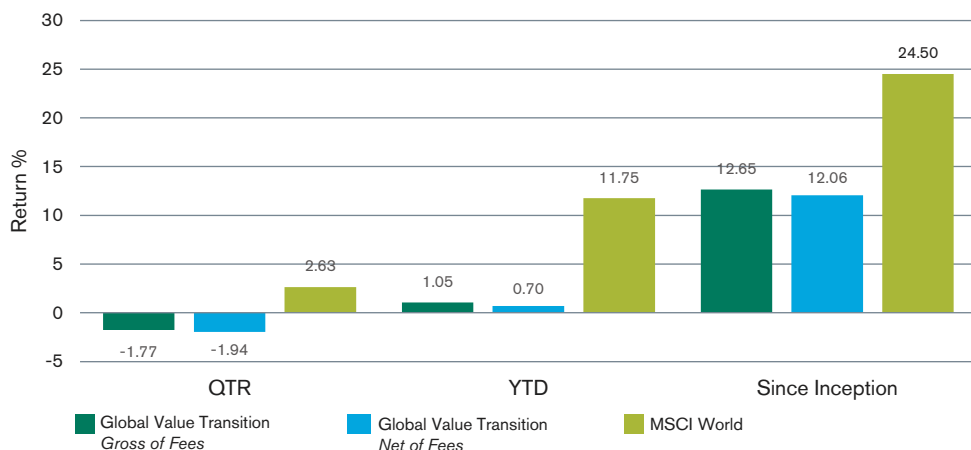


## Quarterly Review

### Composite Performance

Periods Ending June 30, 2024



Source: FactSet

Returns calculated in U.S. dollars. The value of investments can fluctuate. Data assumes reinvestment of dividends and capital gains. Data reflects past performance. Past performance does not guarantee future results.

Periods greater than one year have been annualized.

### At a Glance

**Inception:** October 1, 2023

**Benchmark:** MSCI World

**AUM:** \$1.64 million

### Portfolio Management Team

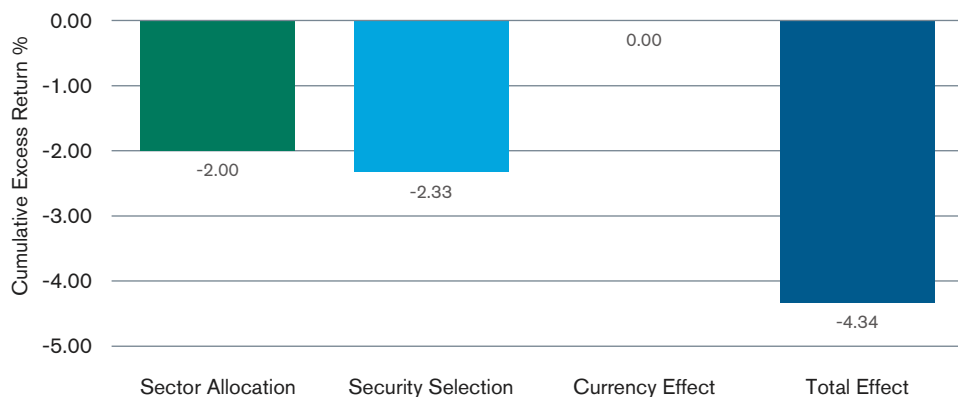
Name	Start Date	
	Industry	Firm
Michael Liss, CPA, CFA	1991	1998
David Byrns, CFA	2008	2014
Kevin Toney, CFA	1993	1999

### Quarterly Top Relative Contributors and Detractors

Contributor	(%)	Detractor	(%)
Unilever PLC	0.24	NVIDIA Corp	-1.20
Shell PLC	0.15	Apple Inc	-0.79
QUALCOMM Inc	0.14	Alphabet Inc	-0.47
Barry Callebaut AG	0.14	Medtronic PLC	-0.43
Roche Holding AG	0.12	CVS Health Corp	-0.38

### Attribution Analysis

Three Months Ending June 30, 2024



Source: FactSet

## Investment Philosophy

The strategy aims to invest in businesses that are improving their sustainability profile. We believe sustainability is critical to producing long-term outperformance. After we've identified a universe of high-quality businesses selling at a discount to fair value, we use our Improvement Pathway to select companies that are expected to show progress in sustainability factors specific to their sector or industry.

## Goal

We seek to outperform the MSCI World by more than 2%-3% annually over a full market cycle.

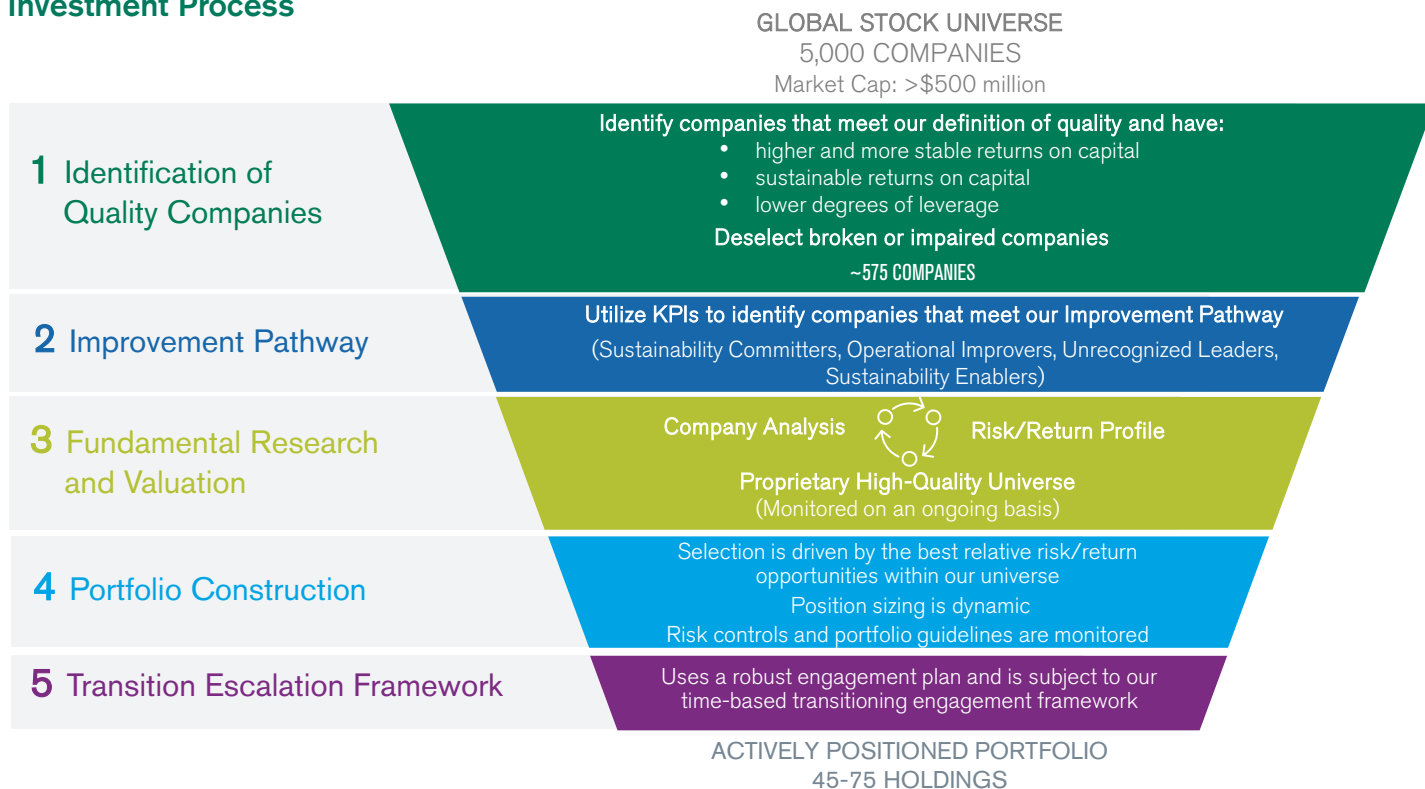
## Risk Guidelines

Sector allocation: +/- 10% relative to the MSCI World Value Index

Security allocation: +/- 7% relative to the MSCI World Value Index

Cash exposure: < 3%

## Investment Process



## Improvement Pathway

**Sustainability Committers**

Companies committed to actively enhancing the sustainability profile of their own or their customers' businesses through capital or operating investment.

**Operational Improvers**

Companies diligently addressing issues that are temporarily damaging their sustainability profiles.

**Unrecognized Leaders**

Companies that are sustainability leaders but do not receive proper credit for their leadership positions, often due to industry-specific overhang.

**Sustainability Enablers**

Companies whose products or services are indispensable to a sustainable economy, even if they are masked by the nature of their underlying business.

Quality company is subject to definition by the investment management team. Risk management does not imply low risk. The total return target is aspirational in nature and is not based on any criteria or assumptions. The target is not meant to reflect any projection or promise of performance. No guarantee or representation is being made that any account will or is likely to achieve the objectives or targets shown.

Many of American Century's investment strategies incorporate sustainability factors, using environmental, social, and/or governance (ESG) data, into their investment processes in addition to traditional financial analysis. However, when doing so, the portfolio managers may not consider sustainability-related factors with respect to every investment decision and, even when such factors are considered, they may conclude that other attributes of an investment outweigh sustainability factors when making decisions for the portfolio. The incorporation of sustainability factors may limit the investment opportunities available to a portfolio, and the portfolio may or may not outperform those investment strategies that do not incorporate sustainability factors. ESG data used by the portfolio managers often lacks standardization, consistency, and transparency, and for certain companies such data may not be available, complete, or accurate.

## Portfolio Characteristics

Characteristics	Portfolio	Benchmark
Weighted Average Market Capitalization	\$103.1 B	\$667.9 B
Median Market Capitalization	\$39.1 B	\$16.3 B
Price to Cash Flow Ratio, Historical 1-Year	8.3 x	14.0 x
P/E Ratio, Historical 1-Year	17.1 x	22.9 x
Price to Book Ratio	2.0 x	3.3 x
Dividend Yield	3.48%	1.77%
% in Cash and Cash Equivalents	2.0%	0.0%
Turnover, 1-Year	29%	2%
Number of Holdings	62	1430

Source: FactSet

Forecasts are not a reliable indicator of future performance.

## Top 10 Holdings

Holding	Country	Industry	Assets (%)
Johnson & Johnson	United States	Pharmaceuticals	3.84
Medtronic PLC	United States	Health Care Equipment & Supplies	3.66
Unilever PLC	United Kingdom	Personal Care Products	3.39
Shell PLC	United Kingdom	Oil, Gas & Consumable Fuels	2.87
Koninklijke Ahold Delhaize NV	Netherlands	Consumer Staples Distribution & Retail	2.87
Verizon Communications Inc	United States	Diversified Telecommunication Services	2.76
Edison International	United States	Electric Utilities	2.57
JPMorgan Chase & Co	United States	Banks	2.38
Conagra Brands Inc	United States	Food Products	2.28
Duke Energy Corp	United States	Electric Utilities	2.24
<b>Total</b>			<b>28.86%</b>

Source: FactSet

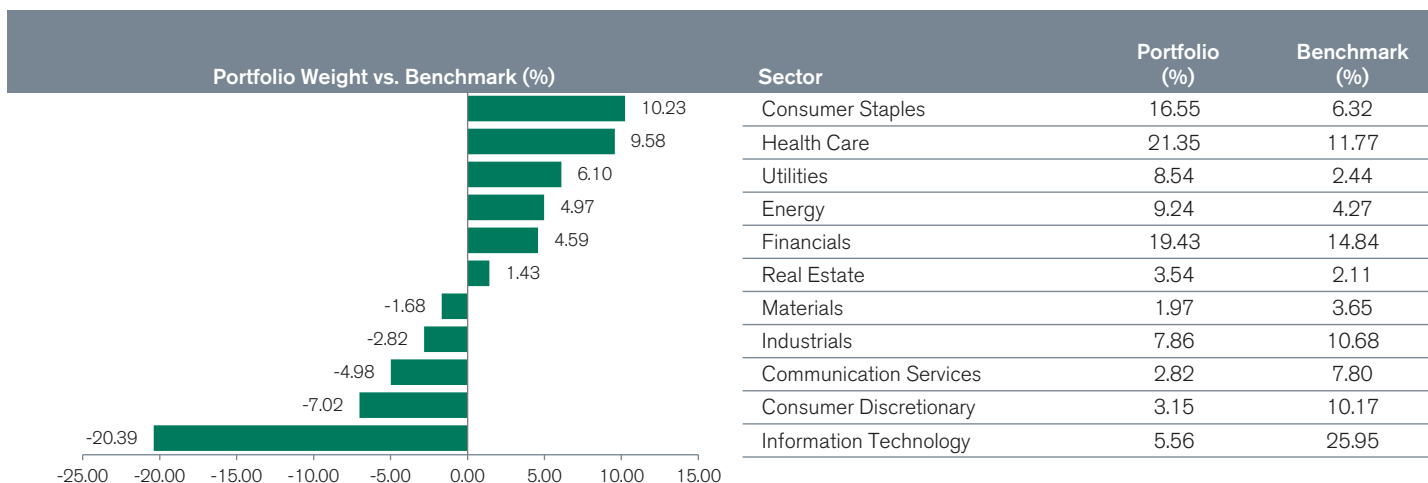
## Top 10 Overweights

Holding	Portfolio Weight (%)	Benchmark Weight (%)	Overweight (%)
Medtronic PLC	3.66	0.16	3.50
Johnson & Johnson	3.84	0.53	3.31
Unilever PLC	3.39	0.21	3.18
Koninklijke Ahold Delhaize NV	2.87	0.04	2.83
Edison International	2.57	0.04	2.53
Shell PLC	2.87	0.35	2.52
Verizon Communications Inc	2.76	0.26	2.50
Conagra Brands Inc	2.28	0.02	2.26
Duke Energy Corp	2.24	0.12	2.12
Public Storage/new	2.12	0.07	2.05

Source: FactSet

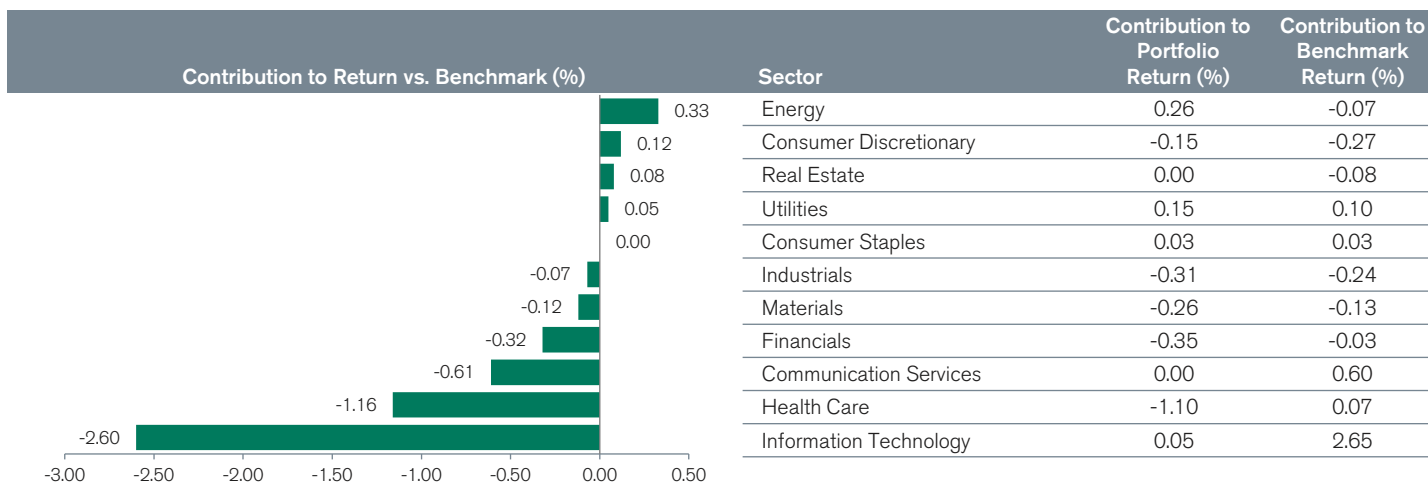
The holdings listed should not be considered recommendations to purchase or sell a particular security. Equity holdings are grouped to include common shares, depository receipts, rights and warrants issued by the same company. Portfolio holdings subject to change without notice.

### Sector Allocation



Source: FactSet

### Quarterly Sector Performance

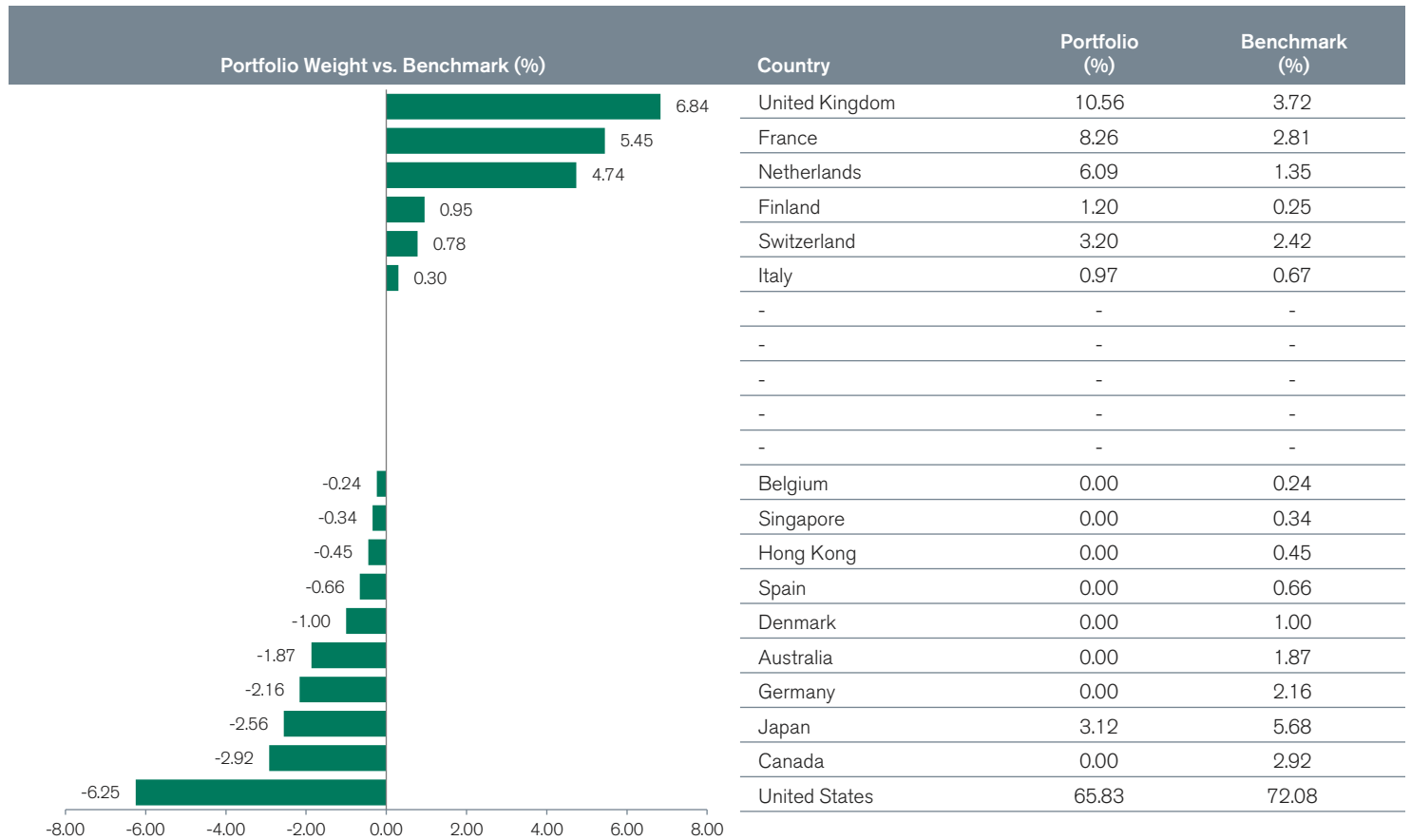


Source: FactSet

When shown, "Diversified" includes portfolio holdings that cannot be attributed to a specific GICS sector.

Past performance is no guarantee of future results.

### Country Allocation: Top 10 Over/Underweights



Source: FactSet

### Quarterly Top Relative Contributors and Detractors by Country

Contributor	(%)	Detractor	(%)
Switzerland	0.27	United States	-4.62
United Kingdom	0.26	Netherlands	-0.40
Japan	0.21	France	-0.23
Canada	0.15	Sweden	-0.06
Germany	0.09	Denmark	-0.05

Source: FactSet

## Quarterly Commentary

### Portfolio Review

**Global stocks mixed.** U.S. and emerging markets stocks advanced during the second quarter, while stocks in non-U.S. developed markets declined. Interest rates remained steady in the U.S. as inflation moderated slightly during the quarter, although investors remained hopeful for forthcoming rate cuts. Meanwhile, the European Central Bank cut rates for the first time in five years.

**Global large caps outperform.** Large-cap stocks in non-U.S. developed markets declined but outperformed small caps. Value stocks increased modestly and outperformed growth stocks among large caps, but growth stocks outperformed in the small-cap universe.

**Information technology pressured results.** The portfolio is significantly underweight in information technology, a sector that continued to advance on artificial intelligence hype. NVIDIA, which briefly became the world's most valuable company during the period, was an example of a company in the sector we did not own, which hurt performance.

**Health care lagged.** Stock choices in the health care sector weighed on performance as investors appeared to show concern about utilization rates, particularly in the health care equipment and supplies industry. Allocation among names in the health care providers and services industry also slowed performance.

**Consumer discretionary helped.** The portfolio's light relative exposure to consumer discretionary stocks helped as some data suggests the pace of consumer spending is slackening. Not owning several benchmark names across various industries, particularly the specialty retail industry that includes home improvement and beauty care companies, gave the portfolio a boost.

### Key Contributors

**Unilever.** Shares of this consumer goods company rose after Unilever released quarterly results that exceeded expectations. The company has increased its product sales volume, which seems to have helped investors gain comfort around the sustainability of Unilever's sales growth.

**Shell.** This energy company posted better-than-expected financial results and continued to aggressively return capital to shareholders in the form of dividend payments and share repurchases. In turn, its shares advanced.

**Qualcomm.** This information technology company delivered a strong quarter. Unlike other semiconductor companies, Qualcomm's automotive business continued to deliver solid growth. Going forward, Qualcomm may benefit from a strong automotive pipeline and potential recovery in its Internet of Things business.

### Key Detractors

**NVIDIA.** Lack of exposure to this information technology stock detracted from performance. NVIDIA's shares rose after it delivered a strong quarter, driven by significant growth in its data center business. We do not own the stock because, in our view, its risk/reward profile is unattractive.

**Apple.** Lack of exposure to this information technology company detracted from performance. Apple's shares advanced after its board authorized a share repurchase program. Shares also benefited from the launch of its artificial intelligence strategy and the introduction of generative AI features across its products.

**Alphabet.** Not owning this information technology company detracted from performance. Alphabet's shares advanced after it posted strong earnings, initiated a cash dividend program and announced a new share repurchase program. We do not own Alphabet because we believe its risk/reward profile is unattractive.

### Notable Trades

**Norfolk Southern.** We initiated a position in this railroad company because we believe an activist investor is pressuring management to improve its operations. Also, Norfolk Southern is underearning relative to peers, and we think its new COO may be able to close some of the margin gap.

**IMI.** We eliminated our position in this machinery company to fund other positions that we believe offer more favorable risk/reward profiles.

**Reliance Worldwide.** We exited our position in this manufacturer of plumbing fittings after its shares outperformed. The company reported strong financial results and benefited from improving demand for residential repair and remodeling.

### Positioning for the Future

This portfolio seeks to invest in companies on their sustainability journey. We look to invest in companies whose valuations do not reflect what we believe is their fair value and can demonstrate incremental progress toward improved sustainability in their operations, practices or governance.

**Sustainable companies may unlock value.** We believe sustainable companies can become more valuable. We believe investors willing to consider companies that have not completed their transition may realize opportunities that the market has overlooked by focusing on companies already known for being best in class.

**Opportunities in health care.** Our research has led us to several companies in the health care industry with attractive valuations that have opportunities to create additional value by improving their business from an operational or regulatory standpoint. We also anticipate that health care utilization will continue to normalize into the upcoming year after patients put off seeking medical procedures and services during and after the COVID-19 pandemic.

**Keen on utilities and energy.** The portfolio is overweight in energy because several companies in this sector have ample opportunities to transition to more sustainable practices. Also, energy companies in recent years have shown a greater tendency to return value to shareholders through dividends and share buybacks. Utilities, which often trade at attractive valuations, also have room to realize value by improving their sustainability while potentially benefiting from increased electricity demand from artificial intelligence.

**Navigating the financials sector.** The banking industry has remained in flux after a short-lived crisis in 2023 that resulted in the closure of four regional banks. That resulted in net interest income pressure from paying more for deposits, while loan growth has remained subdued. The insurance industry was battered by significant payouts from catastrophes last year, but we believe select companies in the industry may realize improved pricing from less regulatory pressure on rates.

**Few opportunities in consumer discretionary, information technology.** We remain underweight in the consumer discretionary sector because we have not identified many companies with durable business models that can withstand slowing global growth. We are significantly underweight relative to the benchmark in information technology because the recent artificial intelligence-related hype has driven equities to unattractive valuations.

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#### Sustainable Investing Definitions:

**Integrated:** An investment strategy that integrates sustainability-related factors aims to make investment decisions through the analysis of sustainability factors alongside other financial variables in an effort to make more informed investment decisions. A portfolio that incorporates sustainability factors may or may not outperform those investment strategies that do not incorporate sustainability factors. Portfolio managers have ultimate discretion in how sustainability factors may impact a portfolio's holdings, and depending on their analysis, investment decisions may not be affected by sustainability factors.

**Sustainability Focused:** A sustainability-focused investment strategy seeks to invest, under normal market conditions, in securities that meet certain sustainability-related criteria or standards in an effort to promote sustainable characteristics, in addition to seeking superior, long-term, risk-adjusted returns. Alternatively, or in addition to traditional financial analysis, the investment strategy may filter its investment universe by excluding certain securities, industry, or sectors based on sustainability factors and/or business activities that do not meet specific values or norms. A sustainability focus may limit the investment opportunities available to a portfolio. Therefore, the portfolio may underperform or perform differently than other portfolios that do not have a sustainability investment focus. Sustainability-focused investment strategies include but are not limited to exclusionary, positive screening, best-in-class, best-in-progress, thematic, and impact approaches.

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