

G U I D A N C E | V I S I O N | E X P E R I E N C E



Annual Report



December 31, 2009

MONEY MARKET SELECT FUND
U.S. GOVERNMENT MONEY MARKET SELECT FUND

About American Beacon Advisors

Since 1986, American Beacon Advisors has offered a variety of products and investment advisory services to numerous institutional and retail clients, including a variety of mutual funds, corporate cash management, and separate account management.

Our clients include defined benefit plans, defined contribution plans, foundations, endowments, corporations, financial planners, and other institutional investors. With American Beacon Advisors, you can put the experience of a multi-billion dollar asset management firm to work for your company.

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Any opinions herein, including forecasts, reflect our judgment as of the end of the reporting period and are subject to change. Each advisor's strategies and each Fund's portfolio composition will change depending on economic and market conditions. This report is not a complete analysis of market conditions and therefore, should not be relied upon as investment advice. Although economic and market information has been compiled from reliable sources, American Beacon Advisors, Inc. makes no representation as to the completeness or accuracy of the statements contained herein.



Dear Shareholders,

As an introduction to the American Beacon Money Market Select Fund and the U.S. Government Money Market Select Fund Annual Report for the 12-month period ended December 31, 2009, please let me take a moment to tell you how pleased I am to have been serving as President and CEO of American Beacon Advisors since April 15, 2009. I consider it a privilege to hold this position, and I take its responsibilities quite seriously.

I've enjoyed a long, successful career in the investment business, and I'm no stranger to the ups and downs that markets can deliver. As a fellow investor, I experience these trends in much the same way you do. The majority of 2008 was difficult in many ways. However, when I took the helm at American Beacon, I already had many reasons to be optimistic about what might develop in 2009. As of December 31, 2009, my optimism has been largely confirmed.

Both Funds outperformed their respective indexes for the year ended December 31, 2009. The American Beacon Money Market Select Fund returned 0.39% compared to the Lipper Institutional Money Market Average of 0.32%. The American Beacon U.S. Government Money Market Select Fund returned 0.25% compared to the Lipper Institutional U.S. Government Money Market Average of 0.14%.

While this 12-month period began amid a frightening recessionary environment, we finished the year with increasing confidence that markets have begun to stabilize, that liquidity has returned to the debt markets and that equity markets have had a substantial recovery.

I know as well as you do that maintaining a long-term perspective and doing the right thing according to your risk tolerance and time horizon is not always easy. But the professionals at American Beacon are dedicated to working hard to help investors succeed.

Just as you maintain a commitment to your goals—and to those who inspire you to create your goals—we maintain a strong commitment to due diligence and oversight. That commitment is one of the key reasons I am honored to serve as President and CEO, and pleased to be able to share my enthusiasm about the path ahead with you.

As always, the professionals associated with the American Beacon Funds are grateful for the opportunity to serve you.

Best Regards,

A handwritten signature in cursive script that reads "Gene L. Needles, Jr.".

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

Economic Overview

December 31, 2009 (Unaudited)

The economic recovery continued to gain momentum during 2009. The pace of job losses declined, unsold home inventory levels declined and consumer spending increased. In addition, financial market conditions continued to improve as equity prices rose and credit spreads tightened. Many major financial institutions were able to raise capital during the year and pay back funds received under the Troubled Asset Relief Program (TARP). In addition, the Federal Reserve Board (the "Fed") announced in December that it anticipated most of its special liquidity facilities would expire on February 1, 2010 - including the Asset-backed commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF), the Commercial Paper Funding Facility (CPFF), the Primary Dealer Credit Facility (PDCF), and the Term Securities Lending Facility (TSLF). The Fed believed these liquidity programs would no longer be needed as a result of the "substantial improvement in the functioning of financial markets".

Despite these improvements, challenges remain. Unlike past recoveries where consumers were the primary drivers of growth, much of the current recovery has been driven by unprecedented fiscal stimulus. As a result, there is a concern about the strength of the recovery without government programs. For example, improvements in the fragile housing market could be impaired by the wind-down of the Fed's purchases of mortgage-backed securities (MBS) and the expiration of the homebuyer tax credit. Furthermore, without targeted fiscal stimulus such as the cash for clunkers program, consumer spending is expected to be moderate in the coming quarters. Tight bank lending standards and continued concerns over the labor market are expected to dampen consumer demand unless additional stimulus is introduced. So while it appears that the economic recovery will be sustainable and fears of a double dip recession have abated, the economic recovery remains fragile.

The Fed left the target range of the federal funds rate unchanged at 0.0-0.25% at the December 16th Federal Open Market Committee meeting. The Committee noted the improvement in economic activity but stated that "...low rates of resource utilization, subdued inflation trends and stable inflation expectations are likely to warrant exceptionally low levels of the federal funds rate for an extended period".

While it is expected that the Fed will keep the fed funds rate unchanged for most if not all of 2010, it is likely that they will begin to gradually reduce monetary accommodation in other ways. During the crisis, the Fed employed quantitative easing tactics to flood the financial markets with liquidity. In order to avoid stimulating inflation as the economic recovery gains ground, the Fed will need to implement an exit strategy to reduce liquidity. The Fed has numerous tools available in its arsenal to drain excess liquidity from the system including terming out bank reserve deposits, commencing reverse repurchase agreements, and outright sale of securities purchased during the crisis. In all likelihood, reverse repos (which the Fed has already begun testing) and term deposits will be the Fed's most important tools for draining bank reserves. Outright asset sales, particularly MBS, are less likely given the fragility of the housing market. All in all, the timing of the exit strategy will be tricky. If the Fed removes accommodation too quickly, it could hamper the recovery, but if they move too slowly, inflationary pressure could build.

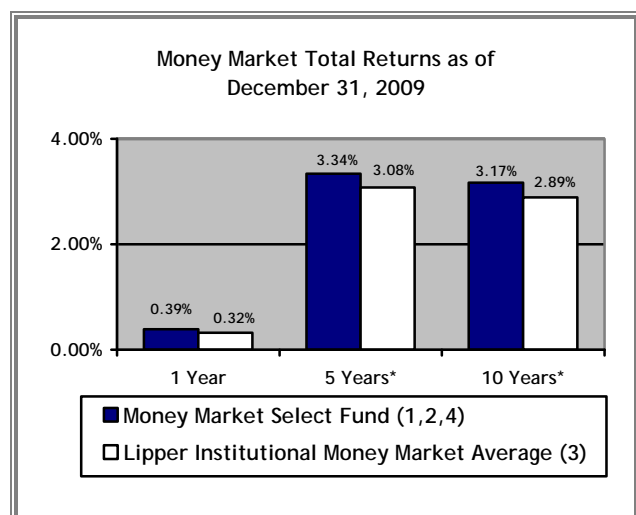
American Beacon Money Market Select FundSM

Performance Overview

December 31, 2009 (Unaudited)

Although the economy began to show signs of recovery during the year in jobs, home sales, and consumer spending, the Federal Open Market Committee (FOMC) maintained its 0% to 0.25% fed funds target throughout 2009. In addition, the FOMC stated at its last meeting of the year that "...stable inflation expectations are likely to warrant exceptionally low levels of the federal funds rate for an extended period." With credit quality and liquidity continuing to be a priority, the American Beacon Money Market Select Fund's primary strategy for the year was to buy high quality, short-dated commercial paper, certificates of deposit and overnight repurchase agreements collateralized by non-government securities. The strategies implemented during the year enabled the Fund to outperform its Lipper peer group.

For the twelve months ended December 31, 2009, the total return of the American Beacon Money Market Select Fund was 0.39%. The Fund outperformed the Lipper Institutional Money Market Average return of 0.32% by 7 basis points (0.07%). Based on annualized total returns, Lipper Analytical Services ranked the Fund 116 among 336, 80 among 313 and 37 among 270 Institutional Money Market Funds for the one-year, three-year, and five-year periods ended December 31, 2009, respectively.



Annualized Total Returns As of 12/31/2009

	1 Year	5 Years	10 Years
Money Market (1,2,4)	0.39%	3.34%	3.17%
Lipper Institutional Money Market Average (3)	0.32%	3.08%	2.89%

- 1 Performance shown is historical and may not be indicative of future returns. Investment returns will vary, and shares may be worth more or less at redemption than at original purchase. An investment in these Funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Funds seek to preserve the value of an investment at \$1.00 per share it is possible to lose money by investing in the Funds. Fund performance in the table above does not reflect the deduction of taxes a shareholder would pay on distributions or the redemption of shares.
- 2 A portion of the fees charged to the Fund was waived through 2001. Performance prior to waiving fees was lower than the actual returns shown for periods through 2001.
- 3 The Lipper Institutional Money Market Average is calculated by taking an arithmetic average of the returns of the mutual funds in the Lipper Institutional Money Market Funds category. Lipper is an independent mutual fund research and ranking service.
- 4 The total annual Fund operating expense ratio set forth in the most recent Fund prospectus was 0.14%. The expense ratio above may vary from the expense ratio presented in other sections of this report that are based on expenses incurred during the period covered by this report.

Portfolio Statistics as of December 31, 2009

7-day Current Yield*	0.25%
7-day Effective Yield*	0.25%
30-day Yield*	0.25%
Weighted Avg. Maturity	14 Days
Standard & Poor's Rating	AAAm

* Annualized. You may call 1-800-231-4252 to obtain the Funds' current seven-day yields. Yield is a more accurate reflection of the Funds' current earnings than total returns.

American Beacon Money Market Select FundSM

Performance Overview

December 31, 2009 (Unaudited)

Money Market Portfolio – Top Ten Issuers as of December 31, 2009

	<u>% of Net Assets**</u>
Bank of Ireland N.Y.	5.0%
Allied Irish Banks PLC.	5.0%
FCAR Owner Trust.	5.0%
Toyota Credit Canada, Inc.	4.9%
CBA (Delaware) Finance, Inc.	4.9%
Edison Asset Securitization LLC.	4.9%
Surrey Funding Corp.	4.9%
Old Line Funding LLC.	4.9%
Solitaire Funding LLC.	4.9%
Societe Generale N.Y.	4.9%

Money Market Portfolio – Asset Allocation as of December 31, 2009

	<u>% of Net Assets**</u>
Commercial Paper.	48.72%
Repurchase Agreements.	34.85%
Time Deposits.	9.99%
Short-Term Investments.	6.45%
Liabilities, Net of Other Assets.	-0.01%

*** Percent of net assets of American Beacon Master Money
Market Portfolio.*

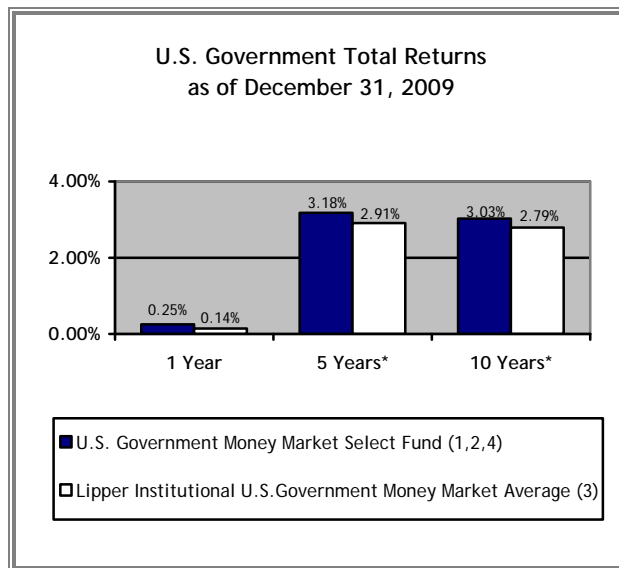
American Beacon U.S. Government Money Market Select FundSM

Performance Overview

December 31, 2009 (Unaudited)

Although the economy began to show signs of recovery during the year in jobs, home sales, and consumer spending, the Federal Open Market Committee (FOMC) maintained its 0% to 0.25% fed funds target throughout 2009. In addition, the FOMC stated at its last meeting of the year that "...stable inflation expectations are likely to warrant exceptionally low levels of the federal funds rate for an extended period." During the year, the American Beacon U.S. Government Money Market Select Fund's primary strategy was to buy short-dated agencies and overnight repurchase agreements collateralized by non-government securities. The strategies implemented during the year enabled the Fund to outperform its Lipper peer group.

For the twelve months ended December 31, 2009, the total return of the American Beacon U.S. Government Money Market Select Fund was 0.25%. The Fund outperformed the Lipper Institutional U.S. Government Money Market Average return of 0.14% by 11 basis points (0.11%). Based on annualized total returns, Lipper Analytical Services ranked the Fund 27th among 158, 15th among 140 and 3rd among 124 Institutional U.S. Government Money Market Funds for the one-year, three-year, and five-year periods ended December 31, 2009, respectively.



*annualized

	Annualized Total Returns As of 12/31/2009		
	1 Year	5 Years	10 Years
U.S. Government (1,2,4)	0.25%	3.18%	3.03%
Lipper Institutional U.S. Government Money Market Average (3)	0.14%	2.91%	2.79%

- 1 Performance shown is historical and may not be indicative of future returns. Investment returns will vary, and shares may be worth more or less at redemption than at original purchase. An investment in these Funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Funds seek to preserve the value of an investment at \$1.00 per share it is possible to lose money by investing in the Funds. Fund performance in the table above does not reflect the deduction of taxes a shareholder would pay on distributions or the redemption of shares.
- 2 The Fund's performance for the ten-year period is derived from a combination of the Fund's performance and that of another fund (the "Companion Fund") no longer in operation. The Companion Fund was managed by American Beacon Advisors since its inception on March 2, 1992. Like the Fund, the Companion Fund invested all of its investable assets in the same corresponding Portfolio of the American Beacon Master Trust. The performance results through November 30, 2001 are those of the Companion Fund. The Fund began offering its shares on December 1, 2001. Thus, performance results from that date through December 31, 2009 are for the Fund. Because the Companion Fund had moderately higher expenses, its performance was slightly worse than the Fund would have realized in the same period. A portion of the fees charged to the Fund has been waived. Performance prior to waiving fees was lower than the actual returns shown.
- 3 The Lipper Institutional U.S. Government Money Market Average is calculated by taking an arithmetic average of the returns of the mutual funds in the Lipper Institutional U.S. Government Money Market Funds category. Lipper is an independent mutual fund research and ranking service.
- 4 The total annual Fund operating expense ratio set forth in the most recent Fund prospectus was 0.16%. The expense ratio above may vary from the expense ratio presented in other sections of this report that are based on expenses incurred during the period covered by this report.

American Beacon U.S. Government Money Market Select FundSM

Performance Overview

December 31, 2009 (Unaudited)

Statistics as of December 31, 2009

	<u>U.S. Government</u>
7-day Current Yield*	0.01%
7-day Effective Yield*	0.01%
30-day Yield*	0.04%
Weighted Avg. Maturity	36 Days
Standard & Poor's Rating	AAAm

* Annualized. You may call 1-800-231-4252 to obtain the Funds' current seven-day yields. Yield is a more accurate reflection of the Funds' current earnings than total returns. A portion of the fees charged to the Fund was waived. Yields in absence of fee waivers would have been lower than actual yields shown. The 7-day yields would have been negative absent fee waivers.

Asset Allocation as of December 31, 2009

	<u>% of Net Assets</u>
U.S. Agency Obligations	50.92%
Repurchase Agreements	39.21%
Short-Term Investments	9.90%
Liabilities, Net of Other Assets	-0.03%

Fund Expenses

American Beacon Select Funds

December 31, 2009 (Unaudited)

Fund Expense Example

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees, administrative service fees, and other Fund expenses. The examples below are intended to help you understand the ongoing cost (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from July 1, 2009 through December 31, 2009.

Actual Expenses

The "Actual" lines of the table provide information about actual account values and actual expenses. You may use the information in these lines, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Actual" line under the heading "Expenses Paid During Period" for the applicable Fund to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The "Hypothetical" lines of the table provide information about hypothetical account values and hypothetical expenses based on a Fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not a Fund's actual return).

You may compare the ongoing costs of investing in a Fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs charged by the Funds. Similarly, the expense examples for other funds do not reflect any transaction costs charged by those funds, such as sales charges (loads), redemption fees or exchange fees. Therefore, the "Hypothetical" lines of the table are useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. If you were subject to any transaction costs during the period, your costs would have been higher.

	Beginning Account Value 7/1/09	Ending Account Value 12/31/09	Expenses paid During Period* 7/1/09- 12/31/09
Money Market			
Actual	\$1,000.00	\$1,001.42	\$0.71
Hypothetical (5% return before expenses) . .	\$1,000.00	\$1,024.50	\$0.71
U.S. Government Money Market			
Actual	\$1,000.00	\$1,000.64	\$0.66
Hypothetical (5% return before expenses) . .	\$1,000.00	\$1,024.55	\$0.66

* Expenses are equal to the Fund's annualized expense ratios for the six-month period of 0.14% and 0.13% for the Money Market Select Feeder and U.S. Government Money Market Portfolio Funds respectively, multiplied by the average account value over the period, multiplied by the number derived by dividing the number of days in the most recent fiscal half-year (184) by days in the year (365) to reflect the half-year period.

American Beacon Money Market Select Fund

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Trustees of
American Beacon Money Market Select Fund:

We have audited the accompanying statement of assets and liabilities of American Beacon Money Market Select Fund (a series of American Beacon Select Funds) (the "Fund") as of December 31, 2009, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009, by correspondence with the Master Portfolio. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of American Beacon Money Market Select Fund at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Dallas, Texas
February 26, 2010

American Beacon U.S. Government Money Market Select Fund

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Trustees of
American Beacon U.S. Government Money Market Select Fund:

We have audited the accompanying statement of assets and liabilities of American Beacon U.S. Government Money Market Select Fund (a series of American Beacon Select Funds) (the "Fund"), including the schedule of investments, as of December 31, 2009, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of American Beacon U.S. Government Money Market Select Fund at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Dallas, Texas
February 26, 2010

American Beacon U.S. Government Money Market Select Fund

Schedule of Investments

December 31, 2009

	<u>Par Amount</u>	<u>Value</u>
	(dollars in thousands)	
U.S. AGENCY OBLIGATIONS - 50.92%		
Federal Home Loan Mortgage Corporation - 33.95%		
0.32%, Due 1/19/2010	\$ 5,000	\$ 4,999
0.307%, Due 1/25/2010	11,000	10,998
0.20%, Due 2/22/2010	10,000	9,997
0.17%, Due 3/30/2010	10,000	9,996
0.20%, Due 4/12/2010	5,000	4,997
0.192%, Due 4/19/2010	15,000	14,991
0.17%, Due 5/3/2010	14,000	13,992
0.218%, Due 9/24/2010 #	50,000	50,024
		<u>119,994</u>
Federal National Mortgage Association - 16.97%		
0.32%, Due 1/14/2010	5,000	4,999
0.31%, Due 1/20/2010	5,000	4,999
0.23%, Due 3/3/2010	20,000	19,992
0.215%, Due 3/24/2010	5,000	4,998
0.20%, Due 4/14/2010	5,000	4,997
0.174%, Due 7/13/2010 #	20,000	19,999
		<u>59,984</u>
Total U.S. Agency Obligations		<u>179,978</u>
SHORT-TERM INVESTMENTS - 9.90%		
DWS Money Market Series 23	1,000,000	1,000
RBC Prime Money Market Fund	17,000,000	17,000
Western Asset Government Money Market	17,000,000	17,000
Total Short-Term Investment Funds		<u>35,000</u>
REPURCHASE AGREEMENTS - 39.21%		
Barclays Capital, Inc., 0.02%, Due 1/4/2010 (Held at Bank of New York Mellon, Collateralized by U.S. Government Agency Obligations valued at \$133,620, 1.65% - 1.75%, 2/23/2011 - 10/30/2012)	\$ 131,000	131,000
Goldman Sachs & Co., 0.01%, Due 1/4/2010 (Held at Bank of New York Mellon, Collateralized by U.S. Government Agency Obligations valued at \$7,718, 7.0%, 4/1/2038)	7,566	7,566
Total Repurchase Agreements		<u>138,566</u>
TOTAL INVESTMENTS - 100.03% (Cost \$353,544)		\$ 353,544
LIABILITIES, NET OF OTHER ASSETS - (0.03%)		(100)
TOTAL NET ASSETS - 100.00%		\$ 353,444

Percentages are stated as a percent of net assets.

The coupon rate shown on floating or adjustable rate securities represents the rate at period end. The due date on these types of securities reflects the final maturity date.

See accompanying notes

American Beacon Select Funds

Statements of Assets and Liabilities

December 31, 2009 (in thousands, except share and per share amounts)

	<u>Money Market</u>	<u>U.S. Government Money Market</u>
Assets:		
Investments in securities, at value (cost - \$214,978)	\$ -	\$ 214,978
Repurchase agreements (cost - \$138,566)	-	138,566
Investment in Portfolio, at value	643,247	-
Receivable for fund shares sold	33	-
Receivable from Manager for expense reimbursement (Note 2)	-	4
Dividends and interest receivable	-	11
Prepaid expenses	-	16
Total assets	<u>643,280</u>	<u>353,575</u>
Liabilities:		
Management and investment advisory fees (Note 2)	-	27
Dividends payable	3	16
Administrative service and service fees payable (Note 2)	-	3
Professional fees payable	15	35
Transfer agent fees payable	10	8
Trustee fees payable	8	18
Other liabilities	79	24
Total liabilities	<u>115</u>	<u>131</u>
Net Assets	<u>\$ 643,165</u>	<u>\$ 353,444</u>
Analysis of Net Assets:		
Paid-in-capital	643,165	353,444
Net assets	<u>\$ 643,165</u>	<u>\$ 353,444</u>
Shares outstanding (no par value)	643,165,061	353,443,722
Net asset value, offering and redemption price per share	\$ 1.00	\$ 1.00

See accompanying notes

See accompanying Financial Statements of the American Beacon Money Market Portfolio

American Beacon Select Funds

Statements of Operations

Year ended December 31, 2009 (in thousands)

	<u>Money Market</u>	<u>U.S. Government Money Market</u>
Investment Income:		
Dividend income	\$ -	\$ 44
Interest income	-	693
Investment Income Allocated From Portfolio:		
Dividend income	330	115
Interest income	3,364	921
Portfolio expenses	(963)	(227)
Other income	-	22
Net investment income	<u>2,731</u>	<u>1,568</u>
Fund Expenses:		
Management and investment advisory fees (Note 2)	-	238
Custodian fees	-	12
Administrative fees	-	26
Transfer agent fees	15	34
Professional fees	16	40
Printing expense	5	6
Rating services expense	-	32
Trustee expense	28	50
Other expenses	58	25
Total fund expenses	<u>122</u>	<u>463</u>
Net (fees waived and expenses reimbursed)/recovered by Manager (Note 2)	<u>(9)</u>	<u>(110)</u>
Net fund expenses	<u>113</u>	<u>353</u>
Net investment income	<u>2,618</u>	<u>1,215</u>
Realized Gains		
Net realized gain on investments	-	5
Realized Gain Allocated From Portfolio		
Net realized gain on investments	63	50
Net gain on investments	<u>63</u>	<u>55</u>
Net increase in net assets resulting from operations	<u>\$ 2,681</u>	<u>\$ 1,270</u>

See accompanying notes

See accompanying Financial Statements of the American Beacon Money Market Portfolio

American Beacon Select Funds

Statements of Changes in Net Assets (in thousands)

	Money Market		U.S. Government Money Market	
	Year Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
Increase in Net Assets:				
Operations:				
Net investment income	\$ 2,618	\$ 216,268	\$ 1,215	\$ 19,046
Net realized gain on investments	63	124	55	120
Net increase in net assets resulting from operations	2,681	216,392	1,270	19,166
Distributions to Shareholders:				
Net investment income	(2,618)	(216,268)	(1,215)	(19,046)
Net realized gain on investments	(63)	(124)	(55)	(120)
Distributions to shareholders	(2,681)	(216,392)	(1,270)	(19,166)
Capital Share Transactions (at \$1.00 per share):				
Proceeds from sales of shares	833,942	102,008,931	1,864,398	6,128,248
Reinvestment of dividends and distributions	2,466	65,877	118	3,785
Cost of shares redeemed	(901,609)	(109,945,730)	(1,885,622)	(7,118,942)
Net (decrease) in net assets	(65,201)	(7,870,922)	(21,106)	(986,909)
Net (decrease) in net assets.	(65,201)	(7,870,922)	(21,106)	(986,909)
Net Assets:				
Beginning of period	708,366	8,579,288	374,550	1,361,459
End of Period	\$ 643,165	\$ 708,366	\$ 353,444	\$ 374,550

See accompanying notes
See accompanying Financial Statements of the American Beacon Money Market Portfolio

American Beacon Select Funds

Notes to Financial Statements

December 31, 2009

1. Organization and Significant Accounting Policies

American Beacon Select Funds (the "Trust") is organized as a Massachusetts business trust and is registered under the Investment Company Act of 1940 (the "Act"), as amended, as a diversified, no load, open-end management investment company with separate series. The following series are included in this report: American Beacon Money Market Select Fund (the "Money Market Fund") and American Beacon U.S. Government Money Market Select Fund (the "Government Fund")(each a "Fund" and collectively, the "Funds").

American Beacon Advisors, Inc. (the "Manager") is a wholly-owned subsidiary of Lighthouse Holdings, Inc., and was organized in 1986 to provide business management, advisory, administrative and asset management consulting services to the Trust and other investors.

The Money Market Fund operates under a master-feeder structure, investing all of its investable assets in the American Beacon Money Market Portfolio (the "Money Market Portfolio") of the American Beacon Master Trust, an open-end diversified management investment company. The Money Market Fund has the same investment objectives as the Money Market Portfolio and the value of such investment reflects the Money Market Fund's proportionate interest in the net assets of the Money Market Portfolio (89.3% at December 31, 2009). The financial statements of the Money Market Portfolio are included elsewhere in this report and should be read in conjunction with the Money Market Fund's financial statements.

Reorganization

Prior to May 18, 2009, the Government Fund operated under a master-feeder structure and invested all of its investable assets in the American Beacon U.S. Government Money Market Portfolio (the "Government Portfolio") of the American Beacon Master Trust. At the beginning of business on May 18, 2009, the Government Fund withdrew its interest in the Government Portfolio. The Government Fund received a distribution of cash and securities from the Government Portfolio with a market value equal to the Government Fund's investment in the Government Portfolio in the amount of \$537,530,130. The Government Portfolio then ceased operations.

The following is a summary of the significant accounting policies followed by the Funds.

Security Valuation

The Money Market Fund records its investment in the Money Market Portfolio at fair value. Valuation of securities by the Money Market Portfolio is discussed in Note 1 of the Money Market Portfolio's Notes to Financial Statements which is included elsewhere in this report. Securities of the Government Fund are valued at amortized cost, which approximates fair value. In the event that a deviation of ½ of 1% or more exists between the \$1.00 per share price of the Government Fund, calculated at amortized cost, and the price per share calculated by reference to market quotations, or if there is any other deviation that the Trust's Board of Trustees (the "Board") believes would result in a material dilution to shareholders or purchasers, the Board will promptly consider the appropriate action that should be initiated.

Valuation Inputs

Various inputs may be used to determine the fair value of the Government Fund's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value the securities are not necessarily an indication of the risk associated with investing in those securities. For example, money market securities are valued using amortized cost, in accordance with rules under the Act. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities are typically reflected as Level 2.

American Beacon Select Funds

Notes to Financial Statements

December 31, 2009

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Prices determined using other significant observable inputs. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3- Prices determined using significant unobservable inputs. Unobservable inputs reflect the Portfolio's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available.

The Government Fund's investments are summarized by level based on the inputs used to determine their values and at December 31, 2009, were classified as follows: (in thousands)

Asset Description:	Level 1	Level 2	Level 3	Total
U.S. Agency Obligations	\$ -	\$ 179,978	\$ -	\$ 179,978
Short-Term Investments	35,000	-	-	35,000
Repurchase Agreements	-	138,566	-	138,566
Total Investments in Securities	\$ 35,000	\$ 318,544	\$ -	\$ 353,544

The summary of inputs used to value the Money Market Portfolio's net assets as of December 31, 2009 is discussed in the Money Market Portfolio's Notes to Financial Statements, which is included elsewhere in this report.

Security Transactions

Security transactions for the Government Fund are recorded on the trade date of the security purchase or sale.

Investment Income and Dividends to Shareholders

Interest income for the Government Fund is earned from settlement date, recorded on an accrual basis, and adjusted, if necessary, for amortization of premiums or accretion of discounts on investment grade short-term securities and zero coupon instruments. For financial and tax reporting purposes, realized gains and losses are determined on the basis of specific lot identification. The Money Market Fund records its share of net investment income (loss) and realized gain (loss) in the Money Market Portfolio each day. All net investment income (loss) and realized gain (loss) of the Money Market Portfolio is allocated pro rata to the Money Market Fund and other investors in the Money Market Portfolio at the time of such determination. The Funds generally declare dividends daily from net investment income and net short-term capital gain, if any, payable monthly.

Dividends to shareholders are determined in accordance with federal income tax principles that may treat certain transactions differently than U.S. generally accepted accounting principles.

Expenses

Expenses directly attributable to a Fund are charged to that Fund's operations. Expenses incurred by the Trust with respect to both Funds are allocated in proportion to the net assets of each Fund, except where allocations of direct expenses to each Fund can otherwise be made fairly. Each share of each Fund bears equally those expenses that are allocated to the Fund as a whole.

Repurchase Agreements

Under the terms of a repurchase agreement, securities are acquired by the Government Fund from a securities dealer or a bank that are subject to resale at a later date. Repurchase agreements entered by the

American Beacon Select Funds

Notes to Financial Statements

December 31, 2009

Government Fund during the year ended December 31, 2009 were fully collateralized by government securities. All collateral is valued at cost, which approximates market value and is held at the custodian bank. The collateral is monitored daily by the Manager so that the collateral's market value exceeds the carrying value of the repurchase agreement plus accrued interest.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimated.

Other

Under the Trust's organizational documents, its officers and directors are indemnified against certain liability arising out of the performance of their duties to the Trust. In the normal course of business, the Trust enters into contracts that provide indemnification to the other party or parties against potential costs or liabilities. The Trust's maximum exposure under these arrangements is dependent on claims that may be made in the future and, therefore, cannot be estimated. The Trust has had no prior claims or losses pursuant to any such agreement.

2. Transactions with Affiliates

Management Agreement

The Funds and the Manager are parties to a Management Agreement that obligates the Manager to provide or oversee the provisions of all investment advisory and portfolio management services. The Manager serves as the sole investment advisor to the Funds. As compensation for performing the duties required under the Management Agreement, the Manager receives 0.09% of the average daily net assets of the Funds. To the extent and for such periods of time that a Fund invests all of its investable assets in another registered investment company pursuant to a master-feeder arrangement, then the Fund will not pay a management fee.

Administrative Services Agreement

The Manager and the Funds entered into an Administrative Services Agreement that obligates the Manager to provide or oversee administrative services to the Funds. As compensation for performing the duties required under the Administrative Services Agreement, the Manager receives an annualized fee of 0.01% of the average daily net assets of the Funds. To the extent and for such period of time that a Fund invests all of its investable assets in another registered investment company pursuant to a master-feeder arrangement, then the Fund will not pay administrative services fees.

Reimbursement of Expenses

The Manager voluntarily agreed to reimburse the Money Market and Government Funds for certain expenses. For the year ended December 31, 2009, the Manager reimbursed expenses totaling \$8,901 and \$109,635 to the Money Market and Government Funds, respectively.

Expense Reimbursement Plan

The Funds have adopted an Expense Reimbursement Plan whereby the Manager may seek recoupment of expenses reimbursed for a period of up to three years. However, recoupment will occur only if a Fund's average net assets have grown or expenses have declined sufficiently to allow recoupment without causing its expense ratio to exceed the previously agreed upon contractual expense limit.

American Beacon Select Funds

Notes to Financial Statements

December 31, 2009

Reimbursed expenses subject to potential recovery for the Money Market Fund totaling \$119,783 and \$8,901 will expire in 2011 and 2012, respectively. Reimbursed expenses subject to potential recovery for the Government Fund totaling \$32,513, \$69,000, and \$109,635 will expire in 2010, 2011 and 2012, respectively. The Funds have not recorded a liability for these potential reimbursements due to the current assessment that reimbursements are unlikely.

3. Federal Income Taxes

It is the policy of the Funds to comply with the requirements of Subchapter M of the Internal Revenue Code and to distribute substantially all net investment income as well as any net realized capital gains on the sale of investments. Therefore, no federal income or excise tax provision is required.

The Funds do not have any unrecognized tax benefits in the accompanying financial statements. Each of the tax years in the four year period ended December 31, 2009 remains subject to examination by the Internal Revenue Service. If applicable the Funds recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in "Other expense" on the Statements of Operations.

Dividends are categorized in accordance with income tax regulations which may treat certain transactions differently than U.S. generally accepted accounting principles. Accordingly, the character of distributions and composition of net assets for tax purposes may differ from those reflected in the accompanying financial statements.

The tax character of distributions paid for the years ended December 31, 2009 and December 31, 2008 were as follows (in thousands):

	Money Market Fund		Government Fund	
	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2008
Distributions paid from:				
Ordinary income*	\$ 2,681	\$ 216,392	\$ 1,270	\$ 19,166
Long-term capital gain	-	-	-	-
Total distributions paid	\$ 2,681	\$ 216,392	\$ 1,270	\$ 19,166

*For tax purposes short-term capital gains distributions are considered ordinary income distributions.

As of December 31, 2009, the components of distributable earnings on a tax basis were the same as book. The cost basis of investments for federal income tax purposes was also the same as the book basis. The Funds do not have capital loss carryforwards as of December 31, 2009.

4. Subsequent Events

Management has evaluated the possibility of subsequent events existing in the Funds' financial statements through February 26, 2010. Management has determined that there are no material events that would require disclosure in the Funds' financial statements through this date.

American Beacon Money Market Select Fund

Financial Highlights

(For a share outstanding throughout the period)

	Year Ended December 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from investment operations:					
Net investment income ^A	0.00 ^B	0.03	0.05	0.05	0.03
Net realized gain on investments	0.00 ^B	0.00 ^B	0.00 ^B	0.00 ^B	0.00 ^B
Total income from investment operations	0.00	0.03	0.05	0.05	0.03
Less distributions:					
Dividends from net investment income	0.00 ^B	(0.03)	(0.05)	(0.05)	(0.03)
Distributions from net realized gains on investments	0.00 ^B	0.00 ^B	0.00 ^B	0.00 ^B	0.00 ^B
Total distributions	0.00	(0.03)	(0.05)	(0.05)	(0.03)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total return	0.39%	2.73%	5.32%	5.08%	3.23%
Ratios and supplemental data:					
Net assets, end of period (in thousands)	\$ 643,165	\$ 708,366	\$ 8,579,288	\$ 8,473,536	\$ 5,216,927
Ratios to average net assets (annualized): ^A					
Expenses, after expense reimbursements (recoupments)	0.16%	0.12%	0.11%	0.11%	0.12%
Expenses, before expense reimbursements (recoupments)	0.16%	0.12%	0.11%	0.11%	0.12%
Net investment income, after expense reimbursements (recoupments)	0.38%	2.95%	5.20%	5.02%	3.20%
Net investment income, before expense reimbursements (recoupments)	0.38%	2.95%	5.20%	5.02%	3.20%

^A The per share amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the corresponding American Beacon Master Portfolio.

^B Amount is less than \$0.01 per share.

American Beacon U.S. Government Money Market Select Fund

Financial Highlights

(For a share outstanding throughout the period)

	Year Ended December 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from investment operations:					
Net investment income ^A	0.00 ^B	0.02	0.05	0.05	0.03
Net realized gain on investments	0.00 ^B	0.00 ^B	0.00 ^B	0.00 ^B	0.00 ^B
Total income from investment operations	0.00	0.02	0.05	0.05	0.03
Less distributions:					
Dividends from net investment income	0.00 ^B	(0.02)	(0.05)	(0.05)	(0.03)
Distributions from net realized gains on investments	0.00 ^B	0.00 ^B	0.00 ^B	0.00 ^B	0.00 ^B
Total distributions	0.00	(0.02)	(0.05)	(0.05)	(0.03)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total return	0.25%	2.32%	5.17%	5.04%	3.19%
Ratios and supplemental data:					
Net assets, end of period (in thousands)	\$ 353,444	\$ 374,550	\$ 1,361,459	\$ 534,536	\$ 196,696
Ratios to average net assets (annualized): ^A					
Expenses, after expense reimbursements (recoupments)	0.12%	0.12%	0.12%	0.12%	0.12%
Expenses, before expense reimbursements (recoupments)	0.15%	0.13%	0.12%	0.13%	0.14%
Net investment income, after expense reimbursements (recoupments)	0.26%	2.70%	4.99%	4.99%	3.17%
Net investment income, before expense reimbursements (recoupments)	0.23%	2.69%	4.98%	4.98%	3.15%

^A The per share amounts and ratios reflect income and expenses assuming inclusion of the Fund's proportionate share of the income and expenses of the American Beacon U.S. Government Money Market Portfolio which terminated on May 18, 2009.

^B Amount is less than \$0.01 per share.

See accompanying notes

American Beacon Money Market Portfolio

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Trustees of
American Beacon Money Market Portfolio:

We have audited the accompanying statement of assets and liabilities of American Beacon Money Market Portfolio (the "Portfolio"), including the schedule of investments, as of December 31, 2009, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Portfolio's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of American Beacon Money Market Portfolio at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Dallas, Texas
February 26, 2010

American Beacon Money Market Portfolio

Schedule of Investments

December 31, 2009

Money Market Portfolio

	<u>Par Amount</u>	<u>Value</u>
	(dollars in thousands)	
COMMERCIAL PAPER - 48.72%		
Calyon North America, Inc., 0.265%, Due 3/1/2010	\$35,000	\$34,985
CBA (Delaware) Finance, Inc., 0.27%, Due 1/15/2010	35,000	34,996
Edison Asset Securitization LLC, 0.449%, Due 1/14/2010 #	35,000	34,994
FCAR Owner Trust, 0.40%, Due 1/6/2010	36,000	35,998
National Australia Funding (Del) Inc., 0.21%, Due 2/18/2010 #	35,000	34,990
Old Line Funding LLC,		
0.65%, Due 1/8/2010 #	20,000	19,997
0.28%, Due 1/12/2010 #	5,000	5,000
0.50%, Due 2/1/2010 #	10,000	9,996
Societe Generale N.Y., 0.245%, Due 2/3/2010	35,000	34,992
Solitaire Funding LLC, 0.31%, Due 1/27/2010 #	35,000	34,992
Surrey Funding Corp., 0.24%, Due 2/1/2010 #	35,000	34,993
Toyota Credit Canada, Inc., 0.23%, Due 1/13/2010	35,000	34,997
Total Commercial Paper		350,930
TIME DEPOSITS - 9.99%		
Allied Irish Banks PLC, 0.65%, Due 1/13/2010	36,000	36,000
Bank of Ireland N.Y., 0.40%, Due 1/7/2010	36,000	36,000
Total Time Deposits		72,000
SHORT-TERM INVESTMENTS - 6.45%		
AIM Short-Term Investment Company Liquid Asset Fund	26,685,528	26,686
DWS Money Market Series 23	1,091,499	1,091
RBC Prime Money Market Fund	18,691,630	18,692
Total Short-Term Investments		46,469
REPURCHASE AGREEMENTS - 34.85%		
Barclays Capital, Inc., 0.463%, Due 1/4/2010 (Held at Bank of New York Mellon, Collateralized by Corporate Obligations valued at \$39,600, 5.45% - 7.0%, 9/15/2014 - 12/31/2099)	\$36,000	36,000
RBC Capital Markets Corp., 0.263%, Due 1/4/2010 (Held at Bank of New York Mellon, Collateralized by Equity Securities valued at \$37,805)	36,000	36,000
J.P. Morgan Clearing Corp., 0.313%, Due 1/4/2010 (Held at JPMorgan Chase, Collateralized by Equity Securities valued at \$36,750)	35,000	35,000
BNP Paribas Securities Corp., 0.413%, Due 1/4/2010 (Held at Bank of New York Mellon, Collateralized by Corporate Obligations valued at \$39,600, Zero Coupon - 11.625%, 1/15/2010 - 2/15/2035)	36,000	36,000
Morgan Stanley & Co., Inc., 0.313%, Due 1/4/2010 (Held at JPMorgan Chase, Collateralized by Equity Securities valued at \$37,800)	36,000	36,000
Wells Fargo Securities LLC, 0.363%, Due 1/4/2010 (Held at Bank of New York Mellon, Collateralized by Corporate Obligations valued at \$37,800, Zero Coupon - 17.0%, 2/25/2010 - 11/15/2056)	36,000	36,000
Merrill Lynch, Pierce, Fenner & Smith, Inc., 0.263%, Due 1/4/2010 (Held at Bank of New York Mellon, Collateralized by Equity Securities valued at \$39,600)	36,000	36,000
Total Repurchase Agreements		251,000
TOTAL INVESTMENTS - 100.01% (Cost \$720,399)		\$720,399
LIABILITIES, NET OF OTHER ASSETS - (0.01%)		(106)
TOTAL NET ASSETS - 100.00%		\$720,293

Percentages are stated as a percent of net assets.

Security exempt from registration under the Securities Act of 1933. These securities may be resold to qualified institutional buyers pursuant to Rule 144A. At the period end, the value of these securities amounted to \$174,962 or 24.29% of net assets. The Fund has no right to demand registration of these securities.

American Beacon Money Market Portfolio

Statement of Assets and Liabilities

December 31, 2009 (in thousands)

Assets:	
Investment in securities at value (cost - \$469,399)	\$ 469,399
Repurchase agreement (cost - \$251,000)	251,000
Dividends and interest receivable	31
Prepaid expenses	11
Total assets	720,441
Liabilities:	
Management and investment advisory fees payable (Note 2)	59
Professional fees payable	41
Trustee fees payable	17
Other liabilities	31
Total liabilities	148
Net assets applicable to investors' beneficial interests	\$ 720,293

Statement of Operations

Year Ended December 31, 2009 (in thousands)

Investment Income:	
Dividend income	\$ 385
Interest income	4,231
Total investment income	4,616
Expenses:	
Management and investment advisory fees (Note 2)	834
Custodian fees	68
Professional fees	47
Insurance fees	174
Trustee expenses	62
Total expenses	1,185
Net investment income	3,431
Realized Gain on Investments:	
Net realized gain on investments	85
Net gain on investments	85
Net increase in net assets resulting from operations	\$ 3,516

American Beacon Money Market Portfolio

Statement of Assets and Liabilities

December 31, 2009 (in thousands)

	Year Ended December 31,	
	2009	2008
Increase in Net Assets:		
Operations:		
Net investment income	\$ 3,431	\$ 330,834
Net realized gain on investments	85	197
Total increase in net assets resulting from operations	3,516	331,031
Transactions in Investors' Beneficial Interests:		
Contributions	877,408	125,022,264
Withdrawals	(1,122,919)	(137,575,006)
Net decrease in net assets resulting from transactions in investors' beneficial interests	(245,511)	(12,552,742)
Net decrease in net assets	(241,995)	(12,221,711)
Net Assets:		
Beginning of period	962,288	13,183,999
End of Period	\$ 720,293	\$ 962,288

Financial Highlights

	Money Market				
	Year Ended December 31,				
	2009	2008	2007	2006	2005
Total return	0.42%	2.75%	5.33%	5.09%	3.25%
Ratios to average net assets (annualized):					
Expenses	0.14%	0.11%	0.11%	0.11%	0.11%
Net investment income	0.41%	2.94%	5.19%	5.03%	3.20%

American Beacon Money Market Portfolio

Notes to Financial Statements

December 31, 2009

1. Organization and Significant Accounting Policies

American Beacon Money Market Portfolio (the "Portfolio") is a series of the American Beacon Master Trust (the "Trust"), which is registered under the Investment Company Act of 1940, as amended, as a no load, open-end management investment company that was organized as a trust under the laws of the Commonwealth of Massachusetts pursuant to a Declaration of Trust dated as of November 1, 2004. The objective of the Portfolio is current income, liquidity and the maintenance of a stable price of \$1.00 per share.

American Beacon Advisors, Inc. (the "Manager") is a wholly-owned subsidiary of Lighthouse Holdings, Inc. and was organized in 1986 to provide business management, advisory, administrative and asset management consulting services.

The following is a summary of the significant accounting policies followed by the Portfolio.

Affiliated Ownership

At December 31, 2009, 100% of the Portfolio was held by affiliated funds.

Security Valuation

Securities of the Portfolio are valued at amortized cost, which approximates fair value. In the event that a deviation of ½ of 1% or more exists between the \$1.00 per share price of the Portfolio, calculated at amortized cost, and the price per share calculated by reference to market quotations, or if there is any other deviation that the Trust's Board of Trustees (the "Board") believes would result in a material dilution to shareholders or purchasers, the Board will promptly consider the appropriate action that should be initiated.

Valuation Inputs

Various inputs may be used to determine the fair value of the Portfolio's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value the securities are not necessarily an indication of the risk associated with investing in those securities. For example, money market securities are valued using amortized cost, in accordance with rules under the Investment Company Act of 1940. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities are typically reflected as Level 2.

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Prices determined using other significant observable inputs. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3- Prices determined using significant unobservable inputs. Unobservable inputs reflect the Portfolio's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available.

The Portfolio's investments are summarized by level based on the inputs used to determine their values and at December 31, 2009, were classified as follows: (in thousands)

Asset Description:	Level 1	Level 2	Level 3	Total
Commercial Paper	\$ -	\$ 350,930	\$ -	\$ 350,930
Time Deposits	-	72,000	-	72,000
Short-Term Investments	46,469	-	-	46,469
Repurchase Agreements	-	251,000	-	251,000
Total Investments in Securities	\$ 46,469	\$ 673,930	\$ -	\$ 720,399

American Beacon Money Market Portfolio

Notes to Financial Statements

December 31, 2009

Security Transactions and Investment Income

Security transactions are recorded on the trade date of the security purchase or sale. Interest income is earned from settlement date, recorded on the accrual basis, and adjusted, if necessary, for amortization of premiums or accretion of discounts on investment grade short-term securities and zero coupon instruments. For financial and tax reporting purposes, realized gains and losses are determined on the basis of specific lot identification.

Federal Income Taxes

The Portfolio will be treated as a partnership for federal income tax purposes. As such, each investor in the Portfolio will be taxed on its share of the Portfolio's ordinary income and capital gains. It is intended that the Portfolio's assets will be managed in such a way that an investor in the Portfolio will be able to satisfy the requirements of subchapter M of the Internal Revenue Code.

The Portfolio does not have any unrecognized tax benefits in the accompanying financial statements. Each of the tax years in the four year period ended December 31, 2009 remains subject to examination by the Internal Revenue Service. If applicable the Portfolio recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in "Other expense" on the Statement of Operations.

Repurchase Agreements

Under the terms of a repurchase agreement, securities are acquired by the Portfolio from a securities dealer or a bank that are subject to resale at a later date. Repurchase agreements are fully collateralized by government or non-government securities. All collateral is valued at cost, which approximates market value and is held at the custodian bank. The collateral is monitored daily by the Manager so that the collateral's market value exceeds the carrying value of the repurchase agreement plus accrued interest.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimated.

Other

Under the Trust's organizational documents, its officers and directors are indemnified against certain liability arising out of the performance of their duties to the Trust. In the normal course of business, the Trust enters into contracts that provide indemnification to the other party or parties against potential costs or liabilities. The Trust's maximum exposure under these arrangements is dependent on claims that may be made in the future and, therefore, cannot be estimated. The Trust has had no prior claims or losses pursuant to any such agreement.

2. Transactions with Affiliates

Management Agreement

The Trust and the Manager are parties to a Management Agreement that obligates the Manager to provide or oversee the provision of all investment advisory and portfolio management services. The Manager serves as the sole investment advisor to the Portfolio. As compensation for performing the duties required under the Management Agreement, the Manager receives from the Portfolio 0.09% of the average daily net assets of the Portfolio.

American Beacon Money Market Portfolio

Notes to Financial Statements

December 31, 2009

Administrative Services Agreement

The Trust and the Manager entered into an Administrative Services Agreement that obligates the Manager to provide or oversee administrative services to the Portfolio. As compensation for performing the duties required under the Administrative Services Agreement, the Manager receives an annualized fee of 0.01% of the average daily net assets of the Portfolio.

Interfund Lending Program

Pursuant to an exemptive order by the Securities and Exchange Commission, the Portfolio, along with other registered investment companies having management contracts with the Manager, may participate in an interfund lending program. This program provides an alternative credit facility allowing the Portfolio to lend money to other participating series managed by the Manager. For the year ended December 31, 2009 the Portfolio earned \$916 under the credit facility. This amount is included in interest income on the Statement of Operations.

3. Subsequent Events

Management has evaluated the possibility of subsequent events existing in the Portfolio's financial statements through February 26, 2010. Management has determined that there are no material events that would require disclosure in the Portfolio's financial statements through this date.

American Beacon Select Funds

Privacy Policy and Federal Tax Information

(Unaudited)

Privacy Policy

The American Beacon Select Funds recognizes and respects the privacy of our shareholders. We are providing this notice to you so you will understand how shareholder information may be collected and used.

We may collect nonpublic personal information about you from one or more of the following sources:

- information we receive from you on applications or other forms;
- information about your transactions with us or our service providers; and
- information we receive from third parties.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

We restrict access to your nonpublic personal information to those employees or service providers who need to know that information to provide products or services to you. To ensure the confidentiality of your nonpublic personal information, we maintain safeguards that comply with federal standards.

Federal Tax Information

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those in other areas of this report because of differences between tax and financial reporting requirements.

The distributions to shareholders during the tax year ended December 31, 2009 include short-term capital gains of \$63,124 and \$55,143 for the Money Market Fund and U.S. Government Money Market Fund, respectively.

We are required by Internal Revenue Code to advise you within 60 days of the Funds' fiscal year end as to the federal tax status of dividends paid by the Funds during its fiscal year ended December 31, 2009. For purposes of preparing your annual federal income tax returns, you should report the amounts reflected on your Form 1099-DIV, Box 1a.

Of the ordinary dividends paid to shareholders of the U.S. Government Money Market Fund during the tax year ended December 31, 2009, 2.56% were derived from U.S. Treasury Obligations.

Trustees and Officers

American Beacon Select Funds and American Beacon Master Trust

(Unaudited)

The Trustees and officers of the American Beacon Select Funds (the "Trust") and the American Beacon Master Trust are listed below, together with their principal occupations during the past five years. Unless otherwise indicated, the address of each person listed below is 4151 Amon Carter Boulevard, MD 2450, Fort Worth, Texas 76155. Each Trustee oversees nineteen funds in the fund complex that includes the Trust, the American Beacon Master Trust, the American Beacon Mileage Funds, and the American Beacon Funds. The Trust's Statement of Additional Information contains additional information about the Trustees and is available without charge by calling 1-800-658-5811.

<u>Name, Age and Address</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
INTERESTED TRUSTEES		
	<u>Term</u> Lifetime of Trust until removal, resignation or retirement*	
Alan D. Feld** (73)	Trustee since 1999	Sole Shareholder of a professional corporation which is a Partner in the law firm of Akin, Gump, Strauss, Hauer & Feld, LLP (1960-Present); Director, Clear Channel Communications (1984-2008); Trustee, CenterPoint Properties (1994-2006); Member, Board of Trustees, Southern Methodist University ; Member, Board of Visitors, M.D. Anderson Hospital; Board of Visitors, Zale/Lipshy Hospital; Trustee, American Beacon Mileage Funds (1996-Present); Trustee, American Beacon Funds (1996-Present)
NON-INTERESTED TRUSTEES		
	<u>Term</u>	
W. Humphrey Bogart (65)	Trustee since 2004	Board Member, Baylor University Medical Center Foundation (1992-2004); Consultant, New River Canada Ltd. (mutual fund servicing company) (1998-2003); President and CEO, Allmerica Trust Company, NA (1996-1997); President and CEO, Fidelity Investments Southwest Company (1983-1995); Senior Vice President of Regional Centers, Fidelity Investments (1988-1995); Trustee, American Beacon Funds (2004-Present); Trustee, American Beacon Mileage Funds (2004-Present)
Brenda A. Cline (49)	Trustee since 2004	Executive Vice President, Chief Financial Officer, Treasurer and Secretary, Kimbell Art Foundation (1993-Present); Trustee, Texas Christian University (1998-Present); Trustee, W.I. Cook Foundation, Inc. (d/b/a Cook Children's Health Foundation) (2001-2006); Director, Christian Church Foundation (1999-2007); Trustee, American Beacon Funds (2004-Present); Trustee, American Beacon Mileage Funds (2004-Present)
Eugene J. Duffy (55)	Trustee since 2008	Principal and Executive Vice President, Paradigm Asset Management (1994-Present); Director, Sunrise Bank of Atlanta (2008-Present); Chairman, Special Contributions Fund Board of Trustees, National Association for the Advancement of Colored People (2007-Present); Trustee, National Association for the Advancement of Colored People (2000-Present); Board of Visitors, Emory University (2006-Present); Trustee, Atlanta Botanical Garden (2006-Present); Board Member, Willie L. Brown Jr. Institute on Politics and Public Service (2001-Present); Chair, National Association of Securities Professionals (2000-2002); Deputy Chief Administrative Officer, City of Atlanta (1985-1990); Trustee, American Beacon Mileage Funds (2008-Present); Trustee, American Beacon Funds (2008-Present)

Trustees and Officers

American Beacon Select Funds and American Beacon Master Trust

(Unaudited)

<u>Name, Age and Address</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
NON-INTERESTED TRUSTEES (CONT.)		
Thomas M. Dunning (67)	Trustee since 2008	Consultant, (2008-Present); Chairman (1998-2008) and Chief Executive Officer (1998-2007), Lockton Dunning Benefits (consulting firm in employee benefits); Director, Oncor Electric Delivery Company LLC (2007-Present); Board Member, Baylor Health Care System Foundation (2007-Present); Vice Chair, State Fair of Texas; Board Member, Southwestern Medical Foundation (1994-Present); Board Member, John Tower Center for Political Studies/SMU (2008-Present); Board Member, University of Texas Development Board (2008-Present); Trustee, American Beacon Mileage Funds (2008-Present); Trustee, American Beacon Funds (2008-Present)
Richard A. Massman (66)	Trustee since 2004 Chairman since 2008	Consultant and General Counsel Emeritus (2009-Present), Senior Vice President and General Counsel (1994-2009), Hunt Consolidated, Inc. (holding company engaged in oil and gas exploration and production, refining, real estate, farming, ranching and venture capital activities); Chairman (2007-Present) and Director (2005-Present), The Dallas Opera Foundation; Chairman (2006-2009) and Director (2005-Present), Temple Emanu-El Foundation; Trustee, Presbyterian Healthcare Foundation (2006-Present); Trustee, American Beacon Mileage Funds (2004-Present); Trustee, American Beacon Funds (2004-Present)
R. Gerald Turner (64) 225 Perkins Admin. Bldg. Southern Methodist Univ. Dallas, Texas 75275	Trustee since 2001	President, Southern Methodist University (1995-Present); Director, ChemFirst (1986-2002); Director, J.C. Penney Company, Inc. (1996-Present); Director, California Federal Preferred Capital Corp. (2001-2003); Director, Kronus Worldwide Inc. (chemical manufacturing) (2003-Present); Director, First Broadcasting Investment Partners, LLC (2003-2007); Member, Salvation Army of Dallas Board of Directors; Member, Methodist Hospital Advisory Board; Co-Chair, Knight Commission on Intercollegiate Athletics; Trustee, American Beacon Mileage Funds (2001-Present); Trustee, American Beacon Funds (2001-Present)
Paul J. Zucconi, CPA (68)	Trustee since 2008	Director, Affirmative Insurance Holdings, Inc. (producer of nonstandard automobile insurance) (2004-Present); Director, Titanium Metals Corporation (producer of titanium melted and mill products and sponge) (2002-Present); Director, Torchmark Corporation (life and health insurance products) (2002-Present); Director, National Kidney Foundation serving North Texas (2003-Present); Director, Dallas Chapter of National Association of Corporate Directors (2004-Present); Partner, KPMG (1976-2001); Trustee, American Beacon Mileage Funds (2008-Present); Trustee, American Beacon Funds (2008-Present)
OFFICERS		
	<u>Term</u> One Year	
William F. Quinn (61)	Executive Vice President from 2007 to 2008 and 2009 to Present President from 1999 to 2007 Trustee from 1999 to 2008	Executive Chairman (2009-Present), Chairman (2006-2009) and CEO (2006-2007), President (1986-2006) and Director (2003-Present), American Beacon Advisors, Inc.; Chairman (1989-2003) and Director (1979-1989, 2003-Present), American Airlines Federal Credit Union; Director Hicks Acquisition I, Inc. (2007-2009); Director, Crescent Real Estate Equities, Inc.(1994-2007); Director, Pritchard, Hubble & Herr, LLC (investment advisor) (2001-2006); Director of Investment Committee, Southern Methodist University Endowment Fund (1996-Present); Member, Southern Methodist University Cox School of Business Advisory Board (1999-2002); Member, New York Stock Exchange Pension Manager Committee (1997-1998, 2000-2002, 2006-Present); Vice Chairman (2004-2007) and Chairman (2007-Present), Committee for the Investment of Employee Benefits; Director, United Way of Metropolitan Tarrant County (1988-2000, 2004-Present); Trustee, American Beacon Mileage Funds (1995-2008); Trustee, American Beacon Funds (1987-2008); Director, American Beacon Global Funds SPC (2002-Present); Director, American Beacon Global Funds plc (2007-2009)

Trustees and Officers

American Beacon Select Funds and American Beacon Master Trust

(Unaudited)

<u>Name, Age and Address</u>	<u>Position, Term of Office and Length of Time Served with the Trust</u>	<u>Principal Occupation(s) During Past 5 Years and Current Directorships</u>
Gene L. Needles, Jr. (55)	President since 2009 Executive Vice President 2009	President, CEO and Director (2009-Present), American Beacon Advisors, Inc.; President (2008-2009), Touchstone Investments; President (2003-2007), CEO (2004-2007), Managing Director of Sales (2002-2003), National Sales Manager (1999-2002), and Regional Sales Manager (1993-1999), AIM Distributors.
Rosemary K. Behan (51)	VP, Secretary and Chief Legal Officer since 2006	Vice President, Legal and Compliance, American Beacon Advisors, Inc. (2006-Present); Assistant General Counsel, First Command Financial Planning, Inc. (2004-2006); Attorney, Enforcement Division, Securities and Exchange Commission (1995-2004)
Brian E. Brett (49)	VP since 2004	Vice President, Director of Sales and Marketing, American Beacon Advisors, Inc. (2004-Present); Regional Vice President, Neuberger Berman, LLC (investment advisor) (1996-2004)
Wyatt Crumpler (43)	VP since 2007	Vice President, Asset Management, American Beacon Advisors, Inc. (2007-Present); Managing Director of Corporate Accounting (2004-2007), Director of IT Strategy and Finance (2001-2004), American Airlines, Inc.
Michael W. Fields (56)	VP since 1999	Vice President, Fixed Income Investments, American Beacon Advisors, Inc. (1988-Present); Director American Beacon Global Funds SPC (2002-Present); Director, American Beacon Global Funds plc (2007-2009)
Melinda G. Heika (48)	Treasurer since 2010	Vice President, Finance and Accounting, (2010-Present), Controller (2005-2009), Assistant Controller (1998-2004), American Beacon Advisors, Inc.
Terri L. McKinney (46)	VP since 2010	Vice President Enterprise Services (2009-Present), Managing Director (2003-2009), Director of Marketing and Retail Sales (1996-2003), American Beacon Advisors, Inc.; Vice President, Board of Trustees (2008-Present), Trustee (2006-2008), Down Syndrome Guild of Dallas
Jeffrey K. Ringdahl (34)	VP since 2010	Chief Operating Officer, American Beacon Advisors, Inc. (2010-Present); Vice President, Product Management, Touchstone Advisors, Inc. (2007-2010); Senior Director, Business Integration, Fidelity Investments (2005-2007)
Christina E. Sears (38)	Chief Compliance Officer since 2004 and Asst. Secretary since 1999	Chief Compliance Officer, (2004-Present); Senior Compliance Analyst (1998-2004), American Beacon Advisors, Inc.

* The Board has adopted a retirement plan that requires Trustees to retire no later than the last day of the calendar year in which they reach the age of 72, provided, however, that the Board may determine to grant one or more annual exemptions to this requirement.

** Mr. Feld is deemed to be an "interested person" of the Trust and Master Trust, as defined by the 1940 Act. Mr. Feld's law firm of Akin, Gump, Strauss, Hauer & Feld LLP has provided legal services within the past two fiscal years to the Manager.

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Delivery of Documents

To reduce expenses, your financial institution may mail only one copy of the Prospectus, Annual Report and Semi-Annual Report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please contact your financial institution. Delivery of individual copies will commence thirty days after receiving your request. If you invest in the Fund through a financial institution, you may be able to receive the Fund's regulatory mailings, such as the Prospectus, Annual Report and Semi-Annual Report, by e-mail. If you are interested in this option, please go to www.icsdelivery.com and search for your financial institution's name or contact your financial institution directly.

To obtain more information about the Fund:



By E-mail:
american_beacon.funds@ambeacon.com



On the Internet:
Visit our website at www.americanbeaconfunds.com



By Telephone:
Call (800) 658-5811



By Mail:
American Beacon Select Funds
P.O. Box 219643
Kansas City, MO 64121

Availability of Quarterly Portfolio Schedules

In addition to the Schedule of Investments provided in each semi-annual and annual report, the Fund files a complete schedule of its portfolio holdings with the Securities and Exchange Commission ("SEC") on Form N-Q as of the first and third fiscal quarters. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov. The Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room, 450 Fifth Street, NW, Washington, DC 20549. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. A complete schedule of the Fund's portfolio holdings is also available on the Funds' website (www.americanbeaconfunds.com) approximately thirty days after the end of each month.

Availability of Proxy Voting Policy and Records

A description of the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities is available in the Fund's Statement of Additional Information, is available free of charge on the Fund's website (www.americanbeaconfunds.com) and by calling 1-800-967-9009 or by accessing the SEC's website at www.sec.gov. The Fund's proxy voting record for the most recent year ended June 30 is filed annually with the SEC on Form N-PX. The Fund's Forms N-PX are available on the SEC's website at www.sec.gov. The Fund's proxy voting record may also be obtained by calling 1-800-967-9009.

Fund Service Providers:

CUSTODIAN
State Street Bank and
Trust
Boston, Massachusetts

TRANSFER AGENT
Boston Financial Data
Services
Kansas City, Missouri

**INDEPENDENT REGISTERED
PUBLIC ACCOUNTING
FIRM**
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LLC
Portland, Maine

This report is prepared for shareholders of the American Beacon Select Funds and may be distributed to others only if preceded or accompanied by a current prospectus.

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