

Investment Approach

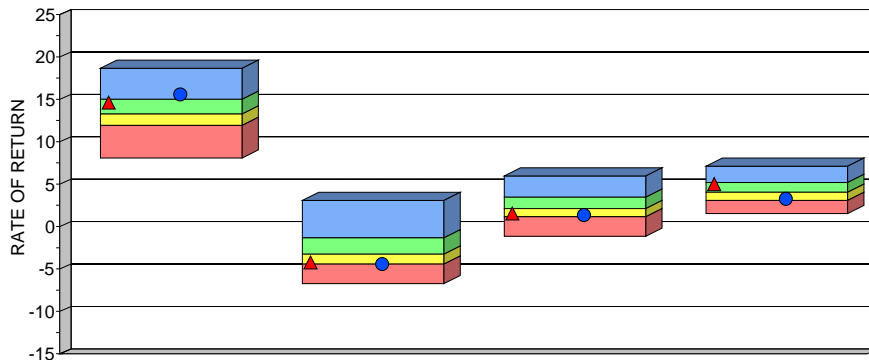
The American Beacon Large Cap Value Plan Ahead Institutional Fund is a multi-manager growth and income mutual fund striving to provide long-term capital appreciation and current income. The fund's sub-advisors pursue a value style of investing by selecting stocks that, in their opinion, have above-average earnings growth potential and are also selling at a discount to the market. The fund's assets are invested primarily in equity securities of large market capitalization U.S. companies that are considered to be undervalued. These companies will generally have market capitalizations similar to those of companies in the Russell 1000 Index at the time of investment. Investments in the fund may consist of common and preferred stocks, convertible securities, U.S. dollar-denominated American Depositary Receipts (ADRs), and U.S. dollar-denominated foreign stocks traded on U.S. exchanges.

Performance Commentary

For the twelve-month period ending December 31, 2010, the 14.52% return of the American Beacon Large Cap Value Plan Ahead Institutional Fund trailed the 15.51% Russell 1000 Value Index return by 0.99%.

Fund Characteristics	American Beacon Large Cap Value Plan Ahead Institutional Fund
Total Fund Assets	\$3.6 billion
Style Characteristics	Value
Capitalization Focus	Large
Number of Holdings	153
Turnover	27%
Fees	0.62% Annually
Portfolio Manager (tenure)	William Quinn and James Barrow since July 1987 inception, George Davis since December 1988 and Paul Lesutis and Earl Gaskins since December 1996

AMERICAN BEACON LARGE CAP VALUE PLAN AHEAD IN
 QUARTILE RANKING BAR
 PSN LARGE CAP VALUE
 PERIODS ENDING DECEMBER 31, 2010



	1 Year	3 Years	5 Years	10 Years
HIGH (0.05)	18.69	3.03	5.92	7.17
FIRST QUARTILE	15.09	-1.43	3.52	5.19
MEDIAN	13.36	-3.27	2.12	4.03
THIRD QUARTILE	11.84	-4.46	1.08	3.13
LOW (0.95)	8.15	-6.64	-1.24	1.61
MEAN	13.53	-2.82	2.24	4.11
VALID COUNT	216	205	180	115

	1 Year		3 Years		5 Years		10 Years	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ American Beacon Large Cap Value Plan Ahead In	14.52	35	-4.18	69	1.46	66	4.96	27
● Russell 1000 Value	15.51	22	-4.42	74	1.28	70	3.26	72

Historical Returns

	American Beacon Lg Cap Plan Ahead		Russell 1000 Value		Return Difference
	Return	Rank *	Return	Rank *	
2001	1.9%	21	-5.6%	58	7.5%
2002	-16.2	38	-15.5	32	-0.7
2003	35.4	8	30.0	33	5.3
2004	19.1	4	16.5	14	2.6
2005	9.7	17	7.1	38	2.6
2006	18.7	35	22.2	4	-3.5
2007	3.0	53	-0.2	78	3.1
2008	-39.6	84	-36.9	63	-2.7
2009	27.2	29	19.7	77	7.5
2010	14.5	35	15.5	22	-1.0
Trailing 3-Year	-4.2%	69	-4.4%	74	0.2
Trailing 5-Year	1.5	66	1.3	70	0.2
Trailing 10-Year	5.0	27	3.3	72	1.7

* Rank of 1 is best and 100 is worst.

Assessment

The American Beacon Large Cap Value Plan Ahead Institutional Fund has outperformed its benchmark over six of the ten previous years as well as all longer time periods presented. With the exception of calendar year 2008, the fund has ranked well versus its peers. We recommend retention of this fund.