American Century Investments®

Emerging Markets Fund

Quarterly Commentary

Portfolio Review

Emerging markets (EM) stocks advanced for the quarter. EM stocks rallied along with global equities as markets reacted to the probability of a soft landing in the U.S. Although EM equities posted a gain for 2023, they underperformed developed markets. Chinese stocks declined as investors were underwhelmed by lackluster momentum in China's post-COVID-19 recovery and ongoing property market risks, despite government support.

Many markets posted double-digit gains. Mexico, Brazil and India were among the strongest performers. Brazilian inflation data continued to ease, while the Mexican peso strengthened against the U.S. dollar. India closed a strong year, as we believed the nation benefited from positive sentiment and large-scale foreign buying. Stocks in South Korea and Taiwan also rose sharply as our research indicated investor sentiment toward technology- and growth-oriented stocks improved.

The energy sector was a source of weakness. Shares of several holdings in the oil, gas and consumable fuels industry, including Brazil-based PRIO, Thailand-based PTT Exploration & Production and Saudi Arabian Oil (Aramco), declined along with oil prices, as did those of China-based Yantai Jereh Oilfield Services Group.

Positioning in consumer discretionary drove modest underperformance. Stock selection in the sector and an overweight to the hotels, restaurants and leisure industry relative to the benchmark weighed on returns. Our research indicated shares of China-based automaker BYD declined amid investor concerns that broad-based price cuts in China and mounting competition could challenge BYD's profitability. We believe growth in the high-end segment and exports will likely counter structural headwinds for the company.

Mexico-listed bank leads contribution from financials. An overweight to Grupo Financiero Banorte relative to the benchmark helped drive sector outperformance. Banorte's third-quarter earnings showed what our research indicated were higher-than-expected loan growth, stable margins and limited cost increases. We are positive on the stock given what we think is room for market share gains in small and medium-size businesses, credit cards and wealth management.

Key Contributors

Taiwan Semiconductor Manufacturing Co. TSMC's shares advanced, bolstered by the world's largest chipmaker's position as a leader of leading-edge semiconductor production and its strong market share. We believe early signs of recovery in some end markets for chips confirm TSMC's robust growth outlook in 2024.

Embraer. We believe this Brazil-based aircraft manufacturer's defense backlog and revenues will likely continue to grow in the coming years, a view reinforced by the South Korea military's recent selection of the C-390 Millennium military transport jet over aircraft from competitors such as Lockheed Martin and Airbus.

Grupo Financiero Banorte. Banorte's third-quarter strong earnings benefited from higher-than-expected loan growth, stable margins and limited pricing pressures. We like the stock given its low credit penetration and strong demand for credit in Mexico.

Goal and Strategy

Long-term capital growth by investing primarily in emerging market companies of all sizes.

Portfolio Management Team

	Start Date	
Name	Industry	Company
Patricia Ribeiro	1984	2006
Sherwin Soo, CFA	1995	2011

Top 10 Holdings (%)

Taiwan Semiconductor Manufacturing Co Ltd	9.55
Samsung Electronics Co Ltd	6.99
Tencent Holdings Ltd	4.56
ICICI Bank Ltd	2.89
HDFC Bank Ltd	2.62
Reliance Industries Ltd	2.60
PRIO SA/Brazil	2.23
SK Hynix Inc	2.16
Sun Pharmaceutical Industries Ltd	2.08
Cemex SAB de CV	2.04

As of 12/31/2023

The holdings listed should not be considered recommendations to purchase or sell a particular security. Equity holdings are grouped to include common shares, depository receipts, rights and warrants issued by the same company. Fund holdings subject to change.

Key Detractors

PDD Holdings. Not owning PDD, the parent of discount e-commerce platform Pinduoduo and international shopping site Temu, weighed on returns as shares advanced after strong quarterly results.

NetEase. Shares were weak as investors reassessed the consistency and credibility of Chinese policymakers amid uncertainty surrounding the impact of new regulations for online video games, including restrictions governing game use and limits on in-app monetization.

BYD. This China-based automaker detracted on investor concerns that rising competition could hinder BYD's profits.

Notable Trades

MediaTek. We believe MediaTek's earnings growth momentum will likely accelerate, driven by volume growth, 5G penetration, a new system-on-a-chip launch and nonmobile growth. In our view, operating efficiency and product mix improvement will likely boost margins, while artificial intelligence opportunities could drive a higher valuation.

Fomento Economico Mexicano. We believe the consumer outlook in Mexico is improving, with consumer confidence, real wage increases, strong remittances and spending ahead of June elections likely to support growth momentum. In our view, the company's room to expand across geographies and formats provides growth visibility.

Tata Consultancy Services. We believe TCS has shown good execution on its order book recently, but strong order inflow has not translated to revenue growth, due to continuing leakage in the existing business and new projects. However, our research indicated discretionary spending cuts have continued to drag on revenue growth for the industry, also impacting TCS.

Arca Continental. We exited the Latin American bottling giant as unit revenue growth decelerated in Mexico and the U.S. We believe it may decelerate further and that performance on the pricing side may be muted. Arca reported compressed margins in South America amid continuing challenges in Argentina.

Portfolio Positioning

The portfolio continues to invest in companies where we believe financials are strong and improving but share price performance does not fully reflect these factors.

Tailwinds from EM central bank policies. After a challenging 2023, we enter the new year with a more positive outlook for emerging markets (EM), given the potential we see for continued EM central bank easing, especially in Latin America. Our research indicates many countries in the region have made considerable progress in tempering inflation because their central banks aggressively hiked interest rates well before their counterparts in developed markets. With inflation pressure easing, monetary policy easing has begun and has the potential to propel EM economic growth, in our view.

Latin America remains positioned to benefit in the current environment. We believe the region is positioned to take advantage of concerns around global supply chains and U.S.-China trade tensions. Latin America offers significant potential, in our view, in agriculture, green energy and minerals amid the world's carbon-reduction transition. The region's central banks were early interest rate hikers, and while the quest to bring inflation down to target is a work in progress, our research indicates there has already been tangible and meaningful progress. We believe Mexico stands to benefit from its proximity to the U.S., competitive labor costs, demographics and established manufacturing base. Latin America is the world's largest net exporter of food, and Brazil's growth has been supported by its exports as the world's middle class grows.

The market has recalibrated expectations for China. Our research indicates the recovery from pandemic lockdowns proved weaker than expected, due to property market turmoil and weak private sector confidence. Pressure from the housing market has persisted, but recent policy signals indicate Beijing's desire to support growth. We believe targeted efforts will likely stabilize growth, including fiscal and monetary stimulus, easing housing policy and measures to stabilize foreign trade and investment. So far, we believe support has not been sufficient to lift investor sentiment. However, internet companies continue to deliver robust results, while health care and automakers have seen earnings upgrades. International travel from China has been recovering, which we think could benefit select hotel and consumer-oriented companies in the region.

Finding opportunities in India and Saudi Arabia. Indian stocks outperformed the region in 2023, and the market appears well positioned with resilient domestic demand anchoring growth amid an improved macroeconomic environment, in our view. We think demographic trends and potential benefits from reshoring could also provide tailwinds and a recovery in rural demand could boost already robust consumption growth as the drag from higher inflation fades. In our view, Saudi Arabia has benefited from structural reform that we believe differentiates it from other markets that are heavily dependent on commodities such as oil. A combination of supply cuts by OPEC+, resilient global demand, tight inventories and ongoing geopolitical developments have underpinned energy prices.

Emerging Markets Fund

TICKERS Investor Class: TWMIX | I Class: AMKIX | A Class: AEMMX | C Class: ACECX | R Class: AEMRX | R5 Class: AEGMX | R6 Class: AEDMX

Data presented reflects past performance. Past performance is no guarantee of future results. Current performance may be higher or lower than the performance shown. To obtain performance data current to the most recent month end, please visit www.americancentury.com/performance. Investment return and share value will fluctuate, and redemption value may be more or less than original cost. Data assumes reinvestment of dividends and capital gains. Returns for periods less than one year are not annualized. For information about other share classes available, please consult the prospectus. There is no guarantee that the investment objectives will be met. Dividends and yields represent past performance and there is no guarantee that they will continue to be paid.

Average Annual Total Returns for Period Ended 12/31/2023

Class	Qtr (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Inception Date	Gross Expense Ratio (%)
Investor	7.78	5.43	-10.72	1.65	2.20	5.12	9/30/97	1.26
I	7.89	5.60	-10.53	1.86	2.40	7.27	1/28/99	1.06
R5	7.88	5.59	-10.52	1.86	2.41	2.09	4/10/17	1.06
R6	7.93	5.86	-10.39	2.02	2.56	3.06	7/26/13	0.91
MSCI Emerging Markets Index	7.86	9.83	-5.08	3.68	2.66	-	-	-

Historical performance for the R5 Class prior to its inception is based on the performance of I Class shares, which have the same expenses as the R5 Class.

Pre-inception differences in R5 Class and I Class performance are based on rounding.

Expense ratio is as of the fund's current prospectus. The I Class minimum investment amount is $5 million ($3 million for endowments and foundations) per fund. The R5 Share Class is available only to participants in group employer-sponsored retirement plans where a financial intermediary provides recordkeeping services to plan participants.

Periods greater than one year have been annualized.

You should consider the fund's investment objectives, risks, and charges and expenses carefully before you invest. The fund's prospectus or summary prospectus, which can be obtained at americancentury.com, contains this and other information about the fund, and should be read carefully before investing.

The opinions expressed are those of the portfolio investment team and are no guarantee of the future performance of any American Century Investments portfolio. Statements regarding specific holdings represent personal views and compensation has not been received in connection with such views. This information is for an educational purpose only and is not intended to serve as investment advice.

The information is not intended as a personalized recommendation or fiduciary advice and should not be relied upon for investment, accounting, legal or tax advice.

International investing involves special risk considerations, including economic and political conditions, inflation rates and currency fluctuations. Investing in emerging markets may accentuate these risks.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

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