An Alternative Income Solution to Fight Inflation

American Beacon Ionic Inflation Protection ETF (CPII)

Inflation drives market volatility through interest rate uncertainty, earnings instability, and bond market fluctuations. Central banks often raise interest rates to curb inflation, making borrowing more expensive and slowing economic growth, which can trigger market swings. Higher costs also squeeze corporate profits, leading to stock price drops if businesses can't pass expenses to consumers. Additionally, inflation erodes bond values, pushing yields up and prices down, unsettling investors. These factors combined make inflation a major source of financial market instability. A well-diversified portfolio with inflation-resistant investments can help maintain stability and long-term financial security. For investors seeking capital appreciation in an alternative investment, we offer the **American Beacon Ionic Inflation Protection ETF (CPII).**

Why Inflation Protection Matters for Your Money

When inflation rises, fixed-income securities typically decline in value. However, this approach seeks to safeguard returns by aligning them with inflation using **zero-coupon swaps** and **TIPS.** Additionally, **payer swaptions** hedge against rising interest rates, unlike bonds that decline in value during rate hikes. The combination of these instruments aims to provide inflation-linked gains, rate protection and stable income, making it a more flexible and resilient alternative to nominal bonds.

Portfolio Overview		Scenario Analysis		
Zero Coupon 5-Year Inflation Swaps	— Receive payments based on U.S. Consumer Price Index inflation while paying a fixed rate — ***Strives to make money when inflation exceeds expectations***	Inflation Expectations Increase +	Inflation Expectations Decrease –	Expected Carry +
2-Year Payer Swaptions on 5-Year U.S. Rates	— Payer swaptions let you pay a fixed rate on interest rate swaps — ***Can profit when interest rates rise***	Interest Rates Increase +	Interest Rates Decrease –	Expected Carry +
Treasury Inflation-Protected Securities (TIPS)	— TIPS are U.S. government bonds that protect against inflation by adjusting for price increases, ensuring you receive either the inflation-adjusted value or the original principal at maturity — ***Intended to preserve purchasing power based on actual inflation***	Bond Prices Increase +	Bond Prices Decrease –	Expected Carry +

Source: Ionic Capital Management LLC.
+ Indicates the potential for a positive return of the designated instrument; - Indicates a negative return of the designated instrument. Expected Carry – for the: (i) swaps, assumes realized inflation remains above the fixed leg of the swaps; (ii) swaptions, represents the decrease in value solely through the passage of time; and (iii) TIPS, assumes CPI plus real rates remains greater than zero.

INVESTMENT MANAGER
American Beacon Advisors, Inc.

SUB-ADVISOR
Ionic Capital Management LLC

TICKER
CPII

EXCHANGE
NYSE Arca, Inc.

EXPENSE RATIO[1]
0.70%

1. *The Fund's total annual operating expenses as a percentage of your investment. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the expense ratio.*

WHY AMERICAN BEACON
- Experienced manager-of-managers.
- Access to highly regarded sub-advisors in each asset class.
- Rigorous selection and monitoring process.

To learn more about the American Beacon Ionic Inflation Protection ETF (CPII), call **800.679.7759** today.

Ionic Capital Management

Ionic Capital Management was founded in 2006 by Bart Baum and Daniel Stone, both of whom have extensive experience in volatility, credit, and arbitrage strategies. The firm was established to leverage expertise in relative value arbitrage and derivative-based strategies across global asset classes.

Ionic Capital Management is known for its expertise in alternative investment strategies, focusing on:

- **Relative Value Arbitrage** – Seeking mispriced assets and exploiting market inefficiencies.
- **Long Volatility Strategies** – Gaining exposure to volatility through options and derivatives.
- **Inflation and Interest Rate Hedging** – Providing specialized products such as inflation swaps and options strategies to protect against macroeconomic risks.
- **Credit Strategies** – Investing in corporate bonds, structured credit, and convertible arbitrage.

Their approach combines quantitative research, macroeconomic analysis, and risk management, making them a leader in derivatives and volatility-focused investment strategies.

30-Day Median Bid/Ask Spread: The midpoint of the differences between the "bid" price (what investors are willing to pay) and the "ask" price (at which they are willing to sell Fund shares) on the listing exchange over the last 30 calendar days.

Carry: Positive carry refers to an expected return that exceeds the cost of making the investment, while negative carry means an investment is expected to cost more to own than the income it will earn.

Correlation: Correlation is a measure of how two assets perform in relation to each other. Assets that are strongly correlated (with a measure near 1) tend to move together, while uncorrelated assets (with a measure near -1) tend to move in opposite directions.

Discount/Premium: The negative or positive difference between the market price and NAV at the time as of which the NAV is calculated, expressed as a percentage of NAV. The table shows the number of days the Fund traded at a premium, at a discount, or at NAV during various periods. The line graph shows the discount (negative) and the premium (positive) amount on the vertical axis and the date on which the premium/discount occurred on the horizontal axis.

Drawdown: The peak-to-trough decline for an investment. Maximum/worst drawdown means the largest decline in a specific period.

Expense Ratio: The Fund's total annual operating expenses as a percentage of your investment. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the expense ratio.

Inflation: A general rise in prices throughout the U.S. economy, which the Fund measures using the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers (the "CPI-U").

Inflation Swap: Swaps are derivative contracts where one party "swaps" one type of cash flow for a different type of cash flow. In an inflation swap, one party agrees to pay to the other party the percentage increase in CPI-U during the term of the swap, while the other party agrees to pay back a fixed rate. The inflation swaps held by the Fund will typically increase in value if inflation increases and decrease in value if inflation decreases.

Market Price: The price at which Fund shares are bought and sold, which may be below, at, or above NAV. The Market Price Returns are calculated based on the Fund's official closing price on the listing exchange.

NAV: The dollar value of a single share of the Fund, calculated using the value of the underlying assets of the Fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

Sharpe ratio: A measure of return per unit of risk. The higher the Sharpe ratio, the better the risk-adjusted performance was for the period.

Standard Deviation: A measure of the historical volatility of returns.

Swaption: A swaption is an option on a swap agreement that gives the buyer the right, but not the obligation, to enter into a swap on a future date in exchange for paying a market-based "premium." The Fund expects to focus on so-called "payer swaptions," which give the Fund the right to pay fixed-rate payments and, in exchange, receive floating rate payments. Swaptions held by the Fund will typically increase in value if interest rates rise and decrease in value if interest rates fall.

TIPS: U.S. Treasury Inflation-Protected Securities ("TIPS") are marketable securities issued by the U.S. Treasury whose principal is adjusted based on changes in the CPI-U. With inflation, the principal increases, and with deflation (a decrease in the CPI-U), the principal decreases. The relationship between TIPS and inflation affects both the principal amount paid when a TIPS instrument matures and the amount of interest that a TIPS instrument pays semi-annually.

Volatility: A statistical measure of risk. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.

All investing involves risk, including possible loss of principal. The Fund is **actively managed**, and there can be no assurances that its investment objectives will be met. **Derivative instruments**, including swaps and swaptions, may be highly sensitive to market factors, have less liquidity than other investments and involve the potential for losses to exceed the amount invested. The use of **fixed-income securities and derivatives** entails interest rate and credit risks. **Interest rate risk** is the risk that investments will decrease in value with increases in market interest rates. **Credit risk** is the risk that an issuer will fail to make timely payment of interest or principal. **U.S. Treasury securities** are guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate. In **deflationary periods**, the Fund may suffer a loss. The Fund may have **high portfolio turnover risk**, which could increase the Fund's transaction costs and possibly have a negative impact on performance. Because the Fund may invest in **fewer issuers** than a more diversified portfolio, the fluctuating value of a single holding may have a greater effect on the value of the Fund. Please see the prospectus for a complete discussion of the Fund's risks.

The Fund is new and has a limited operating history. To see Fund performance, please visit **www.americanbeaconfunds.com**.

Foreside Financial Services, LLC ("Foreside") is the distributor of the American Beacon ETFs and is not affiliated with American Beacon or its sub-advisors.

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You should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. The prospectus and summary prospectus contain this and additional information regarding the Fund. To obtain a prospectus and summary prospectus, call 833.471.3562 or visit americanbeaconfunds.com. The prospectus and summary prospectus should be read carefully before investing.