# American Beacon
# Garcia Hamilton Quality Bond Fund

**Quarterly Attribution** data as of June 30, 2026

| TOTAL RETURNS (%) & MORNINGSTAR RANKINGS | EXPENSE RATIOS (%) Gross | Net | NAV | QTR | YTD | 1 YR | 3 YR | 5 YR | 10 YR |
|---|---|---|---|---|---|---|---|---|---|
| **R5 Class: GHQIX** | **0.70** | **0.45** | **8.60** | **0.19** | **0.35** | **3.32** | **3.35** | **0.45** | **1.16** |
| Bloomberg U.S. Aggregate Bond Index | | | | 0.67 | 0.62 | 3.79 | 4.16 | 0.08 | 1.54 |
| % Rank / # of Funds in Category: Intermediate Core Bond | | | | | | 81 / 447 | 96 / 417 | 18 / 383 | 83 / 285 |

*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, 2027.*

*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.*

| TOP 10 HOLDINGS (%) | Fund |
|---|---|
| Federal Home Loan Mortgage Corp., 2.00%, Due 10/01/52 | 4.8 |
| Federal Home Loan Mortgage Corp., 2.50%, Due 04/01/52 | 4.7 |
| Federal Home Loan Mortgage Corp., 2.00%, Due 03/01/52 | 3.5 |
| Federal Home Loan Mortgage Corp., 3.00%, Due 06/01/52 | 3.5 |
| Federal National Mortgage Association, 3.00%, Due 05/01/52 | 3.3 |
| Federal National Mortgage Association, 1.50%, Due 06/01/52 | 3.1 |
| Federal National Mortgage Association, 2.00%, Due 10/01/51 | 3.1 |
| Federal National Mortgage Association, 1.50%, Due 06/01/51 | 2.9 |
| Federal National Mortgage Association, 3.50%, Due 10/01/52 | 2.6 |
| Federal Home Loan Mortgage Corp., 2.50%, Due 03/01/52 | 2.6 |
| **Total Fund Holdings** | **27** |

*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 | $361.6 million |
|---|---|

| SUB-ADVISORS (%) | |
|---|---|
| Garcia Hamilton & Associates, LP | 100.0 |

| SEC 30-DAY YIELD (%) | | UNSUBSIDIZED |
|---|---|---|
| R5 | 3.97 | 3.75 |
| **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 | 7.4 |
| Effective Duration (years) | 8.0 |
| Effective Maturity (years) | 10.3 |

## SECTOR-LEVEL ATTRIBUTION (R5 CLASS)

**Performance Commentary for the Quarter Ended June 30, 2026 (Attribution vs. Bloomberg U.S. Aggregate Bond Index)**

- The Fund underperformed the benchmark during the quarter primarily due to its long-duration position as interest rates rose and, to a lesser extent, its overweight position in agency mortgage-backed securities, which lagged slightly as credit spreads widened.
- The Fund ended the period with a duration of eight years, versus nearly six years for the benchmark, and it has maintained its long-duration position for several quarters in anticipation of slower economic growth and moderate inflation. Positioning along the yield curve (underweight the short end and overweight the long end) benefited from yield-curve flattening but lagged overall as interest rates rose more broadly.
- The Fund also maintained its overweight position in agency mortgage-backed securities, at nearly twice the benchmark weight, which benefited from their higher yield than U.S. Treasuries but detracted overall due to a slight widening in credit spreads, resulting in a negative excess return for the sector.
- The Fund continued its notable underweight allocation to Corporates (less than 5% versus 24% for the benchmark), which helped performance as credit spreads widened amid heavy new-issue supply and the conflict in Iran. The underweight position seeks to benefit from slower economic growth and historically narrow credit spreads in the late stage of this economic expansion. Additionally, recent volatility further highlighted the advantages of emphasizing higher quality in the current environment.
- The Fund's strategy continues to emphasize active duration management, sector allocation and yield-curve exposures based on top-down views of interest rates, credit spreads and broader economic conditions. The Fund invests in high-quality, low-volatility securities that provide the benefits of fixed-income investments when investors need them most. No derivatives, leverage, foreign currency or high-yield bonds are used in the strategy.

| SECTOR WEIGHTINGS (%) | Fund |
|---|---|
| Mortgage | 48.6 |
| U.S. Government | 48.6 |
| Corporate | 2.9 |

*Excludes cash.*

| MATURITY DISTRIBUTION (%) | Fund |
|---|---|
| 5 to 10 Years | 79.3 |
| 15+ Years | 20.7 |

*Excludes cash.*

| CREDIT QUALITY (%) | Fund |
|---|---|
| U.S. Treasury | 48.6 |
| U.S. Agency | 48.6 |
| A | 2.9 |

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

| ASSET ALLOCATION (%) | Fund |
|---|---|
| Fixed Income | 99.7 |
| Cash | 0.3 |

| DURATION DISTRIBUTION (%) | Fund |
|---|---|
| 4 to 6 Years | 11.5 |
| 6 to 8 Years | 67.7 |
| 10+ Years | 20.7 |

*Excludes cash.*

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The use of **fixed-income 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. **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. 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. The Fund's incorporation of **environmental, social and/ or governance (ESG)** considerations in its investment strategy may cause it to underperform funds that do not incorporate these considerations. 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 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 or in the prospectus.

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