

# Adaptive. Diversified. Resilient. A Smarter Way to Navigate Volatility



American Beacon AHL Managed Futures Strategy Fund

Managed futures strategies – which are also called trend-following strategies – have low, or negative, correlation with traditional asset classes, making them a potentially powerful diversifier for any portfolio. A managed futures portfolio has the potential to profit in both rising and declining markets by taking either long or short positions. Such strategies have produced positive returns during high-inflation periods, bear markets and bull markets in the past. For investors seeking capital growth in an alternative investment, we offer the **American Beacon AHL Managed Futures Strategy Fund**.

## What Are Managed Futures Strategies?

Managed futures strategies seek to capitalize on price trends (i.e., trend following) by investing in futures and forward contracts that may be linked to commodities, stock indexes, currencies, bonds and interest rates. In the 1970s, a market in foreign exchange and interest rate futures emerged, followed in the early 1980s by stock index futures. Now, a wide range of futures are traded in large volumes on exchanges worldwide.

Managed futures traders such as Man AHL gain market exposures primarily through parties agreeing to buy and sell assets at a specified price by a specific date. They typically have a strong directional bias, with net long or short exposures. Some of the most popular trading strategies, including those used by AHL, focus on systematic trading rules that employ technical data to anticipate future price movements.

## Are You Benefiting From Managed Futures?

In the past, managed futures funds have demonstrated these characteristics:

- Low correlations to other asset classes
- Potential to profit in rising and falling markets

These features have made managed futures strategies highly attractive vehicles for investment portfolios seeking to diversify their sources of return. In particular, the lack of correlation with other asset classes means that adding managed futures to a traditional investment portfolio may enhance returns while reducing risk.

Among quantitative or “systematic” trend-following managers, the most successful tend to be those that continually enhance their trading models, risk control systems and trading platforms. AHL does all three for its managed futures portfolio.

## INVESTMENT MANAGER

American Beacon Advisors, Inc.

## SUB-ADVISOR

AHL Partners LLP

## FUND SYMBOLS

R5 Class: AHLIX

Investor Class: AHLPX

Y Class: AHLYX

A Class: AHLAX

C Class: AHLCX

## WHY AMERICAN BEACON

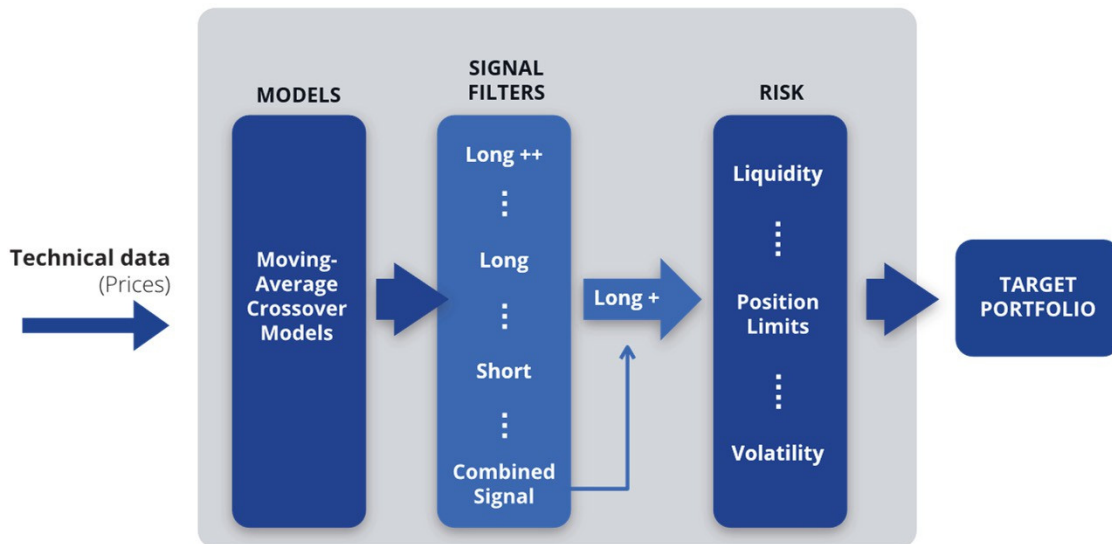
- Experienced manager-of-managers.
- Access to highly regarded sub-advisors in each asset class.
- Rigorous selection and monitoring process.

To learn more about the American Beacon AHL Managed Futures Strategy Fund, call **800.679.7759** today.

## The AHL Process

Robust statistical research is at the core of AHL's investment philosophy. The Fund is 100% systematic, with no subjective buy or sell decisions. The portfolio is intended to exploit the upward and downward trends in markets over a range of timescales and in approximately 80 markets. These include several markets that are typically very difficult for retail investors to participate in, including agricultural commodities, base metals and emerging market currencies. The portfolio uses multiple systems that employ both technical and fundamental data to determine the positions to take.

### Sample Systematic Trading Process<sup>1</sup>



1. Schematic illustration; any descriptions or information involving investment process or strategies are provided for illustration purposes only, may not be fully indicative of any present or future investments, may be changed at the discretion of the investment manager and are not intended to reflect performance.

Risk monitoring is one of the key factors to success in any managed futures portfolio, and AHL has a specific focus on disciplined risk management process. AHL uses their own funds first to test new strategies, and risk management is built in during the design phase of new systems. Positions are adjusted intraday, using proprietary volatility scaling techniques.

**Correlation:** A statistical measure of how two securities move in relation to each other.

**Duration:** A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

**Interest rate future:** A futures contract (a financial derivative) with an interest-bearing instrument (like treasury-bill futures, treasury-bond futures, or Eurodollar futures) as the underlying asset.

**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.

**Derivative instruments** may be highly sensitive to market factors, have less liquidity than other investments and involve the potential for losses to exceed the amount invested.

**Quantitative models** may not perform as expected and may result in losses for the Fund. Investing in **foreign and emerging markets** may involve heightened risk due to currency fluctuations and economic and political risks. **Regulatory changes** may impair the Fund's ability to qualify for federal income tax treatment as a regulated investment company, which could result in the Fund and shareholders incurring significant income tax expense. 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. There can be no assurances that the investment objectives of this Fund will be met.

**Important Information:** All investing includes risk, including possible loss of principal. Diversification does not assure a profit nor protect against loss.

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**You should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The prospectus and summary prospectus contain this and additional information regarding the Fund. To obtain a prospectus or summary prospectus, call 800.967.9009 or visit americanbeaconfunds.com. The prospectus and summary prospectus should be read carefully before investing.**