SECOND QUARTER 2023

Intermediate-Term Tax-Free Bond Fund

Quarterly Commentary

Market Review

Intermediate-Term Tax-Free Bond outperformed the benchmark. The portfolio declined fractionally for the second quarter but outperformed its benchmark.

Munis declined slightly for the quarter. After advancing in the prior two quarters, the broad fixed-income market retreated in the second quarter but maintained year-to-date gains. Municipal bonds (munis) posted slightly negative returns but generally outperformed the slumping U.S. Treasury market.

U.S. economy beat forecasts. Data released in the period showed the economy grew at a 2% annualized pace in the first quarter, beating forecasts. Indicators were mixed in the second quarter. Manufacturing contracted and sank to a six-month low, while the services sector grew. The unemployment rate ended June slightly higher than it was in March, but consumer confidence rose to a four-month high.

Munis outpaced Treasuries. Muni and Treasury yields broadly rose, nearing pre-banking-crisis levels of the first quarter. The front end of the muni yield curve and the entire Treasury curve ended the second quarter inverted. Munis broadly outperformed Treasuries by 1.28%, according to Bloomberg. Revenue bonds outperformed general obligation (GO) bonds, and longer maturity bonds outperformed shorter maturity issues.

Outflows continued as quarterly supply improved. Investors continued to exit the asset class in the second quarter, and muni fund outflows totaled $5.4 billion. Meanwhile, muni issuance increased 28% versus the first quarter but declined 13% compared with the second quarter of 2022.

Credit remained resilient; revenues slowing. Muni credit fundamentals were generally healthy, with upgrades easily outpacing downgrades year to date, except in the health care, utilities and public power sectors. Meanwhile, states continued to contend with slowing revenue growth, largely due to lower tax receipts and waning support from pandemic-era government spending programs.

High-yield munis outperformed. High-yield munis advanced and outperformed their investment-grade counterparts in the second quarter. Credit spreads tightened in the quarter, more significantly among lower-rated securities.

Portfolio Performance Review

Security selection was a top contributor. Our investments in the special tax, corporate muni, local GO bond and water and sewer sectors drove the portfolio's outperformance. These choices more than offset negative selection results in the student housing and toll facility sectors.

Sector allocations aided relative results. Our out-of-benchmark allocations to the retirement community, corporate muni, hospital and student housing sectors lifted performance. These weightings more than offset negative results from underweights relative to the benchmark in the special tax and toll facilities sectors.

Duration positioning detracted. We continued to position the portfolio with a longer duration than the benchmark. This strategy weighed on relative performance as municipal bond yields rose.

Goal and Strategy

Total return and current income that is exempt from federal income taxes through investment-grade, intermediate-term municipal bonds.

Portfolio Management Team

	Start Date	
Name	Industry	Company
Joseph Gotelli	2001	2008
Alan Kruss	1997	1997

Positioning for the Future

Recession elusive but still likely. We expect the combination of elevated inflation, restrictive monetary policy and tighter lending conditions to eventually trigger a recession. The timing and depth of the downturn remain uncertain, though, largely due to the labor market, which has been surprisingly resilient. In our estimate, recession may emerge in late 2023 or early 2024.

Fed close to ending rate-hike campaign. While inflation has moderated from last year's multiyear highs, it remains above the Federal Reserve's (Fed's) comfort zone. It takes time for the full effects of Fed rate hikes to work through the economy, and we believe an economic slowdown is imminent. We expect additional tightening in the third quarter before the Fed definitively concludes its campaign.

States to reduce reserves. We expect state and local tax revenues to slow as the economy weakens, highlighting the importance of reserve balances. States broadly ended 2022 with $400 billion in reserves, or approximately 37% of their regular expenditures. Collectively, they expect to draw down reserves to 29% of expenditures in 2023, still providing a sufficient cushion, in our view.

Maintaining a quality bias. We are focusing on higher-quality issuers and sectors and stringent security selection amid slowing growth. With credit spreads likely to widen, in our view, we're waiting for better opportunities to boost credit exposure. We plan to maintain a neutral to slightly long duration stance and may extend duration once fair value returns to the middle portion of the yield curve.

Credit fundamentals remain durable. As the economy slows, we expect unspent federal recovery funds and solid reserve fund balances to steady credit fundamentals. However, overall trends have shifted. Year to date, S&P Global Ratings reported twice as many unfavorable outlook and credit watch changes as favorable. Meanwhile, we still believe investment-grade defaults will remain rare.

Intermediate-Term Tax-Free Bond Fund

TICKERS Investor Class: TWTIX | I Class: AXBIX | A Class: TWWOX | C Class: TWTCX

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	-0.09	2.17	-0.18	1.66	2.04	4.28	3/2/87	0.46
I	-0.04	2.38	-0.01	1.86	2.24	3.21	4/15/03	0.26
S&P Intermediate Term National AMT-Free Municipal Index	-0.32	2.91	-0.14	1.89	2.31	-	-	-

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.

Returns or yields for the fund would have been lower if a portion of the management fee had not been waived. Review the annual or semiannual report for the most current information.

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.

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

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.

Interest rate changes are among the most significant factors affecting bond return. When rates decline, bond prices rise and the fund may generate less income. When rates rise, bond prices fall. Depending on your tax situation, investment income may be subject to state and local taxes and the federal alternative minimum tax.

Investment returns are exempt from Federal taxes.

Investment income may be subject to certain state and local taxes and, depending on your tax status, the federal Alternative Minimum Tax (AMT). Capital Gains are not exempt from state and federal income tax.

There is no guarantee that the investment objectives will be met.

Fund shares are not guaranteed by the U.S. Government.

Even though the fund is designed to purchase assets exempt from federal taxes, there is no guarantee that all of the fund's income will be exempt from federal income tax or the federal alternative minimum tax (AMT). Specifically, the portfolio managers are permitted at any time to invest up to 20% of the fund's assets in debt securities with interest payments that are subject to federal income tax and/or federal AMT.

The S&P Intermediate Term National AMT-Free Municipal Bond Index includes all bonds in the National index that have an effective maturity of 1 month up to 20 years. Bonds issued by U.S. territories including Puerto Rico, are excluded from this index. The S&P Intermediate Term National AMT-Free Municipal Bond Index is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by American Century Investments. ©2023 S&P Dow Jones Indices LLC, a division of S&P Global. Inc., and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. For more information on any of S&P Dow Jones Indices LLC's indices please visit www.spdji.com. S&P® is a registered trademark of S&P Global and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third-party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third-party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

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Commentary Glossary

Adjustable-Rate Mortgages (ARMs): Mortgages in which the interest rate is adjusted periodically according to a specific index.

Agency Securities (Agencies): Debt securities issued by U.S. government agencies.

Agency MBS: Mortgage-backed securities issued by U.S. government agencies.

Alternative Minimum Tax (AMT): A parallel tax system that was created to keep high income individuals from avoiding taxes through various deductions and exemptions.

Asset-Backed Securities (ABS): A form of securitized debt backed by loan assets such as auto loans, student loans, and credit card debt.

Basis Points: Used to express percentage values that are carried out to two decimal places. One basis point equals 0.01%.

Breakeven Rate: Yield difference between nominal Treasury notes and TIPS; indicates the market's expectations for inflation.

Carry-Oriented Currencies: Higher-yielding currencies of countries where interest rates are generally higher than those of countries with lower-yielding currencies. These higher-yielding currencies are targeted for "carry trades," where investors borrow money in a low-interest rate currency and invest in a higher yielding currency, potentially profiting from the difference in interest rates.

Collateralized Loan Obligations (CLOs): A form of securitized debt, typically backed by pools of corporate loans and their payments.

Collateralized Mortgage Obligations (CMOs): A form of structured, securitized debt derived from mortgage-backed securities, typically backed by pools of residential mortgages and their payments.

Commercial Mortgage-Backed Securities (CMBS): Securities representing ownership in pools of commercial real estate loans used to finance the construction and improvement of income-producing properties such as hotels, shopping centers, and office buildings.

Commercial Paper: Short-term debt issued by corporations to raise cash and to cover current expenses in anticipation of future revenues.

Commodity: Basic raw materials such as precious metals and natural resources.

Consumer Price Index (CPI): Published by the U.S. government, CPI is the most commonly used statistic to measure inflation in the U.S. economy.

Contribution to Duration (CTD): A measure of bond portfolio risk that reflects a bond sector's contribution to the overall duration of the portfolio.

Corporate Debt: Debt instruments issued by private corporations.

Covered Bonds: Debt securities backed by cash flows from pools of mortgages or public sector loans. The asset pools help secure or "cover" these bonds if the originating financial institution becomes insolvent.

Coupon Interest Rate: The interest rate that is assigned to an interest-paying fixed income security when it is issued.

Credit Analysis: An analysis of the financial strength of the issuer of a security, and the ability of that issuer to provide timely payment of interest and principal.

Credit Default Swap: Credit derivative contracts between two counterparties that can be used to hedge credit risk or speculate on the changes in the credit quality of a corporation or government entity.

Credit Quality: Measures (usually in terms of high or low) the ability of issuers of debt securities to make timely interest and principal payments.

Credit Risk: The risk that the inability of the issuers of debt securities to make payments will cause these securities to decline in value.

Glossary Sources: American Century Investments, Bloomberg Indices.

Currency Overlay: A financial trading strategy used to separate the management of currency risk from other portfolio strategies. A currency overlay manager can seek to hedge the risk from adverse movements in exchange rates, and/or attempt to profit from tactical currency views.

Debt Service: The amount of money required within a given period to keep current on required/scheduled repayments of outstanding debt, including interest and principal.

Deflation: A decline in prices for goods, assets and services.

Derivatives: Securities whose performance and/or structure is derived from the performance and/or structure of other assets, interest rates or indexes.

Duration: A measure of the price sensitivity of a fixed income investment to changes in interest rates. The longer the duration, expressed in years, the more a fixed income investment's price will change when interest rates change.

Emerging Markets (EM) Debt: Debt issued by countries whose economies are considered to be developing or emerging from underdevelopment.

Excess Return: The return of an investment portfolio minus the return of what is considered to be a relatively risk-free asset, such as a U.S. Treasury bill.

Exchange-Traded Fund (ETF): Represents a group of securities but is traded on an exchange like an individual stock.

Federal Funds Rate: An overnight interest rate banks charge each other for loans.

Federal Open Market Committee (FOMC): The committee that sets interest rate and credit policies for the Federal Reserve System, the U.S. central bank.

Federal Reserve (Fed): The U.S. central bank, responsible for monetary policies affecting the U.S. financial system and the economy.

Fundamental Factors: Economic or financial data used in determining asset value.

Futures Contracts (Futures): Agreements to buy or sell a specific amount of a commodity or financial instrument at a particular price on a stipulated future date.

General Obligation (GO) Bonds: Municipal bonds that are secured by the full faith and credit of the issuer, including its taxing power.

Gross Domestic Product (GDP): A measure of the total economic output in goods and services for an economy.

Government-Sponsored Enterprises (GSEs): Privately owned corporations created by Congress to provide funding and help to reduce the cost of capital for certain borrowing sectors of the economy such as homeowners, students and farmers.

Headline Risk: Refers to the risk that a negative news media headline about one security issuer, incident or sector could affect the demand for and pricing of a much wider swath of securities.

Hedge: An investment designed to reduce the risk of an adverse price move in another investment. Often a hedge consists of taking an offsetting position in a related investment, such as a futures contract.

High-Yield (HY) Debt: Fixed income securities with lower credit quality and lower credit ratings. High-yield securities are rated below BBB-.

Hybrid Adjustable-Rate Mortgages (ARMs): Combine the characteristics of fixed-rate and adjustable-rate mortgages, with rates remaining fixed for a set period of time and then adjusting periodically according to a specific index.

Inflation: An economic condition of rising prices for goods, services and assets, or equivalently, a declining value of money. Core inflation excludes food and energy prices, which tend to be volatile. It is the opposite of Deflation.

Inflation-Indexed Securities: Debt securities that offer returns adjusted for inflation. Typically, the principal of inflation-indexed securities is indexed to a widely used inflation measure and adjusted accordingly. Interest payments can be adjusted as well.

Interest Rate Risk: The risk that a fixed income investment's value will change due to changes in interest rates.

Investment-Grade (IG) Debt: Fixed income securities with relatively high credit quality and credit ratings in the upper ranges of those provided by credit rating services. Using Standard & Poor's ratings as the benchmark, investment-grade securities are those rated BBB- or higher.

Leverage: The use of financial instruments and/or borrowed capital to increase potential returns or to increase purchasing power.

Long Position: Typical ownership of an asset or investment that gives the owner the right to transfer ownership, the right to any income generated by the asset, and the right to any profits or losses due to value changes.

Long/Short Position: A "market neutral" investing strategy that involves taking long positions in assets that are expected to increase in value and short positions in assets that are expected to decrease in value.

Master Limited Partnerships (MLPs): Publicly traded, generally higher-yielding securities of enterprises that engage in certain businesses, usually pertaining to the use of natural resources.

MSCI ACWI (All Country World Index): A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets.

Municipal Securities: Debt securities typically issued by or on behalf of U.S. state and local governments, their agencies or authorities to raise money for a variety of public purposes, including financing for state and local governments as well as financing for specific projects and public facilities.

Nominal Yield: The interest rate to par value that the bond issuer promises to pay bond purchasers.

Non-Agency Mortgage-Backed Securities (MBS): MBS are groups of home mortgages that are sold by the issuing banks and then packaged together into "pools" and sold as a single security. Non-agency MBS are issued by private entities, such as financial institutions.

Mortgage-Backed Securities (MBS): A form of securitized debt that represents ownership in pools of mortgage loans and their payments.

Personal Consumption Expenditures (PCE): This price deflator which comes from the Bureau of Economic Analysis' quarterly report on U.S. gross domestic product is based on a survey of businesses and is intended to capture the price changes in all final goods, no matter the purchaser. Because of its broader scope and certain differences in the methodology used to calculate the PCE price index, the Federal Reserve holds the PCE deflator as its preferred, consistent measure of inflation over time.

Quantitative Easing (QE): A form of monetary policy used by central banks to stimulate economic growth by purchasing domestic government securities to increase the domestic money supply, lower interest rates and encourage investors to make investments in riskier assets such as stocks and high-yield securities.

Real Estate Investment Trusts (REITs): Securities that trade like stocks and invest in real estate through properties or mortgages.

Real Yield: A yield that has been adjusted to remove the effects of inflation.

Revenue Bonds: Municipal bonds that are secured by the net revenues from the project or facility being financed.

S&P 500 Index: The S&P 500® Index is composed of 500 selected common stocks most of which are listed on the New York Stock Exchange. It is not an investment product available for purchase.

Secondary Market: A market where investors make purchases from other investors, rather than from the initial issuers.

Securitized Debt: Debt resulting from aggregating debt instruments into a pool of similar debts, then issuing new securities backed by the pool. ABS, MBS, and CMOs are common forms of securitized debt.

Short Position: Refers to the sale of an asset borrowed, not owned, by the seller in anticipation of a price decline. If the seller can buy the asset later (to return what was borrowed) at a lower price, a profit results. If the price rises, the borrower/seller suffers a loss.

Sovereign Debt: A country's government-issued debt, priced in its native currency, which can be sold to investors in other countries.

Spreads, Maturity Spreads, Credit Spreads: Measured differences between two interest rates or yields that are being compared with each other. Spreads typically are measured between fixed income securities of the same credit quality, but different maturities (maturity spreads), or of the same maturity, but different credit quality (credit spreads).

Spread Sectors: Non-Treasury debt sectors with securities that usually trade at higher yields than comparable-maturity U.S. Treasury securities. These sectors typically trade at higher yields than Treasuries because they usually have relatively higher credit risk and/or more risk of prepayment.

Spread Widening, Tightening: Changes in spreads that reflect changes in relative value, with spread widening usually indicating relative price depreciation and spread tightening indicating relative price appreciation.

Swaps: Two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments.

Treasury Inflation-Protected Securities (TIPS): Inflation-linked debt securities issued by the U.S. Treasury.

Technical Factors: Market price behavior, trends, volume, and momentum data used in determining asset value.

Variable-Rate Demand Notes (VRDNs): Short-term debt securities that track market interest rates using periodic (daily, weekly, monthly, or quarterly) interest rate adjustments.

Weighted Average Life to Maturity: The average time in years to receive the principal repayments.

Yield: A rate of return for bonds and other fixed-income securities. There are several types of yields and yield calculations.

Yield Curve: A line graph showing the yields of fixed income securities from a single sector from a range of different maturities at a single point in time.

Yield to Maturity: A common performance calculation for fixed income securities, which takes into account total annual interest payments, the purchase price, the redemption value, and the amount of time remaining until maturity.

Real Yield to Maturity: Yield to maturity minus any "inflation premium" that had been added/priced in.

Zero-Coupon Securities: Debt securities that are sold at a deep discount then redeemed for their full face value at maturity.

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