American Century Investments®

Equity Income Fund

Quarterly Commentary

Portfolio Review

U.S. equity markets rallied. During the quarter, concerns about the banking system eased, and Congress avoided a debt crisis. In addition, the Federal Reserve paused its rate-hike campaign amid moderating yet above-target inflation and resilient economic data. In turn, stocks extended their year-to-date gains.

Growth and large caps outperformed. While market gains were widespread, growth stocks handily outperformed value stocks across the market-capitalization spectrum. Large-cap stocks outperformed small- and mid-cap stocks, and cyclical sectors of the market generally outperformed defensive sectors.

Communication services detracted. We have found only a limited number of communication services companies that meet our investment criteria, and during the quarter, the portfolio's underweight in the sector relative to the benchmark weighed on returns compared with the benchmark. Security selection in the sector also detracted from performance compared with the benchmark.

Financials pressured performance. Several holdings in the financials sector, as well as a lack of exposure to the common stock of Berkshire Hathaway, detracted from results compared with the benchmark. We have avoided the common stock of Berkshire Hathaway because it does not pay a dividend.

Health care was an area of strength. Our choice of investments in the health care sector buoyed performance compared with the benchmark. Medical device company Medtronic was a key contributor, driven by the continued resumption of elective procedures and Food and Drug Administration (FDA) approval of its new insulin pump.

Opportunities in consumer staples and financials. Our research has led us to a variety of securities in the consumer staples and financials sectors. In financials, we continue to hold several noncommon stock positions in an effort to enhance dividend potential and reduce portfolio volatility.

Key Contributors

Medtronic. Shares of this medical device company outperformed on the resumption of elective procedures, leading to high utilization. Additionally, the FDA approved Medtronic's MiniMed 780G insulin pump and lifted the warning letter it issued to Medtronic in 2021.

Hubbell. This industrial company delivered solid quarterly results, driven by stronger stick rates, realization on incremental price actions, effective ramp-up of recent capacity investments and improved operational productivity. Also, we think Hubbell is well positioned to benefit from the secular trend of grid modernization.

Pfizer. Not owning this pharmaceuticals stock helped performance. Pfizer's shares were pressured by the cost of its Seagen acquisition and uncertainty about whether the deal will be approved. Pfizer also posted disappointing results for its oral GLP-1-RA program for obesity.

Goal and Strategy

Current income and long-term capital growth by investing in companies of all sizes that are believed to be undervalued.

Portfolio Management Team

Name	Start Date: Industry	Start Date: Company
Brian Woglom, CFA	1998	2005
Paul Howanitz, CFA	2008	2015
Kevin Toney, CFA	1993	1999
Michael Liss, CPA, CFA	1991	1998

Top 10 Holdings (%)

Johnson & Johnson	5.17
Medtronic PLC	4.06
Raytheon Technologies Corp	2.87
Exxon Mobil Corp	2.72
Automatic Data Processing Inc	2.29
Becton Dickinson & Co	2.14
Roche Holding AG	2.11
Colgate-Palmolive Co	2.07
PepsiCo Inc	2.03
Mondelez International Inc	1.99

As of 6/30/2023

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

Meta Platforms. Lack of exposure to this technology conglomerate detracted from relative results. Meta’s shares continued to benefit from cost-cutting efforts and the company’s investments in artificial intelligence. We do not own the stock because we think its risk/reward profile is less attractive relative to other names.

Spire. Like many other utilities, shares of this gas utility underperformed the broad market as investors favored less defensive sectors. In addition, shares were pressured by Spire's secondary offering after the company announced a minor acquisition.

Berkshire Hathaway. Lack of exposure to the common stock of this conglomerate detracted from returns. Its shares outperformed as the company reported better-than-expected quarterly financial results. In addition, the company’s investment portfolio posted healthy gains.

Notable Trades

Reinsurance Group of America. We initiated a position in this life insurance reinsurer. Our research shows that it offers a conservative asset mix relative to peers and historically stable returns. In addition, it operates in a consolidated market, and we believe its valuation has not yet recovered to pre-pandemic levels.

Kenvue. Johnson & Johnson spun off a portion of its consumer health business, now called Kenvue. We think the valuation of the Kenvue initial public offering was attractive, leading us to establish a position. As Johnson & Johnson shareholders, we know this business well and think it is very high quality.

Becton Dickinson and Co. In June, our convertible preferred position in Becton Dickinson matured.

Microsoft. We exited our position in this information technology company on strength in its stock price. Microsoft’s shares outperformed on expectations for generative artificial intelligence to drive new revenue opportunities from ChatGPT.

Portfolio Positioning

The portfolio seeks to invest in companies where we believe the valuation does not reflect the quality and normal earnings power of the company. This has historically resulted in a less volatile portfolio versus the benchmark. Our process is based on individual security selection, but broad themes have emerged.

Higher-quality stocks may offer resilience. Investors continue to face macroeconomic and geopolitical risks, and we believe inflation and interest rates are likely to remain elevated. Against this backdrop, we continue to focus on companies that we view as higher quality with stable revenues and profits, low indebtedness, stable cash flows and business models that are less sensitive to economic conditions.

Opportunities in consumer staples. With slowing global growth, we have identified select opportunities in the relatively defensive consumer staples sector. Despite a challenging cost inflation environment, many consumer staples companies are generating strong returns on capital, buying back stock and growing dividends. Moreover, industry consolidation has enabled companies to pass higher costs to consumers. We believe actions to offset inflation, including fewer discounts and more price hikes, should support earnings and margins.

Navigating the financials sector. Regional bank failures have created disruption within the banking industry. Against this backdrop, we are monitoring our holdings closely and have been in contact with the banks in our portfolio to assess any liquidity challenges, monitor capital levels and gauge uninsured versus insured deposit levels. We continue to focus on companies that we view as higher quality with durable returns from diversified sources, strong capital and liquidity ratios and solid management teams. Furthermore, we believe the securities we hold offer attractive valuations.

Few opportunities in consumer discretionary and real estate. It remains difficult for us to find higher-quality consumer discretionary companies with durable business models. Within the real estate sector, our metrics continue to show that most equities remain overvalued.

Communication services exposure remains limited. According to our analysis, many companies in the communication services sector do not meet our investment criteria because they have volatile business models. As a result, we ended the quarter with an underweight in the sector relative to the benchmark.

Equity Income Fund

TICKERS Investor Class: TWEIX	I Class: ACIIX	A Class: TWEAX	C Class: AEYIX	R Class: AEURX	R5 Class: AEIUX	R6 Class: AEUDX

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 6/30/2023

Class	Qtr (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Inception Date	Gross Expense Ratio (%)
Investor	2.35	8.04	10.09	7.20	8.61	9.97	8/1/94	0.94
I	2.52	8.37	10.34	7.43	8.83	8.41	7/8/98	0.74
R5	2.52	8.38	10.35	7.44	8.82	7.16	4/10/17	0.74
R6	2.55	8.52	10.50	7.60	-	8.71	7/26/13	0.59
Russell 3000 Value Index	4.03	11.22	14.38	7.78	9.08	-	-	-

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.

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 fund invests in convertible securities, which may be affected by changes in interest rates, the credit of the issuer and the value of the underlying common stock. The fund also may invest in foreign securities, which can be riskier than investing in U.S. securities.

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.

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