

American Beacon SSI Alternative Income Fund



Y Class: PSCIX | R5 Class: SSIJX | Investor Class: PSCAX
Monthly Sub-Advisor Commentary • Data as of August 31, 2026

*The **American Beacon SSI Alternative Income Fund** is sub-advised by SSI Investment Management LLC. This report was prepared by George Douglas, Alexander Volz and Dagney Maseda, portfolio managers with SSI Investment Management.*

Fund Overview

The **American Beacon SSI Alternative Income Fund** (Y Class) returned 0.09% for the month of August, bringing the year-to-date (YTD) return to 3.77%.

Fund Performance

Total Returns (%)	As of August 31, 2026						As of June 30, 2026					
	1 MO	3 MO	1 YR	3 YR	5 YR	10 YR	1 MO	3 MO	1 YR	3 YR	5 YR	10 YR
Y Class (PSCIX)	0.09	0.89	6.11	7.75	4.69	4.83	0.59	2.74	7.54	8.15	4.68	5.04
Bloomberg U.S. Aggregate Bond Index	0.39	-0.68	1.89	4.08	-0.29	1.40	0.24	0.67	3.79	4.16	0.08	1.54

*Fund Inception: 5/25/12. Periods more than one year are annualized. Fund expense ratio (Y Class) as of 6/30/26: 2.00% / 1.44% (net). **Expense cap (Y Class) as of 6/30/26: 0.99%.** Fund SEC 30-day yield as of 8/31/26: 2.52% / 2.45% (Unsubsidized). SEC 30-day yield is shown with and without (Unsubsidized) the effect of any waivers/reimbursements during the period. Distribution frequency is monthly. American Beacon Advisors and SSI Investment Management have contractually agreed to waive fees and/or reimburse expenses of the Fund's Y Class shares, as applicable, through November 3, 2026, to the extent that Total Annual Fund Operating Expenses exceed 0.99% for the Y Class (excluding taxes, interest, brokerage commissions, acquired fund fees and expenses, securities lending fees, expenses associated with securities sold short, litigation, and other extraordinary expenses). See the prospectus for additional details.*

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 or call 800.967.9009.

Market Overview

Equities broadly recovered from July's weakness in August, with the S&P 500 Index returning 2.72% and the Nasdaq Composite gaining 3.99%. Software staged an impressive rally, with the iShares Expanded Tech-Software Sector ETF (ticker: IGV) moving up 16.4%.

Interest rates also moved higher during the month. Heavy investment-grade issuance, much of it intended to finance AI-related capital expenditures, was perceived to risk crowding out U.S. government funding needs for investor capital. The 10-year U.S. Treasury yield approached 4.8%, while the 30-year yield reached levels last seen in 2007.

The rise in long-term yields attracted the attention of the Trump administration. On August 19, U.S. Treasury Secretary Scott Bessent announced an expansion of the Treasury's liquidity-support buyback program for longer-dated, off-the-run securities. The move, dubbed the "Treasury Twist," increased planned buybacks in the 10- to 30-year maturity range. Nevertheless, concerns surrounding Treasury supply, fiscal deficits and competition from corporate issuance revived discussion of the "bond vigilantes," particularly as the 10-year yield moved closer to the psychologically important 5% threshold.

Despite the pressure on government bonds, corporate credit remained resilient. High-yield credit spreads tightened by 22 basis points during the month. The CDX Investment Grade Index tightened by 2.5 basis points. This resilience was supported by a record earnings season and generally healthy corporate fundamentals.

Convertible Market Dynamics

The Bloomberg U.S. Convertible Composite participated in the equity-market recovery but lagged the broader averages, primarily because convertible valuations declined. The option-adjusted spread of non-investment-grade convertibles relative to comparable BB-rated high-yield bonds widened by 49 basis points to Treasuries plus 211 basis points above its long-term median of Treasuries plus 199 basis points.

Market activity was robust. Secondary-market trading volume totaled \$95.2 billion, the fifth-highest monthly total since records began in 2014. The primary market was also active, with 19 securities pricing for aggregate proceeds of \$24.3 billion, making August one of the strongest issuance months of the year.

Year-to-date issuance reached approximately \$120 billion, roughly matching the record set during all of 2025 with four months remaining in this year. Strong issuance demonstrates the depth of investor demand and the growing importance of convertibles as a financing tool. At the same time, the volume of new supply created competition for capital and likely contributed to the relative cheapening of the secondary market.

Performance and Outlook

Against this backdrop, the Fund returned 0.09% in August. Year-to-date, the Fund is up 3.77%, outperforming short duration, high yield, relative value and the Bloomberg US Aggregate Index. While

volatility monetization continued to be healthy in August, convertible valuations came under some pressure, as noted herein. We remain focused on balanced convertibles that allow us to maximize volatility monetization, diversified credit exposure, and maintaining low interest-rate and equity market sensitivity. If the Fed raises rates in September, it could improve our yield by 10 to 15 basis points.

We believe the combination of healthy income coupled with low effective duration, elevated single-stock volatility, strong liquidity and more attractive valuations provides a favorable backdrop for the strategy.

Standstill yield is the higher of yield-to-best or current yield plus the interest earned on the cash generated from selling short equities.

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Any opinions herein, including forecasts, reflect the opinion of the sub-advisor at the time of writing and are subject to change. This is not a complete analysis of market conditions and, therefore, should not be relied upon as investment advice.

The use of **fixed-income securities, including convertible securities**, entails interest rate and credit risks. **Interest rate risk** is the risk that debt securities will decrease in value with increases in market interest rates. In addition, the value of a **convertible security** could fluctuate based on the value of the underlying stock. **Credit risk** is the risk that a debt issuer will fail to make timely payment of interest or principal; if the credit rating of an issuer declines, then the price of its debt securities may also decline. **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. Investments in **high-yield securities** (commonly referred to as "junk bonds"), including **restricted securities and floating-rate securities**, are subject to greater levels of credit, interest rate, market and liquidity risks than investment-grade securities. **Short sales** involve special risks, including greater reliance on the sub-advisor's ability to accurately anticipate the future value of a security or instrument; the Fund's losses are potentially unlimited in a short sale. Investing in **foreign and emerging markets** may involve heightened risk due to currency fluctuations and economic and political risks. Investing in **small- and medium-capitalization stocks** may involve greater volatility and lower liquidity than larger company stocks. To the extent the Fund invests more heavily in particular sectors, its performance will be sensitive to factors affecting those sectors. **Financial sector** companies are heavily regulated and particularly sensitive to interest rate fluctuations. 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 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 **Y Class** of the **American Beacon SSI Alternative Income Fund** was waived in 2016 and 2019 through 2024. 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 or in the prospectus.

The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

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