.64) | 2.84 | 5.64 |
| Total income (loss) from investment operations | (0.26) | 4.00 | 3.56 | (0.37) | 2.93 | 5.83 |
| Less distributions: | | | | | | |
| Dividends from net investment income | - | (0.23) | (0.25) | (0.21) | (0.12) | (0.06) |
| Distributions from net realized gains | - | (1.27) | (0.02) | (0.55) | (0.37) | (0.33) |
| Tax return of capital | - | - | - | (0.00) ^A | - | - |
| Total distributions | - | (1.50) | (0.27) | (0.76) | (0.49) | (0.39) |
| Net asset value, end of period | \$ 28.06 | \$ 28.32 | \$ 25.82 | \$ 22.53 | \$ 23.66 | \$ 21.22 |
| Total return^B | (0.92)%^C | 15.46% | 15.79% | (1.56)% | 13.76% | 37.01% |
| Ratios and supplemental data: | | | | | | |
| Net assets, end of period | \$ 93,016,213 | \$ 96,229,248 | \$ 152,520,884 | \$ 147,394,607 | \$ 103,716,652 | \$ 31,300,069 |
| Ratios to average net assets: | | | | | | |
| Expenses, before reimbursements or recoupments | 1.02% ^D | 1.08% | 1.12% | 1.12% | 1.19% | 1.38% |
| Expenses, net of reimbursements or recoupments | 1.02% ^D | 1.08% | 1.12% | 1.12% | 1.21% | 1.34% |
| Net investment income, before expense reimbursements or recoupments | 1.25% ^D | 1.01% | 1.31% | 1.25% | 0.69% | 0.61% |
| Net investment income, net of reimbursements or recoupments | 1.25% ^D | 1.01% | 1.31% | 1.25% | 0.67% | 0.66% |
| Portfolio turnover rate | 24% ^C | 48% | 56% | 43% | 31% | 38% |

^A The distributions from return of capital is calculated based on outstanding shares at the time of distribution. Amounts are less than \$0.01 per share.

^B 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.

^C Not annualized.

^D Annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | C Class | | | | | |
|--|---|-------------------------|----------------|---------------------|---------------|--------------|
| | Six Months Ended June 30, 2018 (unaudited) | Year Ended December 31, | | | | |
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net asset value, beginning of period | \$ 27.63 | \$ 25.27 | \$ 22.08 | \$ 23.27 | \$ 21.00 | \$ 15.70 |
| Income (loss) from investment operations: | | | | | | |
| Net investment income | 0.07 | 0.08 | 0.13 | 0.13 | 0.02 | 0.18 |
| Net gains (losses) on investments (both realized and unrealized) . . . | (0.43) | 3.62 | 3.16 | (0.66) | 2.69 | 5.47 |
| Total income (loss) from investment operations | (0.36) | 3.70 | 3.29 | (0.53) | 2.71 | 5.65 |
| Less distributions: | | | | | | |
| Dividends from net investment income | - | (0.07) | (0.08) | (0.11) | (0.07) | (0.02) |
| Distributions from net realized gains | - | (1.27) | (0.02) | (0.55) | (0.37) | (0.33) |
| Tax return of capital | - | - | - | (0.00) ^A | - | - |
| Total distributions | - | (1.34) | (0.10) | (0.66) | (0.44) | (0.35) |
| Net asset value, end of period | \$ 27.27 | \$ 27.63 | \$ 25.27 | \$ 22.08 | \$ 23.27 | \$ 21.00 |
| Total return ^B | (1.30)% ^C | 14.62% | 14.91% | (2.27)% | 12.88% | 36.02% |
| Ratios and supplemental data: | | | | | | |
| Net assets, end of period | \$ 99,358,325 | \$ 102,553,616 | \$ 100,447,531 | \$ 84,411,378 | \$ 33,536,254 | \$ 2,346,463 |
| Ratios to average net assets: | | | | | | |
| Expenses, before reimbursements or recoupments | 1.76% ^D | 1.83% | 1.86% | 1.87% | 1.92% | 2.13% |
| Expenses, net of reimbursements or recoupments | 1.76% ^D | 1.83% | 1.86% | 1.87% | 1.94% | 2.09% |
| Net investment income (loss), before expense reimbursements or recoupments | 0.50% ^D | 0.28% | 0.57% | 0.48% | (0.05)% | (0.13)% |
| Net investment income (loss), net of reimbursements or recoupments | 0.50% ^D | 0.28% | 0.57% | 0.48% | (0.08)% | (0.08)% |
| Portfolio turnover rate | 24% ^C | 48% | 56% | 43% | 31% | 38% |

^A The distributions from return of capital is calculated based on outstanding shares at the time of distribution. Amounts are less than \$0.01 per share.

^B 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.

^C Not annualized.

^D Annualized.

See accompanying notes

American Beacon Bridgeway Large Cap Value FundSM

Financial Highlights

(For a share outstanding throughout the period)

| | R6 Class | |
|---|---|--|
| | Six Months Ended June 30, 2018 (unaudited) | April 28, 2017 ^A December 31, 2017 |
| Net asset value, beginning of period | \$ 28.55 | \$ 26.73 |
| Income from investment operations: | | |
| Net investment income | 0.28 | 0.11 |
| Net gains (losses) on investments (both realized and unrealized) | (0.50) | 3.37 |
| Total income (loss) from investment operations | (0.22) | 3.48 |
| Less distributions: | | |
| Dividends from net investment income | - | (0.39) |
| Distributions from net realized gains | - | (1.27) |
| Total distributions | - | (1.66) |
| Net asset value, end of period | \$ 28.33 | \$ 28.55 |
| Total return ^B | (0.77)% ^C | 13.01% ^C |
| Ratios and supplemental data: | | |
| Net assets, end of period | \$ 140,592,802 | \$ 91,521,786 |
| Ratios to average net assets: | | |
| Expenses, before reimbursements or recoupments | 0.68% ^D | 0.75% ^D |
| Expenses, net of reimbursements or recoupments | 0.69% ^D | 0.71% ^D |
| Net investment income, before expense reimbursements or recoupments | 1.63% ^D | 1.44% ^D |
| Net investment income, net of reimbursements or recoupments | 1.63% ^D | 1.48% ^D |
| Portfolio turnover rate | 24% ^C | 48% ^E |

^A Commencement of operations.

^B 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.

^C Not annualized.

^D Annualized.

^E Portfolio turnover rate is for the period from April 28, 2017 through December 31, 2017 and is not annualized.

See accompanying notes

Renewal and Approval of Management Agreement and Investment Advisory Agreement

June 30, 2018 (Unaudited)

At in-person meetings held on May 18, 2018 and June 5-6, 2018 (collectively, the “Meetings”), the Board of Trustees (“Board” or “Trustees”) considered and then, at its June 6, 2018 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 Bridgeway Large Cap Growth Fund (“LCG Fund”) and the American Beacon Bridgeway Large Cap Value Fund (“LCV Fund”) (each, a “Fund” and collectively, the “Funds”); and

(2) the Investment Advisory Agreement among the Manager, Bridgeway Capital Management, Inc. (the “subadvisor”), and the Trust, on behalf of the Funds.

The Management Agreement and the Investment Advisory Agreement are collectively referred to herein 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 subadvisor, 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 the 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 subadvisor. At the Meetings, the Board considered the information provided. Further, the Board took into consideration information furnished to the Board throughout the year at regular meetings of the Board and its committees, as well as information specifically prepared in connection with the renewal process.

In connection with the Board’s consideration of the Agreements, the Trustees received and evaluated such information as they deemed necessary. The information requested on behalf of the Board included, among other information, the following materials. References herein to the “firm” refer to the Manager and/or the subadvisor.

- comparisons of the performance of an appropriate share class of each Fund to comparable investment companies and appropriate benchmark indices, including peer group averages and performance analyses from Broadridge, and to the performance of any similar accounts or a composite of similar accounts, as applicable, managed by the firm;
- comparisons of each Fund’s management and subadvisory fee rates and expense ratio with the management fee rates paid by comparable mutual funds and their expense ratios, including peer group averages and fee and expense analyses from Broadridge, and the advisory fee rates charged to other clients for which similar services are provided by a firm;
- a description of any applicable fee waivers and/or expense reimbursements in place for each Fund during the past year, and any proposed changes to the expense limitation arrangements;
- the Manager’s profitability with respect to the services that it provided to each Fund;
- any actual or anticipated economies of scale in relation to the services the firm provides or will provide to each Fund and whether the current fee rates charged or to be charged to each Fund reflect these economies of scale for the benefit of the Fund’s investors;
- an evaluation of other benefits to the firm or Funds as a result of their relationship, if any;
- information regarding administrative, accounting-related, cash management and securities lending services that the Manager provides to the Funds and the fees that the Manager receives for such services; and
- information regarding a firm’s financial condition, the personnel of the Manager who are assigned primary responsibility for managing the Funds, staffing levels, portfolio managers’ compensation, insurance coverage, material pending litigation, code of ethics, compliance matters, actual or potential conflicts of interest that the firm experiences, or anticipates that it will experience, in providing services to the Funds, and the Manager’s disaster recovery plans.

Renewal and Approval of Management Agreement and Investment Advisory Agreement

June 30, 2018 (Unaudited)

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 Institutional Class. The Board also considered that the use of Institutional 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 renewal and approval of the Agreements. The Board did not identify any particular information that was most relevant to its consideration to renew or approve each Agreement, and each Trustee may have afforded different weight to the various factors. Legal counsel to the independent Trustees provided the Board with a memorandum regarding its responsibilities pertaining to the renewal and approval of investment advisory contracts, such as the Agreements. The memorandum explained the regulatory requirements surrounding the Trustees' process for evaluating investment advisors and the terms of investment advisory contracts. Based on its evaluation, the Board unanimously concluded that the terms of each Agreement were reasonable and fair and that the renewal and approval 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 Agreement

In determining whether to renew the Agreements, the Trustees considered the best interests of each Fund separately. While the Management Agreement and the Investment Advisory Agreement for the Funds were considered at the Meetings, 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; (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 the 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 subadvisor from their relationships 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 the Investment Advisory Agreement, the Board considered the level of staffing and the size of the subadvisor. The Board also considered the adequacy of the resources committed to the Funds by the subadvisor, and whether those resources were commensurate with the needs of the Funds and are sufficient to sustain appropriate levels of performance and compliance needs. In this regard, the Board considered

Renewal and Approval of Management Agreement and Investment Advisory Agreement

June 30, 2018 (Unaudited)

the financial stability of the subadvisor. The Board also considered the subadvisor's representations regarding its compliance program and code of ethics. 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 the 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 benchmark index, as well as the Fund's Morningstar rating. The Board considered the information provided by Broadridge regarding Broadridge's 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 the subadvisor regarding the performance of each Fund relative to the performance of other comparable investment accounts managed by the subadvisor, the Fund's benchmark index and an appropriate peer group for the Fund. In addition, the Board considered the Manager's recommendation to continue to retain the subadvisor. A discussion regarding 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 sustaining a loss with respect to the LCG Fund and the Manager earning a profit with respect to the LCV Fund before and after the payment of distribution-related expenses by the 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 applicable 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 overseeing the securities lending program on behalf of the Funds. 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 the subadvisor in connection with its investment advisory services to the Funds, the Board considered representations made by the subadvisor that, with respect to the LCG Fund, the Manager has negotiated the lowest fee rate that the subadvisor charges for any comparable client accounts and, with respect to the LCV Fund, the subadvisory fee rate schedule was generally favorable compared to other comparable client accounts. The Board did not request profitability data from the subadvisor 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 subadvisor with respect to the negotiation of subadvisory fee rates. In addition, the Board noted that the subadvisor may not account for its profits on an account-by-account basis and that different firms likely employ different methodologies in connection with these calculations.

Based on the foregoing information, the Board concluded that the profitability levels of the Manager were reasonable in light of the services performed by the Manager. A discussion regarding the Board's considerations

Renewal and Approval of Management Agreement and Investment Advisory Agreement

June 30, 2018 (Unaudited)

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 the Manager has negotiated breakpoints in the subadvisory fee rate for the Funds.

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. 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 subadvisor as a result of the advisory relationships with the Funds, including greater exposure in the marketplace with respect to the Manager's or subadvisor's investment process and expanding the level of assets under management by the Manager and the subadvisor. The Board also considered that the Manager may invest the Fund's cash balances and cash collateral provided by the borrowers of the Fund's securities in the American Beacon U.S. Government Money Market Select Fund, which the Manager manages directly. Based on the foregoing information, the Board concluded that the potential benefits accruing to the Manager and the subadvisor by virtue of their relationships with the Funds appear to be fair and reasonable.

Additional Considerations and Conclusions with Respect to Each Fund

The performance comparisons below were made in comparison to each Fund's Broadridge performance universe and Morningstar Category. With respect to the Broadridge performance universe, the 1st Quintile represents the top twenty percent of the universe based on performance and the 5th Quintile representing the bottom twenty 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. In reviewing the performance, the Trustees 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 that do not reflect manager skill.

The expense comparisons below were made in comparison to each Fund's Broadridge expense universe and Broadridge expense group, with the 1st Quintile representing the top twenty percent of the universe or group based on lowest total expense and the 5th Quintile representing the bottom twenty 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 in the investment classification/objective with a similar operating structure as the share class of the Fund included in the Broadridge comparative information and provides a broader view of expenses across the Fund's investment classification/objective. The Trustees also considered each Fund's Morningstar fee level category. In reviewing expenses, the Trustees considered the positive impact of fee waivers where applicable and the Manager's agreement to continue the fee waivers. In addition, information regarding the subadvisor's use of soft dollars was requested from the Manager and was considered by the Trustees.

Renewal and Approval of Management Agreement and Investment Advisory Agreement

June 30, 2018 (Unaudited)

Additional Considerations and Conclusions with Respect to the American Beacon Bridgeway Large Cap Growth Fund

In considering the renewal of the Management Agreement and the Investment Advisory Agreement with the subadvisor for the LCG Fund, the Trustees considered the following additional factors:

Broadridge Total Expense Analysis Excluding 12b-1 Fees and Morningstar Fee Level Ranking

| | |
|---|-----------------------------|
| Compared to Broadridge Expense Group | 1 st Quintile |
| Compared to Broadridge Expense Universe | 3 rd Quintile |
| Morningstar Fee Level Ranking - Institutional Class | Above Average Expense Ratio |

Broadridge and Morningstar Performance Analysis (five-year period ended December 31, 2017)

| | |
|---|--------------------------|
| Compared to Broadridge Performance Universe | 1 st Quintile |
| Compared to Morningstar Category | 1 st Quintile |

The Trustees also considered: (1) that the LCG Fund acquired all of the assets of the Bridgeway Large Cap Growth Fund (“Acquired Fund”), a series of Bridgeway Funds, Inc. on February 5, 2016, and the LCG Fund’s performance prior to that date is the performance of the Acquired Fund; (2) that the Bridgeway Large Cap Growth II Fund’s assets were merged with the LCG Fund on December 15, 2017; (3) information provided by the subadvisor regarding fee rates charged for managing accounts in the same strategy as the subadvisor manages the LCG Fund; and (4) the Manager’s recommendation to continue to retain the subadvisor based upon, among other factors, the relatively brief period since the LCG Fund’s adoption by the Manager.

Based on these and other considerations, the Trustees: (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 LCG Fund and its shareholders would benefit from the Manager’s and subadvisor’s continued management of the LCG Fund.

Additional Considerations and Conclusions with Respect to the American Beacon Bridgeway Large Cap Value Fund

In considering the renewal of the Management Agreement and the Investment Advisory Agreement with the subadvisor for the LCV Fund, the Trustees considered the following additional factors:

Broadridge Total Expense Analysis Excluding 12b-1 Fees and Morningstar Fee Level Ranking

| | |
|---|--------------------------|
| Compared to Broadridge Expense Group | 3 rd Quintile |
| Compared to Broadridge Expense Universe | 2 nd Quintile |
| Morningstar Fee Level Ranking - Institutional Class | Average Expense Ratio |

Broadridge and Morningstar Performance Analysis (five-year period ended December 31, 2017)

| | |
|---|--------------------------|
| Compared to Broadridge Performance Universe | 1 st Quintile |
| Compared to Morningstar Category | 1 st Quintile |

The Trustees also considered: (1) information provided by the subadvisor regarding fee rates charged for managing accounts in the same strategy as the subadvisor manages the LCV Fund; and (2) the Manager’s recommendation to continue to retain the subadvisor.

Based on these and other considerations, the Trustees: (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 LCV Fund and its shareholders would benefit from the Manager’s and subadvisor’s continued management of the LCV Fund.

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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

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 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



On the Internet:

Visit our website at www.americanbeaconfunds.com



By Telephone:

Call (800) 658-5811



By Mail:

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

Availability of Quarterly Portfolio Schedules

In addition to the Schedule of Investments provided in each semi-annual and annual report, the Fund files a complete schedule of its portfolio holdings with the Securities and Exchange Commission ("SEC") on Form N-Q as of the first and third fiscal quarters. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov. The Forms N-Q 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 approximately sixty days after the end of each calendar quarter.

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 and by calling 1-800-967-9009 or by accessing the SEC's website at 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. 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
Boston, Massachusetts

TRANSFER AGENT
DST Asset Manager
Solutions, Inc.
Quincy, Massachusetts

**INDEPENDENT REGISTERED
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