

# American Beacon Garcia Hamilton Quality Bond Fund



Quarterly Attribution data as of December 31, 2025

## TOTAL RETURNS (%) & MORNINGSTAR RANKINGS

	EXPENSE RATIOS (%)		NAV	QTR	YTD	1 YR	3 YR	5 YR	Since Incept.
	Gross	Net							
<b>R5 Class: GHQIX</b>	<b>0.68</b>	<b>0.45</b>	<b>8.72</b>	<b>0.78</b>	<b>7.76</b>	<b>7.76</b>	<b>4.23</b>	<b>0.08</b>	<b>1.25</b>
Bloomberg U.S. Aggregate Bond Index				1.10	7.30	7.30	4.66	-0.36	1.74
% Rank / # of Funds in Category: Intermediate Core Bond						12 / 444	88 / 414	19 / 374	87 / 332

Class Inception: 4/4/16. Periods more than one year have been annualized.

The net expense ratio may reflect fees and expenses that American Beacon Advisors has contractually agreed to reduce and/or reimburse through February 28, 2026.

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 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 [americanbeaconfunds.com](http://americanbeaconfunds.com) or call 800.967.9009.

## TOP 10 HOLDINGS (%)

	Fund
Federal Home Loan Mortgage Corp., 2.00%, Due 10/01/52	5.2
Federal Home Loan Mortgage Corp., 2.50%, Due 04/01/52	3.7
Federal Home Loan Mortgage Corp., 4.00%, Due 11/01/52	3.5
Federal National Mortgage Association, 3.00%, Due 05/01/52	3.2
Federal National Mortgage Association, 3.50%, Due 10/01/52	2.9
Federal Home Loan Mortgage Corp., 2.50%, Due 03/01/52	2.9
Federal Home Loan Mortgage Corp., 4.00%, Due 10/01/52	2.8
Federal Home Loan Mortgage Corp., 2.50%, Due 09/01/42	2.7
Federal Home Loan Mortgage Corp., 3.00%, Due 05/01/52	2.6
Federal National Mortgage Association, 2.50%, Due 05/01/51	2.3
<b>Total Fund Holdings</b>	<b>27</b>

U.S. Treasuries are excluded from the list of Top 10 Holdings but are included in the count of Total Fund Holdings.

## TOTAL FUND ASSETS

\$343.8 million

## SUB-ADVISORS (%)

Garcia Hamilton & Associates, LP 100.0

## SEC 30-DAY YIELD (%)

UNSUBSIDIZED

R5 3.76 3.56

## Distribution Frequency

Monthly

The SEC 30-day yield is shown with and without (Unsubsidized) the effect of any waivers/reimbursements during the period.

## PORTFOLIO STATISTICS

Fund

3-Year Standard Deviation 7.9

Effective Duration (years) 8.0

Effective Maturity (years) 10.2

## SECTOR-LEVEL ATTRIBUTION (R5 CLASS)

### Performance Commentary for the Quarter Ended December 31, 2025 (Attribution vs. Bloomberg U.S. Aggregate Bond Index)

- Fund Performance.** The Fund underperformed the benchmark for the quarter due primarily to its longer-duration positioning as interest rates rose at the long end of the yield curve.
- Detractors.** The Fund ended the period with a duration of 7.9 years, compared to 6.3 years for the benchmark, and has maintained a long duration for several quarters in anticipation of moderating economic growth and inflation, which detracted from performance. The Fund's yield-curve positioning (underweight at the short end and overweight at the longer end) also hurt performance as shorter maturities outperformed in the period of rising yields.
- Contributors.** The Fund maintained its overweight position in agency mortgage-backed securities, which contributed to performance as MBS produced positive excess returns on a duration-adjusted basis and generated higher yield than U.S. Treasuries. The Fund's underweight allocation to the Credit sector also added to relative performance as credit produced negative excess returns amid slightly wider spreads. The Fund has maintained an underweight credit position for several quarters in anticipation of slower economic growth and additional widening in spreads.
- Fund Strategy.** The Fund's strategy continues to emphasize active management of duration, sector allocation and yield-curve exposures based on top-down views of interest rates, credit spreads and broader macroeconomic conditions. The Fund invests in high-quality, low-volatility securities that provide the benefit of fixed-income investing when investors need it most. No derivatives, leverage, foreign currency or high-yield bonds are used in the strategy.

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Any opinions herein, including forecasts, reflect our judgment as of the end of the quarter and are subject to change. This report is not a complete analysis of market conditions and therefore, should not be relied upon as investment advice.

SECTOR WEIGHTINGS (%)	Fund	MATURITY DISTRIBUTION (%)	Fund	CREDIT QUALITY (%)	Fund
U.S. Government	51.5	3 to 5 Years	1.6	U.S. Treasury	51.5
Mortgage	45.1	5 to 10 Years	62.3	U.S. Agency	45.1
Corporate	3.5	10 to 15 Years	16.4	A	3.5
<i>Excludes cash.</i>		15+ Years	19.7		

*Excludes cash.*

*Reflects the higher of the ratings assessed by Standard & Poor's (S&P).*

ASSET ALLOCATION (%)	Fund	DURATION DISTRIBUTION (%)	Fund
Fixed Income	99.8	2 to 4 Years	1.6
Cash	0.2	4 to 6 Years	10.1
		6 to 8 Years	56.0
		8 to 10 Years	12.6
		10+ Years	19.7

*Excludes cash.*

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**Important Information:** All investing involves risk, including possible loss of principal. Indexes are unmanaged and one cannot invest directly in an index.

A portion of fees charged to the R5 Class of the Fund has been waived since Fund inception. Performance prior to waiving fees was lower than actual returns shown for periods when fees were waived. Specific information about any Fund may be found at [americanbeaconfunds.com](http://americanbeaconfunds.com) or in the prospectus.

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Obligations rated in one of the four highest categories are considered to be investment grade while all other ratings are considered non-investment grade.

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