Value 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 persistently high prices 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. Security selection and an underweight in the communication services sector relative to the benchmark weighed on returns. Notably, lack of exposure to Meta Platforms as well as our position in AT&T detracted.

Consumer discretionary weighed on results. Our choice of investments in the consumer discretionary sector negatively impacted relative performance. Advance Auto Parts was a key detractor as the company reported worse-than-expected financial results and reduced its guidance.

Health care was an area of strength. Stock selection in the health care sector buoyed the portfolio's relative results. Medical device company Medtronic was a top contributor, driven by a rebound in elective procedures and the approval of its new insulin pump by the Food and Drug Administration (FDA).

Opportunities in health care and financials. Our research has led us to a variety of investments in the health care and financials sectors that we believe are attractively valued.

Key Contributors

Medtronic. Investors bid up shares of this medical device company as elective procedures rebounded, leading to high utilization rates. Additionally, the FDA approved Medtronic's MiniMed 780G insulin pump and lifted the warning letter it issued to Medtronic in 2021.

Cardinal Health. Shares of this health care company outperformed. Cardinal Health reported solid quarterly results and provided a strong long-term outlook for its two businesses.

Universal Health Services. Shares of this provider of hospital and health care services rose on strong admissions. Our research indicates its acute care segment benefited from a resumption in elective procedures, and its behavioral health segment benefited as COVID-19 disruptions dissipated and labor supply constraints declined.

Key Detractors

Meta Platforms. Lack of exposure to this technology conglomerate detracted. 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 it is less attractive relative to other names.

Goal and Strategy

Long-term capital growth and income by investing in the stocks of companies of all sizes the managers believe to be undervalued.

Portfolio Management Team

	Start Date	
Name	Industry	Company
Michael Liss, CPA, CFA	1991	1998
David Byrns, CFA	2009	2014
Philip Sundell, CFA	1992	1997
Kevin Toney, CFA	1993	1999
Brian Woglom, CFA	1998	2005

Top 10 Holdings (%)

Berkshire Hathaway Inc	4.89
Johnson & Johnson	3.44
Medtronic PLC	3.13
Cisco Systems Inc/Delaware	2.77
JPMorgan Chase & Co	2.50
Exxon Mobil Corp	2.48
Verizon Communications Inc	2.27
US Bancorp	2.15
Pfizer Inc	1.93
Bank of America Corp	1.86

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.

Advance Auto Parts. Shares of this automotive replacement parts retailer delivered disappointing results as it reported earnings that were below expectations and lowered its guidance. Although the company has raised prices, it has been unable to pass along higher costs to customers in its commercial channel as competitors have stepped up their promotional marketing efforts.

AT&T. Shares of U.S. telecommunications companies were pressured by fears that Amazon may be entering the wireless market. AT&T also declined as investors were concerned about the company's ability to meet its guidance for free cash flow.

Notable Trades

Equity Residential. Over the last year, residential real estate investment trusts pulled back due to recession concerns and increasing supply in certain markets. As valuations in the industry fell, we initiated a position in Equity Residential as we believe it represented an attractive opportunity. Recently, its leasing activities beat expectations due to strong job markets and fewer tenants moving out to buy a home.

Anheuser-Busch InBev. Shares of this large brewing company underperformed following a social media controversy in the U.S. In our view, Anheuser-Busch's depressed shares created an attractive entry point for us to initiate a position.

Henkel. The stock of this chemical and consumer goods company outperformed its peers. As a result, we believed Henkel's shares were less attractive. We exited our position and reinvested the proceeds into securities that we thought were more attractive.

Equinix. This data center company outperformed this year largely due to strong leasing activity and as investor concerns about power expenses weighing on profit margins dissipated. The higher valuation of Equinix's shares prompted us to exit our position.

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. Our process is based on individual security selection, but broad themes have emerged.

Value stocks may offer resilience. Investors continue to face macroeconomic and geopolitical risks, and we believe pricing pressures and interest rates will likely remain elevated. Against this backdrop, we think value-oriented stocks should produce more predictable earnings and with less risk than their growth counterparts.

Opportunities in health care. Our research has led us to several health care stocks that we think are attractive. In fact, our exposure to the health care sector relative to the benchmark increased during the quarter as we added to some of our health care positions that we think offer compelling valuations. We consider health care less cyclical because our research indicates that demand in the sector is often less impacted by the economy. Therefore, we think patients seeking elective procedures should provide support to medical device companies and service providers that continue to work through patient backlogs caused by the COVID-19 disruption even in a slowing economy.

Navigating the financials sector. Regional bank failures 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 cash flow challenges, monitor capital levels and gauge uninsured versus insured deposit levels. We continue to focus on companies that we view as higher quality and capable of generating returns from diversified sources, strong capital and cash flow ratios, and solid management teams. Furthermore, we believe the securities we hold are attractively valued.

We continue to see value in energy. Our research has led us to energy companies that we believe offer compelling valuations. We continue to focus on energy companies that we view as higher quality with solid assets, strong balance sheets and management teams focused on generating returns on capital and returning capital to shareholders.

Underweight in industrials and utilities relative to the benchmark. While we have identified several industrials stocks that we believe offer attractive valuations, we ended the quarter with below-benchmark exposure. While our weight in utilities has gradually increased over the last few years, we remained underweight in the sector.

Value Fund

TICKERS Investor Class: TWVLX	I Class: AVLIX	A Class: TWADX	C Class: ACLCX	R Class: AVURX	R5 Class: AVUGX	R6 Class: AVUDX

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	2.11	11.52	16.62	8.22	8.92	9.43	9/1/93	1.01
I	2.16	11.72	16.86	8.41	9.13	7.98	7/31/97	0.81
R5	2.16	11.74	16.87	8.44	9.13	7.80	4/10/17	0.81
R6	2.33	11.89	17.08	8.63	-	8.79	7/26/13	0.66
Russell 1000 Value Index	4.07	11.54	14.30	8.10	9.21	-	-	-

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 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.

The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index (the 3,000 largest publicly traded U.S. companies based on total market capitalization). The Russell 1000® Value Index measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values. Created by Frank Russell Company, indices are not investment products available for purchase.

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