

AMERICAN CENTURY®

# EMERGING MARKETS BOND ETF

## ATTRACTIVE INCOME AND DIVERSIFICATION POTENTIAL

Many investors choose indexed emerging market debt (EMD) strategies for their perceived diversification. Yet only one-third of the countries in the index make up 85% of its value, leaving investors exposed to unseen risks: they emphasize the largest, most indebted countries rather than the best opportunities; they are often overallocated to hard currency sovereigns; and they don't have access to new issues. The bottom line: Indexed strategies may miss out on attractive yield opportunities and leave investors exposed to credit risk.

**American Century Emerging Markets Bond ETF (AEMB)** employs an active, research-driven process designed to exploit the opportunities and manage the risks of EMD investing. It seeks to complement core fixed income allocations for more consistent income over a full market cycle. With a relatively low duration profile, AEMB also seeks to provide attractive yield and capital appreciation potential with higher credit quality than U.S. high yield.

## FUND INFORMATION

Ticker	AEMB
Intraday NAV Ticker	AEMB-IV
Inception Date	6/29/2021
Exchange	NYSE ARCA
Gross Expense Ratio	0.39%
Benchmark	JP Morgan EMBI Global Diversified Index
Number of Issuers	80-120
Distribution Frequency	Monthly

## HOLISTIC APPROACH TO EMERGING MARKETS DEBT

We evaluate macro drivers of EMD within a fundamental and valuation framework to help us determine the relative value of each subsector. Geographic and country decisions draw on the team's analysis of country fundamentals and valuations to determine spread over U.S. Treasuries. Ranking countries on both strength and valuation allows us to allocate dynamically across sovereigns, quasi-sovereigns and corporates in an effort to pursue enhanced yield and minimize duration with less volatility than sovereign-only index solutions.

To determine allocations to sovereigns versus corporates, the team employs macro, thematic and relative value analysis. Bottom-up credit analysis identifies companies that offer the best opportunities.

## Consistent Process Honed by Seasoned Experts

Our bottom-up fundamental research seeks to identify attractive issues by examining a broad range of factors, including company transparency, corporate governance, external risks, liquidity, and evaluation of a company's ownership structure, management and track record. Led by a team of emerging markets debt experts, our portfolio engineering and stress testing help ensure the portfolio meets the risk/return objectives. The result is a consistent process honed by seasoned experts over multiple market cycles.

### Investment Universe

Primarily hard currency (USD) emerging markets debt issued by emerging markets sovereign, quasi-sovereign and corporate entities

### Top-Down Macroanalysis

Macroanalysis helps to inform a view on how much risk to take and how to allocate across subsectors of emerging markets debt

### Bottom-Up Credit Screening and Selection

Identify companies and countries providing higher value relative to spread targets

Analyze the following characteristics:  
 Governance, Growth, Public Finances, Trade Balance

### Portfolio Construction

Optimize allocations for risk-adjusted return  
 Manage downside risk based on country correlations  
 and factor exposures

Portfolio  
 80-120 Issuers

# INVESTOR PROFILE



- Investors seeking enhanced yield and diversification in a tax-efficient wrapper.
- Investors seeking to diversify their strategic fixed-income allocations to pursue more consistent income.
- Income-seeking investors who are looking for a strategic allocation focused on a full market cycle.



## INNOVATIVE

Variety of investment approaches that offer proactive solutions.



## UPSIDE POTENTIAL

Alpha-seeking portfolios based on manager research and insights.



## LOWER COST

Benefits of active management in a lower-cost, tax-efficient, liquid vehicle.

**American Century Investments®** is an asset manager known for industry-leading client care, stewardship and stability. Founded more than 60 years ago, the firm boasts an institutional-quality investment management platform with more than \$212 billion in Assets Under Management.\* Through American Century Investments' relationship with the Stowers Institute for Medical Research, your investments help support research that can improve human health and save lives. Since 2000, American Century Investment's dividends distributed to the Institute have totaled \$1.7 billion.

\*As of 12/31/2020

## Role of AEMB in a Portfolio

**As a strategic allocation:** to provide the potential for enhanced emerging markets debt yield and diversification.

**As a tactical allocation:** to provide access to a growing part of the global economy with favorable demographics through a meaningful asset class.



ETF shares may be bought or sold throughout the day at their market price, not their Net Asset Value (NAV), on the exchange on which they are listed. Shares of ETFs are tradable on secondary markets and may trade either at a premium or a discount to their NAV on the secondary market.

ETFs trade like stocks, fluctuate in market value and may trade at prices above or below the ETF's net asset value. Brokerage commissions and ETF expenses will reduce returns.

Investment return and principal value of security investments will fluctuate. The value at the time of redemption may be more or less than the original cost. Past performance is no guarantee of future results. Generally, as interest rates rise, the value of the securities held in the fund will decline. The opposite is true when interest rates decline.

Alpha is typically used to represent the value added or subtracted by active investment management strategies. It shows how an actively managed investment portfolio performed compared with the expected portfolio returns produced simply by benchmark volatility (beta) and market changes. A positive alpha shows that an investment manager has been able to capture more of the upside movement in the benchmark while softening the downswings. A negative alpha means that the manager's strategies have caught more benchmark downside than upside.

The lower rated securities in which the fund invests are subject to greater credit risk, default risk and liquidity risk.

International investing involves special risks, such as political instability and currency fluctuations.

AEMB is an actively managed ETF that does not seek to replicate the performance of a specified index. To determine whether to buy or sell a security, the portfolio managers consider, among other things, various fund requirements and standards, along with economic conditions, alternative investments, interest rates and various credit metrics. If the portfolio manager considerations are inaccurate or misapplied, the fund's performance may suffer.

**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](http://americancentury.com), contains this and other information about the fund, and should be read carefully before investing.**