American Beacon
FUNDS℠

December 14, 2011

Sent via e-mail: comments@pcaobus.org

Mr. J. Gordon Seymour
Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: Request for Public Comment on Concept Release on Auditor Independence and Audit Firm Rotation and Notice of Roundtable (PCAOB Release No. 2011-0006, August 16, 2011, PCAOB Rulemaking Docket Matter No. 37)

Dear Mr. Seymour:

On behalf of the Audit and Compliance Committees of the American Beacon Funds and American Beacon Select Funds (collectively the "Audit Committee"), I appreciate the opportunity to offer comments on the Public Company Accounting Oversight Board ("PCAOB")'s Concept Release regarding mandatory audit firm rotation.

By way of background, the American Beacon Family of Funds ("Funds") consist of open-end mutual funds registered under the Investment Company Act of 1940, as amended, designed to address a broad spectrum of investment objectives. The Funds include several portfolios spanning a variety of longer-range investments from international and domestic equity through numerous fixed income strategies. They also include short term investment options including bond funds and money market funds. Total assets of the Funds, as of November 30, 2011, were approximately $16.3 billion.

I support the PCAOB's efforts to improve auditor independence, objectivity and professional skepticism; however, I believe, for the reasons outlined below, that mandatory audit rotation is not the most efficient or effective way to achieve these objectives. Rather, the mandatory audit firm rotation will diminish the authority of audit committees in the oversight and selection of auditors, reduce audit efficiency, and increase risk and the cost of the audit.

In my opinion, the Audit Committee is in the best position to represent the interests of Fund shareholders and should have the ability to appoint the independent auditors and oversee the audit engagement. The Audit Committee is actively engaged in reviewing audit plans, has unlimited access to the audit firm and is kept apprised of significant issues that may arise during the course of an audit. It is critical for the Audit Committee to develop a high level of confidence in the ability of the audit team to perform a thorough audit. Mandatory audit firm rotation could result in less qualified auditors with less institutional knowledge of its clients, which may lead to mistakes and result in a lower quality audit and a lower level of confidence by the Audit Committee.

The mandatory audit firm rotation will also create additional risk and costs to shareholders and will add additional burdens to auditors and management. New auditors will face learning curves and important institutional knowledge about the client will be lost each time the audit firm is required to rotate. The learning curve for a new firm could also take valuable time away from the audit and result in higher audit fees.

I believe that the procedures currently required by the PCAOB, including mandatory partner rotation and oversight by the Audit Committee, provide much of the protections that would be provided by mandatory audit firm rotation. The partner rotation maintains the institutional knowledge within the audit team and firm yet provides a fresh perspective and review by a new partner on a regular basis. In summary, the increased risk and cost that would result from mandatory auditor rotation outweigh any potential benefit that might result from the requirement.

I appreciate the opportunity to provide comments on this important issue.

Respectfully,

Paul J. Zucconi

Paul J. Zucconi
Chairman, Audit and Compliance Committee
American Beacon Funds
American Beacon Select Funds

cc: Richard A. Massman
Chairman of the Board of Trustees of the American Beacon Funds
and the American Beacon Select Funds

Gene L. Needles, Jr.
President, American Beacon Funds
and the American Beacon Select Funds