American Century Investments®

Emerging Markets Fund

Quarterly Commentary

Portfolio Review

Emerging markets (EM) stocks advanced in the first quarter, outperforming developed markets. In the U.S., economic growth projections declined significantly, and inflation expectations increased with the threat of U.S. tariffs. European stocks rallied as growth prospects improved, helped by expected military and infrastructure spending increases in Germany.

EM stocks proved resilient. EM equities managed to stay afloat through a choppy quarter. The potential economic impact and ambiguity over the outcome of trade battles weighed heavily on investor sentiment. That said, it was confidence in the U.S. economy that took the brunt of the impact. Doubts over U.S. exceptionalism were heightened amid an array of soft survey data, as consumer sentiment tumbled.

Positioning in consumer discretionary hurt relative performance. Stock selection and a sector underweight detracted relative to the benchmark, due in large part to below-benchmark exposure to Alibaba Group Holding. Our overweight in China-based travel services firm Trip.com Group also hindered relative results. Shares declined in February due to concerns about a weakening margin outlook but rebounded in March amid rising domestic revenues and accelerating outbound overseas travel.

Consumer staples was an area of weakness. Turkey-based retailer BIM Birlesik Magazalar and India-based PepsiCo franchisee Varun Beverages were notable sector detractors. BIM's shares declined, especially in March, when Istanbul Mayor Ekrem İmamoğlu was arrested. Varun underperformed a weak Indian equity market due to investor concerns about increasing competition and slowing domestic urban consumption.

Stock choices in communication services added value. Three holdings in the entertainment industry—China-based internet and gaming firm NetEase, Singapore-based internet services company Sea and K-pop music giant HYBE—drove the sector's relative gains. NetEase's shares benefited from an increasingly robust pipeline, new hit titles and strong PC game performance. The return of Blizzard games also lifted expectations for a rebound in gaming revenues.

Key Contributors

Xiaomi. Shares advanced as the consumer electronics/electric vehicle (EV) maker's smartphone and Internet of Things sales outpaced the industry in early 2025. In our view, the EV and home appliance markets are undergoing an evolution, and Xiaomi will likely benefit from its premiumization strategy and edge in consumer insights.

BYD. Our research has indicated that the Chinese EV maker has stepped up efforts to further upgrade its platform and technology, aiming to raise the competitive barrier against peers and gain further market share. In our view, BYD has ambitious plans for the global market and is well prepared in both export capacity and overseas localization.

Embraer. The aircraft manufacturer reported strong profitability in its defense and commercial aviation segment, with robust new orders, headlined by a sizable deal to produce executive jets. Embraer's backlog is reaching new highs, and we believe the positive momentum in new orders will likely continue due to ongoing campaigns.

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	8.90
Tencent Holdings Ltd	6.09
Alibaba Group Holding Ltd	3.33
Xiaomi Corp	3.31
Samsung Electronics Co Ltd	3.14
ICICI Bank Ltd	2.90
China Construction Bank Corp	2.74
BYD Co Ltd	2.47
Trip.com Group Ltd	2.38
Emaar Properties PJSC	2.32

As of 3/31/2025

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

Alibaba Group Holding. An underweight to Alibaba relative to the benchmark detracted. Shares rallied after DeepSeek released a cheaply developed, open-source artificial intelligence (AI) model, raising investor hopes for a surge in AI-driven cloud demand. However, we entered 2025 with a conservative stance on e-commerce names amid what we believed were intense competition and tepid consumption in China.

Zomato. Shares underperformed during the quarter amid increasing competition and rising losses in the quick-commerce space, along with slower growth and decelerating profitability improvement in the food delivery business.

China State Construction International Holdings. CSCI's 2024 sales and net profit missed consensus estimates as management's concerns about local government debt issues led to a conservative investment stance in the second half. However, we believe that expanding fiscal policy will likely trigger a recovery in infrastructure spending.

Notable Trades

Bharti Airtel. We initiated a position amid market share gains, robust earnings growth and solid free cash flow generation. In our view, Bharti enjoys a favorable industry outlook and multiple growth levers, including rising mobile average revenue per user, expanding home broadband subscriptions and growing dividends.

OTP Bank. We believe the Hungary-based bank's asset quality remains resilient and domestic profits will likely benefit from interest rate cuts, which would likely spur higher income from lending and deposits. OTP's loan growth is likely to pick up, in our view, supported by lower inflation, lower interest rates and stronger economic growth.

Wiwynn. We exited the cloud infrastructure provider, which has increased capital investments in response to the threat of new tariffs. Analysts lowered their earnings forecasts based on the potential erosion from increased costs and expenses.

Kinik. We exited the manufacturer, which provides tools to semiconductor producers, amid reduced earnings expectations, which we think reflected a weaker near-term outlook and continued headwinds to profit margins.

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.

Impact of tariffs remains uncertain. Early in the second quarter, President Donald Trump announced a broad array of tariffs. Future dealmaking and retaliation from other countries have left outcomes uncertain, and we believe the impact will be differentiated across emerging markets (EM). In our view, the largest incremental impact will likely be felt in EM Asia, given the region's large trade surplus with the U.S.

Tariffs may pose a challenge to China and other export-oriented economies. We see opportunity in domestic-oriented equities, as well as those with sensitivity to policy stimulus. We have several positions in the areas of consumer technology and consumer services. Additionally, our research has indicated that China is increasingly leading in high-tech areas such as electric vehicles and batteries.

U.S. tariff announcements were better than expected for Latin America. Early April's reciprocal tariffs largely spared countries in the region, with the 10% announced rate on most countries lower than the percentages applied to Asian and European markets. We believe Latin American companies could be relative beneficiaries, potentially gaining market share in the U.S.

Changing economic conditions could benefit EM. While we believe tariffs and trade wars could hinder EM performance in the near term, U.S. tariffs prompted investors to reassess their U.S. growth forecasts lower, although valuations remain high, in our view. We also believe EM central banks' policy bias will likely tilt more in favor of growth, while a weaker U.S. dollar could deliver an additional tailwind for EM companies.

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 3/31/2025

Class	Qtr (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Inception Date	Gross Expense Ratio (%)
Investor	0.72	6.41	-0.52	5.40	3.09	5.33	9/30/97	1.27
I	0.79	6.63	-0.32	5.62	3.30	7.39	1/28/99	1.07
R5	0.79	6.63	-0.32	5.62	3.30	3.28	4/10/17	1.07
R6	0.79	6.79	-0.20	5.77	3.46	3.79	7/26/13	0.92
MSCI Emerging Markets Index	2.93	8.09	1.44	7.94	3.71	-	-	-

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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