



American Beacon Funds 2008 Year-End Dividend and Capital Gain Distributions

We are pleased to provide the following information which summarizes the 2008 year-end dividends and capital gain distributions for the American Beacon Funds. The Funds declared income dividends and capital gains on December 23, 2008 to shareholders of record on December 22, 2008. The ex-dividend and reinvestment date is December 23, 2008. The payment date is December 24, 2008. We strongly urge shareholders to consult with their tax advisors regarding tax consequences of these distributions.

| American Beacon Fund | Cusip | Net Investment Income (Ordinary Income) Per Share | Short-Term Capital Gains Per Share | Long-Term Capital Gains Per Share | Total Distribution Per Share |
|--|-----------|--|--|---|---------------------------------|
| Balanced Fund - Institutional Class | 02368A109 | \$ 0.4780 | \$ - | \$ - | \$ 0.4780 |
| Balanced Fund - PlanAhead Class | 02368A828 | \$ 0.4755 | \$ - | \$ - | \$ 0.4755 |
| Balanced Fund - AMR Class | 02368A596 | \$ 0.5094 | \$ - | \$ - | \$ 0.5094 |
| Balanced Fund - Service Class | 02368A364 | \$ - | \$ - | \$ - | \$ - |
| Large Cap Value Fund - Institutional Class | 02368A208 | \$ 0.4436 | \$ - | \$ - | \$ 0.4436 |
| Large Cap Value Fund - PlanAhead Class | 02368A810 | \$ 0.3974 | \$ - | \$ - | \$ 0.3974 |
| Large Cap Value Fund - AMR Class | 02368A851 | \$ 0.4920 | \$ - | \$ - | \$ 0.4920 |
| Large Cap Value Fund - Service Class | 02368A356 | \$ 0.3841 | \$ - | \$ - | \$ 0.3841 |
| Large Cap Growth Fund - Institutional Class | 02368A554 | \$ 0.0514 | \$ - | \$ - | \$ 0.0514 |
| Large Cap Growth Fund - AMR Class | 02368A513 | \$ 0.0680 | \$ - | \$ - | \$ 0.0680 |
| Mid-Cap Value Fund - Institutional Class | 02368A315 | \$ 0.1206 | \$ - | \$ - | \$ 0.1206 |
| Mid-Cap Value Fund - PlanAhead Class | 02368A299 | \$ 0.1102 | \$ - | \$ - | \$ 0.1102 |
| Mid-Cap Value Fund - AMR Class | 02368A380 | \$ 0.1477 | \$ - | \$ - | \$ 0.1477 |
| Mid-Cap Value Fund - Service Class | 02368A273 | \$ 0.1296 | \$ - | \$ - | \$ 0.1296 |
| Small Cap Value Fund - Institutional Class | 02368A638 | \$ 0.2025 | \$ - | \$ - | \$ 0.2025 |
| Small Cap Value Fund - PlanAhead Class | 02368A620 | \$ 0.1584 | \$ - | \$ - | \$ 0.1584 |
| Small Cap Value Fund - AMR Class | 02368A588 | \$ 0.2422 | \$ - | \$ - | \$ 0.2422 |
| Small Cap Value Fund - Service Class | 02368A430 | \$ 0.1151 | \$ - | \$ - | \$ 0.1151 |
| Small Cap Value Opportunity Fund - Institutional Class | 02368A349 | \$ - | \$ - | \$ - | \$ - |
| Small Cap Value Opportunity Fund - PlanAhead Class | 02368A331 | \$ - | \$ - | \$ - | \$ - |
| International Equity Fund - Institutional Class | 02368A406 | \$ 0.6087 | \$ - | \$ 0.3304 | \$ 0.9391 |
| International Equity Fund - PlanAhead Class | 02368A794 | \$ 0.5606 | \$ - | \$ 0.3304 | \$ 0.8910 |
| International Equity Fund - AMR Class | 02368A844 | \$ 0.6738 | \$ - | \$ 0.3304 | \$ 1.0042 |
| International Equity Fund - Service Class | 02368A422 | \$ 0.5023 | \$ - | \$ 0.3304 | \$ 0.8327 |
| Emerging Markets Fund - Institutional Class | 02368A547 | \$ 0.2120 | \$ - | \$ 1.3134 | \$ 1.5254 |
| Emerging Markets Fund - PlanAhead Class | 02368A448 | \$ 0.1614 | \$ - | \$ 1.3134 | \$ 1.4748 |
| Emerging Markets Fund - AMR Class | 02368A497 | \$ 0.2502 | \$ - | \$ 1.3134 | \$ 1.5636 |
| S & P 500 Index Fund - Institutional Class | 02368A711 | \$ 0.0822 | \$ - | \$ - | \$ 0.0822 |
| S & P 500 Index Fund - PlanAhead Class | 02368A679 | \$ 0.0676 | \$ - | \$ - | \$ 0.0676 |
| Small Cap Index Fund - Institutional Class | 02368A539 | \$ 0.1712 | \$ - | \$ 0.7405 | \$ 0.9117 |
| International Equity Index Fund - Institutional Class | 02368A521 | \$ 0.2993 | \$ - | \$ - | \$ 0.2993 |
| Enhanced Income Fund - PlanAhead Class | 02368A398 | \$ 0.0401 | \$ - | \$ - | \$ 0.0401 |
| Treasury Inflation Protected Securities Fund - Institutional Class | 02368A372 | \$ 0.4052 | \$ - | \$ - | \$ 0.4052 |

Please note that this information does not constitute tax advice and, as such, shareholders should consult their tax advisors regarding the tax consequences of their investment activities. In addition, these distribution amounts represent past portfolio results and do not indicate future performance.