

# Mid Cap Growth Impact ETF

## 2024

### IMPACT REPORT

#### **This ETF is different from traditional ETFs.**

Traditional ETFs tell the public what assets they hold each day. This ETF will not. **This may create additional risks for your investment. For example:**

- You may have to pay more money to trade the ETF's shares. This ETF will provide less information to traders, who tend to charge more for trades when they have less information.
- The price you pay to buy ETF shares on an exchange may not match the value of the ETF's portfolio. The same is true when you sell shares. These price differences may be greater for this ETF compared to other ETFs because it provides less information to traders.
- These additional risks may be even greater in bad or uncertain market conditions.
- This ETF will publish on its website each day a "Proxy Portfolio" designed to help trading in shares of the ETF. While the Proxy Portfolio includes some of the ETF's holdings, it is not the ETF's actual portfolio.

The differences between this ETF and other ETFs may also have advantages. By keeping certain information about the ETF secret, this ETF may face less risk that other traders can predict or copy its investment strategy. This may improve the ETF's performance. If other traders are able to copy or predict the ETF's investment strategy, however, this may hurt the ETF's performance.

For additional information regarding the unique attributes and risks of this ETF, see the additional risk discussion at the end of this material.



We remain fully committed to offering clients an investment strategy in growing mid-sized companies that combine innovation with execution to tackle the world's most pressing problems and positively impact the economy and our communities.

**Rob Brookby**

Senior Portfolio Manager

**Nalin Yogasundram**

Portfolio Manager





# Letter to Shareholders

We are pleased to share our fourth annual Mid Cap Growth Impact ETF Impact Report. The past year once again reminded us of the many challenges underway on our planet. Those challenges include cost of living strains in many regions of our world, more evidence of climate change shaping economic outcomes (witness rapidly rising insurance costs), and an aging population with rising health and wellness demands. These are but a few examples of the forces increasingly confronting communities and economic paradigms across the globe. Business leaders have responded by advancing remarkable innovation, scientific and engineering breakthroughs, and quality-of-life enhancing products that we believe produce attractive economic results under a time tested "problems and solutions" framework.

Critically, our impact purpose is about creating value for clients, not imposing values. We seek strong businesses pursuing growth from the perspective that a company offering attractive solutions to global problems can produce outstanding investment performance. We simply believe that identifying problems and challenges upfront is a good place to start for identifying companies that grow by offering compelling products and services as solutions. We reframe those solutions as our "growth themes" and analyze them for alignment to one or more of the United Nations Sustainable Development Goals (U.N. SDGs)\*. This becomes our guiding work-flow for assessing a company's impact. In this report you will find examples highlighting unique businesses contributing to these goals.

Our philosophy is that our investment decisions can offer compelling financial returns and make the world a better place. We are convinced those goals need not be mutually exclusive. We believe change and challenge can bring meaningful purpose to human lives and often are the engines powering growing businesses. There is no gray area here. Our mission is the straightforward achievement of long-term outperformance by investing in innovative companies at the nexus of purpose and profit. It's our job to find them for you, our shareholders.

If we zoom out, providing impactful investment solutions is innate to American Century Investments' corporate sustainability. By distributing more than 40% of our dividends to the Stowers Institute for Medical Research, we ultimately enable our clients to directly support breakthrough medical research and contribute to the global fight against gene-based diseases. These solutions are how our firm and clients together become a powerful force for positive impact—both through our investment portfolios and American Century's long-term purpose.

Thank you for joining us as we invest together in problem-solving companies that challenge the status quo, drive industry change and help lead us to a brighter future.

**Rob Brookby**  
Senior Portfolio Manager

**Nalin Yogasundram**  
Portfolio Manager

4 HOW WE INVEST  
FOR IMPACT

8 IMPACT  
RESULTS

19 STEWARDSHIP

24 MEET OUR  
PEOPLE

26 EVERY CLIENT  
MAKES AN IMPACT

\* Developed by a global team of industry and government leaders and adopted by all 193 U.N. member states, the SDGs include 17 goals and 169 attendant targets aimed at solving some of the world's most pressing problems by 2030. The goals include eradicating poverty, protecting environmental resources, and achieving gender and income equality.

## HOW WE INVEST FOR IMPACT

Businesses with the resources and expertise to innovate and provide creative solutions to environmental and social issues can help bring about positive systemic change. By investing in these companies, we, too, can play a role in transformation.

## Accepting the Challenge

### Innovation Accelerates Impact

Delivering a sustainable and prosperous society for all demands committed collaboration among diverse stakeholder groups. The U.N. SDGs helps bring our challenges into focus. Launched in 2015, the 17 SDGs relate to areas where significant progress aligns with a more sustainable and prosperous planet.

We seek to invest in these areas as the U.N. estimates a staggering \$5 trillion to \$7 trillion annually is needed to attain the 17 SDGs. These goals are outlined in its 2015 publication, "Transforming Our World: The 2030 Agenda for Sustainable Development."

Achieving these global goals requires governments' human, technical and financial resources at all levels, and those of public and private businesses.

Innovation harnesses human ingenuity in a capital-efficient way to address these societal demands head-on. Small and midsize companies are attracting talent across various industries, from technology to energy. They combine them with advances in research and development to both disrupt and bridge old-world industries toward a more sustainable future.

Innovation is often fostered and nurtured at mid-sized companies, where risk-taking often is ingrained in the organizational culture. Innovation can also be a powerful force in mid-sized companies as they mature. We believe mid-cap companies with durable business models at the foothills of impactful investment themes will help the world attain SDG goals while generating sustainable revenue and earnings growth.






















# We Believe Change Is Possible

The U.N. SDGs are broad goals that affect businesses, investors, governments, nonprofits and policymakers. It's our view that investors make the best contributions to these goals by focusing on areas in which their investment dollars can add meaningful value.

Through our mapping, investors can see how each security in the fund links to one or more SDGs and are part of the global effort for a sustainable future.

Investment analysts use industry recognized taxonomy frameworks to align each investee company with one or more SDGs. The process culminates in an impact thesis for each company that identifies current or projected SDG alignment in combination with the company's fundamental growth profile.

<b>HEALTH CARE</b>	Provide access to affordable health care, medical innovation, and more productive and efficient equipment, services and software	
<b>SUSTAINABLE LIVING</b>	Achieve harmony with ecosystems, accelerate the circular economy transition and provide access to a better quality of life, food security, efficient energy and transportation options and basic services	     
<b>TECHNOLOGICAL ADVANCEMENT</b>	Develop paradigm-breaking technological innovation that could transform the global economy and improve society	 
<b>EMPOWERMENT</b>	Enable equitable growth by democratizing the technological advances and human ingenuity to empower billions of people and millions of small businesses	    
<b>CLIMATE</b>	Drive positive environmental impact from biodiversity loss prevention to climate change mitigation to the transition toward a lower-carbon energy system	    

The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.” Please visit the [United Nations Sustainable Development Goals website](https://www.un.org/sustainabledevelopment/).

# Impact Generation Framework

We believe an asset manager can offer both dedication to investment performance and an opportunity to impact the world positively. In our view, companies with enduring growth backed by impactful thematic drivers have the potential to outperform as they may compound shareholder value over long periods.

As these companies attain their fundamental growth objectives, they also tend to create meaningful social change. When we find companies that embody these characteristics, we consider them for our Mid Cap Growth Impact ETF.

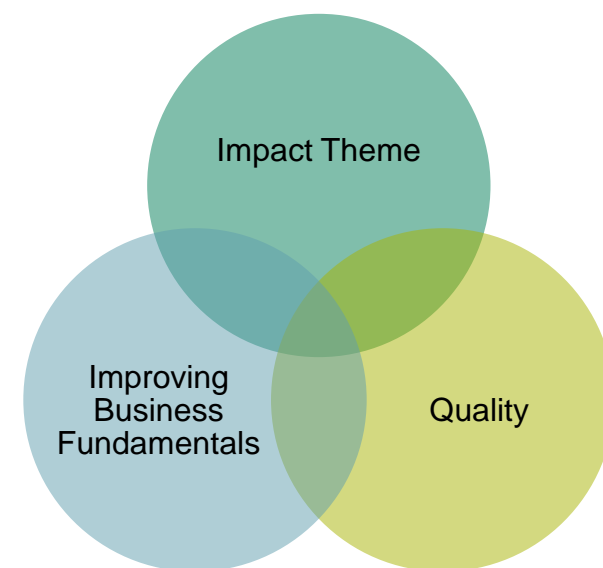
## Our Core Philosophical Tenets

- Deploy a thematic approach focused on identifying durable growth themes driving positive social change. Investment candidates must exhibit projected revenue stream alignment with one or more SDGs underpinning the themes. Using a proprietary sustainability quantitative scoring system, we evaluate each company to help identify and manage any potential risks to impact.
- Recognize that critical events or inflection points that result in business improvement can help indicate a shift in fundamentals (i.e., competitive advantages, business models, management changes, corporate governance).
- Focus on high-quality companies, which we define as businesses with durable franchises and strong management teams, leading products or what we believe to be superior business models.

To ensure proper SDG alignment, our portfolio managers reference industry recognized taxonomies to help determine whether a company addresses one or more of the SDGs. Our analysts may also utilize various resources, including mapping tools and direct company engagement, to further validate SDG alignment.

Our process culminates in an impact thesis for each company that explains current or projected SDG alignment in combination with the company's fundamental growth profile.

Our goal is to invest in companies that not only generate a financial return but also fuel societal change by contributing to the U.N. SDGs.



# Impact Thesis

Businesses with the resources and expertise to innovate and provide creative solutions to environmental and social issues can help bring about positive systemic change. By investing in these companies, we, too, can play a role in social transformation.

## Investment Thesis



### IDEA GENERATION AND FUNDAMENTAL ANALYSIS

- Identify durable growth companies tied to sustainability themes and at an inflection point in their business.
- Assess sustainability risks and opportunities
- Validate the company's SDG exposure

## Measuring Impact by Applying the Theory of Change\*



### INPUT

Identify company resources used to achieve impact



### OUTPUT

Identify products or services that lead to impact



### OUTCOME

Articulate or quantify impact enablers



### IMPACT

Measure actual or projected contribution to SDGs

Measuring impact continues to be a challenge. Mid-cap companies may limit sustainability disclosure. This challenge offers an opportunity for investors to conduct extensive impact research and pursue active engagement with companies. As part of our focus on continuous improvement, we will continue to review our impact approach against industry standards and best practices to ensure alignment with our processes. We will also continue to work with our investee companies to improve the availability and quality of their reporting.

\*The Theory of Change is a methodology for impact evaluation under IRIS+, a generally accepted system for impact investors to measure, manage and optimize impact.

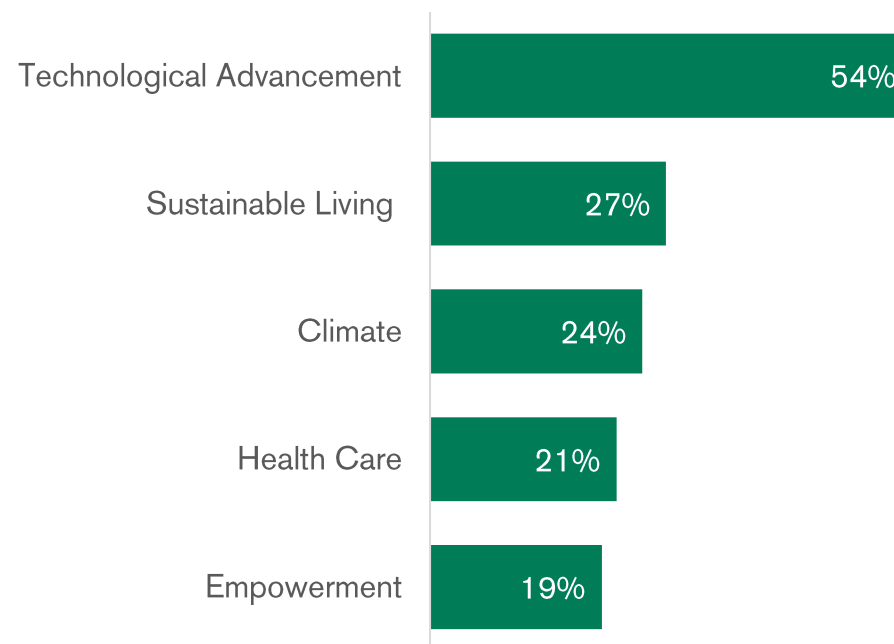


# Total Portfolio Impact

By investing with the intention of helping advance the SDGs, our investors have played a critical role in creating a more inclusive society. Many of the portfolio holdings impact more than one SDG, so numbers will add up to more than 100%.

## How the Portfolio Impacts Each Theme

Based on portfolio allocation to each company and its primary themes



Data as of 6/30/2024  
Source: American Century Investments, FactSet

## IMPACT RESULTS

We believe companies have the potential to generate a financial return and fuel positive societal change.



## HEALTH CARE

### THESIS

Good health is key to leading a happy and productive life. Per U.N. SDG 3—ensuring healthy lives and well-being—we have identified four health care themes that can benefit diverse global populations:

- New or innovative treatments for diseases, including cancer.
- More productive medical equipment, services and software.
- Greater access to medicine and health care services.
- New solutions for lowering health care costs.

Health care is a natural area of investment focus for American Century Investments since 40% of our profits fund life-changing medical research.

### CRITICAL CHALLENGES

- 7.1 million youth died globally of preventable disease in 2023.<sup>1</sup>
- About 4.5 billion people, more than half of the global population, were not fully covered by essential health services while more than 1 billion people experienced “catastrophic out-of-pocket health spending”.<sup>2</sup>
- Nearly 150 million people have been pushed into extreme poverty due to health expenses, and 800 million people spend at least 10% of their household budgets on health-related costs.<sup>3</sup>

## Natera

Natera is a diagnostic testing company that offers genetic testing solutions for oncology, reproductive health, and organ health.

Since 2013, Natera has spent more than \$1 billion on the research and development of its diagnostic tests for reproductive health, organ health, and various oncology applications.

The company has developed powerful diagnostic tools, including an oncology solution that detects residual cancers over eight months earlier than traditional methods, a prenatal test for common chromosomal conditions, and a tool to assess rejection risk in kidney transplant patients.

The company states that Signatera™ is reimbursed by Medicare in a wide range of indications and approximately 2 million people per year are diagnosed in these indications. This testing is likely to improve health outcomes and provide valuable peace of mind for this vulnerable population.

Natera promotes good health and well-being through access to powerful diagnostic tools that help people better understand and manage their health.



### COMPANY

### INPUT

### OUTPUT

### OUTCOME

### IMPACT

## DexCom, Inc.

Dexcom designs, develops and sells continuous glucose monitors (CGMs) that help patients better manage their diabetes.

Dexcom has 9,600 global employees and has spent nearly \$3 billion on research and development since 2010.

CGMs provide around-the-clock monitoring of glucose levels, removing the need for traditional fingerstick solutions.

Dexcom's new launch of the G7 wearable sensor/transmitter is 60% smaller than the G6 device. The G7 is also cheaper to manufacture, making the technology more affordable and broadening access to additional populations, such as pregnant women, hospital patients and prediabetics.

Approximately 2.3 million people globally use Dexcom CGM to manage their diabetes as of YE23. Dexcom maintains a class-leading Net Promoter Score®, a customer loyalty metric commonly associated with future business growth.

Dexcom's CGM technology is helping patients and payers realize better health outcomes and lower medical costs through lower A1c levels, lower BMIs, fewer ER and primary care visits, and less demand for lab tests.

Dexcom provides tools for people with diabetes to improve their health and well-being by improving the efficiency of diabetes management.



Portfolio holdings are subject to change.  
Sources: American Century Investments, company reports.





# SUSTAINABLE LIVING

## THESIS

We believe the key to sustainable living is attaining growth and development while responsibly improving quality of life. This theme seeks to find ways to replace existing and outdated systems with more environmentally friendly, efficient and cost-effective alternatives.

- Electric vehicles, power-storing infrastructure and pooling services.
- Efficient and more resilient infrastructure that enables a better quality of life.
- Smarter, sustainable materials that reduce the carbon footprint of existing systems.
- Increased recycling of products to reduce waste and energy usage.

## CRITICAL CHALLENGES

- Direct and indirect greenhouse gas emissions from transportation accounted for 29% of total U.S. greenhouse gas emissions.<sup>4</sup>
- At this pace, we will need three planet earths' worth of resources to meet our needs by 2050.<sup>5</sup>
- About one-fifth of all food produced for human consumption is lost or wasted annually, costing \$1 trillion.<sup>6</sup>
- Estimates show that only 9% of plastic waste is recycled.<sup>7</sup>

## Element Solutions Inc.

ESI provides a broad range of chemical technology that enhances the performance of products people use every day.

The company has approximately 5,300 employees of which nearly 40% are research and development chemists or experienced technical service and technical sales personnel. ESI operates in more than 50 countries.

In 2023, ESI spent \$68 million R&D, (up from \$49M the year before) with a growing portion dedicated to developing innovative, environmentally friendly solutions.

Net sales related to sustainable products in 2023 totaled more than \$720million (31% of net sales vs 28% the year prior). Sales from products designed for use-phase efficiency came to \$330 million., up from \$260M in 2022

Removing hazardous chemicals in new products or products in which they are currently used through green chemistry while retaining the functionality of incumbent processes..

ESI's Agromax silver sinter can improve semiconductor efficiency by 40% and drastically lower inverter weight in electric vehicle operations.

ESI's oceanic hydraulic fluids are 100% biodegradable in seawater within 28 days.

Its circuit board solutions use processes that help reduce hazardous materials while reducing water consumption by 76%, waste generation by 69% and power consumption by 57%.

ESI reduces hazardous chemical use and improves environmental impact by displacing inferior solutions with innovation that enables its customers to reduce waste generation and optimize their energy use.



### COMPANY

### INPUT

### OUTPUT

### OUTCOME

### IMPACT

## Jacobs Solutions

Jacobs is professional services firm offering consultancy and advisory services across a broad range of domains including: infrastructure, national security, energy & environment, life sciences, space, and advanced manufacturing.

Jacobs, with around 60,000 employees, offers comprehensive professional services for both government and private sectors.

"Plan Beyond 2.0" is their updated business model focused on sustainability, social, and economic progress, aiming to protect the environment, improve resilience, be the employer of choice, and a trusted solutions provider.

Net sales related to activities aligned with UN SDG's was estimated by Jacobs in FY2023 to be \$9.8B or approximately 60% of total sales.

Recognition by Environment Analyst as one of four consultancies—of the 50 assessed—to achieve the top five-star rating across the net zero journey and ESG impact leadership metrics.

Engineering news-Record ranked Jacobs #1 in its 2024 Top 50 Program Management Firms benchmarking study.

Jacobs was awarded an extension as program management consultant for the DDOT DC Streetcar, an electric fleet launched five years ago to expand transit service in the nation's capital.

They were also selected as Program Manager for ARCHES, a public-private partnership establishing a statewide clean hydrogen hub in California, one of seven national hubs recently funded by the U.S. DOE.

A purpose-led company with solutions for addressing water scarcity and biodiversity loss; transitioning to clean energy sources; decarbonizing transportation; building long-term resilience into critical infrastructure assets; and improving the health and wellbeing of individuals and communities.



Portfolio holdings are subject to change.  
Sources: American Century Investments, company reports.





# TECHNOLOGICAL ADVANCEMENT

## THESIS

We believe technological innovation is the backbone of economic growth and a critical element for achieving several U.N. SDGs. This theme lays the groundwork for many other themes by leveraging innovative technologies to rethink or replace aging, outdated infrastructure. The ability to commercialize these solutions has the potential to impact society in a meaningful way.

- Commercialize innovative technologies to enable electric vehicles and reduce battery costs.
- Leverage smarter materials and efficient equipment to reduce building and construction carbon footprint.
- Enable more power efficient computing technology such that the benefits of data centers and automobiles can be realized without impacting the environment further.
- Deliver faster and cheaper communications to democratize the broad technological impact ranging from finance to education.

## CRITICAL CHALLENGES

- To ensure access to energy for all by 2030, we must accelerate electrification, increase investments in renewables and improve energy efficiency.<sup>8</sup>
- More than 33% of the world's population lacks regular access to the internet.<sup>9</sup>
- 745 million people globally lack access to electricity.<sup>10</sup>
- The global average cost of a data breach increased 10% over the previous year, reaching \$4.88 million, the biggest jump since the pandemic.<sup>11</sup>



Vertiv Holdings

<p>As Architects of Continuity™, Vertiv solves the most important challenges facing today's data centers, communication networks and commercial and industrial facilities with a portfolio of power, cooling and IT infrastructure solutions and services.</p> <p>Vertiv employs nearly 20,000 people and does business in more than 130 countries.</p>	<p>Vertiv provides top-tier uninterruptible power supplies, liquid cooling solutions, and energy storage systems, supported by a 3,500-strong field service workforce.</p> <p>Their Liebert cooling solutions lead in data centers managing variable loads and temperatures, particularly due to AI semiconductors.</p>	<p>With demand for AI growing rapidly across the world, Vertiv is providing infrastructure products, systems and services that enable customers to advance their AI initiatives with high performance and a lower environmental impact.</p> <p>Vertiv 360AI solutions are designed to accelerate AI adoption through pre-engineered infrastructure solutions, digitized management, and end-to-end service, resulting in up to two times faster deployment compared with typical infrastructure installation.</p>	<p>Easily put IT infrastructure where you need it with the Vertiv™ VRC-S. This pre-integrated, enclosed micro data center is designed to be up and running at an edge application in days.</p> <p>In high-density data centers, liquid cooling improves the energy efficiency of IT and facility systems compared to air cooling. Vertiv expects that the introduction of liquid cooling can lead to at least a 10% reduction in total data center power and a more than 15% improvements in Total Usage Effectiveness.</p>	<p>Unreliable power is the leading cause of outage incidents, affecting sectors like finance and healthcare. In 2023, over half of typical survey respondents report that major interruptions cost over \$100,000 and over 15% exceeding \$1 million.</p> <p>Strategic use of Vertiv's high-density backup power helps to sustain operational stability and resilience, especially as demand for high-performance computing grows.</p>
COMPANY	INPUT	OUTPUT	OUTCOME	IMPACT



Monolithic Power Systems

<p>Monolithic Power (MPS) makes chips that lower power consumption in devices ranging from data centers to cars. It enables the adoption of innovative technology at a lower carbon footprint.</p>	<p>MPS employs 3,500 globally across 15 countries with 41% of employees globally being women and 69% minority workforce in the US. Turnover for female employees is now at 5% vs. 15% last year.</p> <p>MPS stated company mission is to increase power efficiency by 10%-20% every generation.</p>	<p>MPS innovation allows power devices to be denser and provide the same or more benefits with lower power consumption. MPS technology has become crucial for ever-growing technology products to lessen their carbon footprints.</p> <p>In data centers, MPS power supply devices can help reduce overall power consumption by 17%. MPS is crucial in enabling power-efficient growth in AI systems addressing unsolved per-rack power issues.</p>	<p>MPS products to Data Center and Auto markets are now 34% of the company, up from 31% of the mix in 2023.</p> <p>These products are also the fastest growing and with 100% share of the Artificial Intelligence workloads in design today, MPS products will be a key enabler of AI with a lower carbon footprint.</p>	<p>MPS enables the proliferation of impactful tech devices at lower energy use.</p> <p>The company also promotes improved industry, innovation and infrastructure.</p> <p>Data centers deliver impactful technology and use 1% of global energy growing 20%-30% from last year. MPS mitigates this impact.</p>
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Portfolio holdings are subject to change.  
Sources: American Century Investments,  
Company reports.





## EMPOWERMENT

### THESIS

Enabling equitable growth is crucial to helping nearly half the world to escape poverty. Technological advances that democratize what the developed world takes for granted requires empowering almost 3 billion people and 65 million small businesses with the tools to succeed.

- Enable access to capital and financial services.
- Leverage technology and digital transformation to bring decent work, education and economic growth.
- Achieve gender equality by helping women achieve fuller integration into society.

### CRITICAL CHALLENGES

- More than 435 million people were unemployed or underemployed globally in 2023, despite recovering from pandemic lows.<sup>12</sup>
- Nearly 40% of the global population, or 3.4 billion individuals, do not use the internet.<sup>13</sup>
- As of 2021, 1.4 billion adults were unbanked, and in developing economies, 55% of adults could access emergency money in 30 days.<sup>14</sup>
- Losing an employee costs a business an average of 33% of that employee's salary, depending on skill level and seniority.<sup>15</sup>



## Bright Horizons Family Solutions

Bright Horizons is a leading provider of high-quality early education and childcare solutions, family care solutions, and workforce education services. Bright Horizons provides services directly to families as well as to employees of their corporate clients. They typically have multi – year contracts with employers who offer these services to their employees as part of their employee benefits package.

Bright Horizons employs over 31,000 people in 5 countries with the US being their largest market. Bright Horizons runs 1,049 centers that have the capacity to serve approximately 120,000 children. Bright Horizons has 1,450 employer client relationships, including 220 Fortune 500 companies.

Bright Horizons continues its path of recovery post Covid, improving utilization at its Full-Service centers. Further, Bright Horizons is also benefitting from improved utilization of employer provided credits in its Back-up care business.

By providing exceptional service on both these fronts, Bright Horizons has grown revenue between 15-20% in each of the last 3 years post Covid (2021-2023).

Bright Horizons has markedly increased the capacity utilization of its Full Service Centers post Covid to ~65% today, thus providing a meaningful benefit to working parents who consistently rank childcare benefits provided by employers as the best or among the best benefit provided by an employer (excluding healthcare).

Difficulty finding childcare is a major reason for women to stay at home and out of the workplace. Bright Horizons focuses specifically on Infants and Toddlers that comprise ~50% of enrollment. By providing quality childcare and education Bright Horizons enables full and effective economic participation for women.



### COMPANY

### INPUT

### OUTPUT

### OUTCOME

### IMPACT

## Airbnb Inc.

Airbnb is an online short-term rental marketplace that connects hosts with guests. Airbnb's user-friendly platform provides individuals with an alternative to traditional hotel lodgings. Alternative accommodations run the gamut, including apartments, beach side villas, suburban homes, and others.

Airbnb employs ~7,000 people in over 15 countries. Airbnb continuously improves its apps and website with two major releases a year, including initiatives to make becoming a host on Airbnb easier. This includes free one-on-one guidance from a Super Host and increasing its insurance program, AirCover for Hosts, to include up to \$3 million of damage protection.

Demand growth and supply growth occur hand in hand. As a result of improvements to both experiences, Airbnb has been able to grow Nights and Experiences booked by almost 14% in 2023. The marketplace's success has been evidenced by Airbnb's ability to grow active listings by 1.1 million over the course of 2023, resulting in a total of 7.7 million active listings.

Over 40% of female hosts can make ends meet due to hosting on the platform. Hosting has enabled 44% of female hosts to meet the costs of staying in their home. Nearly 30% of female hosts and members of their household were able to avoid working a second job due to the money they earned hosting on Airbnb.

Airbnb's alternative accommodation marketplace enables over 5 million hosts to list their properties on Airbnb with women representing over half (55%) of the global host community. Aided by continuous technology improvements, Airbnb ensures that its marketplace is thriving allowing for the platform to promote empowerment of women.



Portfolio holdings are subject to change.  
Sources: American Century Investments,  
Company reports.





# CLIMATE

## THESIS

Climate change and renewable energy sources are pillars of investing in the environment. This theme focuses on renewable energy but also offers diverse ways to reduce our environmental footprint:

- Deploy renewable energy products like solar, wind and LED with higher efficiency and lower costs.
- Address biodiversity protection.
- Improve energy efficiency.
- Work toward achieving the circular management of resources.
- Address opportunities in environmental control and negative-emissions technology, renewable energy and bio-based plastics and materials.

## CRITICAL CHALLENGES

- Over two billion people live in countries where water supply is inadequate.<sup>16</sup>
- Over the past 20 years, extreme weather events globally, like hurricanes, floods and heat waves, have cost an estimated \$2.8 trillion.<sup>17</sup>
- Some 29% of the world's population lacks access to safe drinking water.<sup>18</sup>
- Deforestation and forest degradation account for nearly 20% of global carbon emissions.<sup>19</sup>
- The WEF ranked biodiversity loss among the top five global risks in terms of likelihood and impact.<sup>20</sup>

## Trane Technologies

Trane Technologies provides efficient and sustainable heating, ventilation and air conditioning (HVAC) solutions to buildings, homes, and transport vehicles.

The company now employs approximately 40,000 people globally and has spent nearly \$1.1 billion on R&D over the last five years developing innovative HVAC products.

Trane estimates that 15% of global annual GHG emissions relate to heating and cooling buildings and homes, and nearly another 10% comes from food lost in transport or never consumed.

In March, Trane announced a new residential HVAC product line featuring a refrigerant with 78% less global warming potential (GWP) and variable speed motors for increased efficiency.

Thermo King's innovative products now run on vegetable oil instead of diesel, reducing greenhouse gas emissions by 90% and revolutionizing trucking worldwide.

Approximately 41% of Trane's 2023 revenue is "clean revenue," up from 38% the year before. Trane Technologies defines clean revenue as products and services facilitating energy or emissions reductions.

Those products and services aid the transition to next-generation refrigerants and increase energy efficiency in built environments and refrigerated transport.

The company's Gigaton Challenge commits to reducing its customers' carbon footprints by 1 billion metric tons by 2030, equivalent to 2% of the world's annual emissions. The challenge has reduced CO<sub>2</sub>e by 93M metric tons since 2019.



### COMPANY

### INPUT

### OUTPUT

### OUTCOME

### IMPACT

## Enphase Energy, Inc.

Enphase sells smart, easy-to-use solutions that manage solar generation, storage and communications on a single platform.

Enphase employs 3,157 people globally, with 8,701 installers having deployed 4 million systems in 150 countries.

Since its founding in 2006, Enphase has shipped 73 million microinverters globally, which amounts to 80.6 TWh of clean energy production.

Enphase has also shipped 1.2 GWh of storage enabling a much more reliable and efficient grid that can lay the foundation for more renewable energy in the future.

The company's products have offset 56 million metric tons of carbon dioxide and other greenhouse gases (CO<sub>2</sub>e)—the equivalent of providing 7.3 million households with electricity annually.

Similarly, its EV-related products have offset 144 billion car miles driven and 6.3 billion gallons of gas, equivalent to cumulative CO<sub>2</sub>e avoidance.

Enphase delivers reliable access to clean energy at more affordable rates.

The company also promotes improved industry, innovation and infrastructure.

Storage systems help communities become more resilient to natural disasters and grid outages.



Portfolio holdings are subject to change.  
Sources: American Century Investments,

# STEWARDSHIP

Building relationships with the companies in which we invest helps us gain insight and promote changes that benefit investors.

## Engagement

Our engagement is focused on material sustainability-related risks and opportunities that we believe could potentially impact the value of a company. We use in-person meetings, conference calls, written communication and industry forums to:

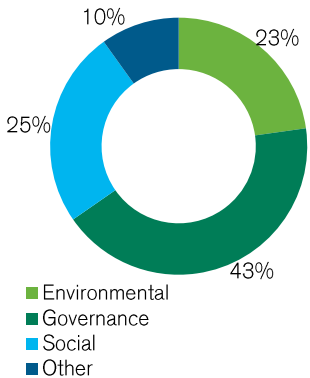
- Gain a more thorough understanding of a company's approach to managing sustainability-related opportunities and risks, evolving market dynamics and potential controversial activities.
- Encourage increased transparency around and disclosure of material issues related to sustainability and associated risks.
- Discuss best practices and industry standards with regard to sustainability.
- Establish expectations about a company's sustainability practices.
- Inform the positions we take on shareholder proposals.

Through these interactions, we gain insights into how companies manage risks and opportunities related to sustainability issues that may not be otherwise disclosed.

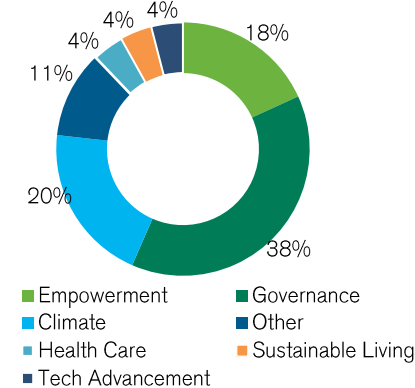
Engagement contributes to a company's sustainability assessment, resulting in a more comprehensive analysis of an issuer.

U.S. Mid Cap Growth Impact		Engagement Results	
Engagements Completed	22	Increased Understanding	15
Companies Engaged	15	Proxy related	4
Topics Engaged	26	Company committed to change	3

By Pillar



By Theme



Based on the total number of strategy engagements in the 1-year ending 6/30/2024. Source: American Century Investments.





## ENGAGEMENT CASE STUDIES

We engage with our portfolio companies regularly to understand their risk management processes and procedures. We also communicate with these companies to better capture the scope of their impact.



# Engagement Case Studies

	Cloudflare	Republic Services Group
<b>COMPANY</b>	Based in San Francisco, CA, Cloudflare is a 14-year-old company with 3,682 employees with a mission to build and protect the global internet. Touching almost 25% of the global internet traffic, Cloudflare provides threat protection, performance improvement, and a suite of tools to help software development. Given the breadth of their exposure, Cloudflare also has a mission to help the Internet do good in the world and now has 2,900 internet properties protected under its impact programs like Project Galileo to prevent silencing of public interest groups.	Headquartered in Phoenix, AZ, Republic Services is the 2nd largest provider of waste disposal in the United States. Republic makes 5 million pickups daily, providing over 13 million customers with the most complete set of recycling, waste and environmental solutions offerings from a single-source provider. Customers count on Republic Services to handle a broad range of regulated waste safely and responsibly. Through sustainability innovation, Republic Services is also advancing circularity and decarbonization.
<b>OBJECTIVE</b>	Enhance our understanding of impact	Deeper understanding of operational risk
<b>TOPICS</b>	Democratization of the Internet with a focus on Africa. Protection of free speech. Protection of mid-term elections against cyber threats.	How rainfall variability is contributing to elevated temperature risk at landfills across the waste disposal industry.
<b>OUTCOME</b>	<p>Democratization of internet safety for developing countries: NET helps improve the internet by providing next-gen networks in countries in Africa, Middle East, China, India, Indonesia, and Thailand. Most of the access to the internet in these countries are by mobile (and therefore their freedom which the internet enables). Almost 60% of NET's networks are in cities of these countries and almost 80% of the 107 new cities in the past 4 years are in these countries. Over the past 2 years, Cloudflare has increased its presence in Africa to 26 cities and thereby reducing latency and ultimately increasing adoption of the Internet by schools.</p> <p>Project Athenian: protects 390 state and local government domains across 33 U.S. states with free protection and help on voting and polling places, voter data and reporting of election results. This unfortunately has become a growing problem and will be so again in 2024.</p> <p>Project Galileo: protects 2,400 internet properties across 111 countries with best practices to ward off cyber-threats. This is free and focused on services in Arts, Human rights, civil society, journalism. This is especially helpful as free speech has become threatened in these countries and cyber terrorists are proliferating.</p>	<p>Engagement was appropriate to better understand a news-making "landfill reaction" that was occurring at competitor Waste Connections' Chiquite Canyon landfill in southern California due to unseasonably heavy rainfall. This issue came to the forefront for Waste Connection's stock price and is costing them unexpected capital outlays to remediate. Industry occurrences of slope failures in Texas also merited a dialogue as an additional peril.</p> <p>We gained increased confidence that Republic is learning from problems at a competitor, and we gained a deeper understanding of the sorts of proactive operational measures underway at the company.</p> <p>Given the over 200 active landfills in Republic's portfolio, we were able to more carefully assess the consequences of climate rainfall variability vs. prior patterns to our risk view. The company carries environmental liability insurance in the event that Republic were to see a similar operational challenge, and we encouraged full disclosure including terms and coverage levels.</p>
<b>KEY RISKS</b>	Human Capital: like most Technology companies, a key risk is in gender and minority representation, especially in leadership roles. While women are 33% of the workforce (which is higher than peers), they only represent 24% of the leadership. Also, African Americans are only 6% of the workforce. We encouraged them to broaden out their hiring to encourage diversity and to improve women representation at the top.	Contingent liabilities: How does the company monitor and prepare for climate change as they run their businesses? Will additional capital spending and insurance coverage be required to address rising risks that may have been less present in the past? How does the company's valuation incorporate event risk that may require sizable cashflows to remediate?

As long-term stewards of our clients' capital, we view engagement and proxy voting as helpful tools in driving future returns.

## Proxy Voting

We believe that certain sustainability factors can potentially impact an issuer's long-term financial performance. Our Sustainable Research team reviews proposals that have been identified as having potential underlying sustainability-related issues.

With a range of inputs, including the Institutional Shareholder Services (ISS) proxy recommendations, the Sustainable Research team analyzes the financial materiality and potential risks or economic impact of the sustainability issues underpinning proxy proposals and makes voting recommendations to portfolio managers based on those analyses for portfolio managers to consider.

The Sustainable Research team assesses shareholder proposals on a case-by-case basis and may recommend support if it believes there is a linkage between a proposal, an economic impact, and a potential to increase long-term shareholder value.

The following chart includes a summary of the portfolio's proxy voting activity for the last year.

### Proxy Voting Activity – One Year Ending 6/30/2024

Number of Meetings Voted:	32
Number of Items Voted:	353
Votes with Management:	89%
Votes Against Management:	11%

# We Support the Following Affiliations and Collaborative Initiatives

## **Principles of Responsible Investing (PRI)**

As a signatory to PRI, the world's leading proponent of responsible investing, we publicly demonstrate our commitment to including sustainability factors into investment decisions and asset ownership.

## **Investor Stewardship Group (ISG)**

As a signatory to the ISG, we commit to the six stewardship principles for institutional investors as outlined by the ISG framework.

## **Council of Institutional Investors (CII)**

We are a member of CII, an association that promotes effective corporate governance, strong shareholder rights and sensible financial regulations that foster fair, vibrant capital markets.

## **Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC)**

American Century is a founding member of IAST APAC, an investor-led initiative that engages with companies in the APAC region to help "find, fix and prevent modern slavery, labor exploitation and human trafficking in their value chains."

## **Access to Medicine Foundation**

The firm is a signatory to the Access to Medicine Index Investor Statement, working with investors to improve the knowledge of how pharmaceutical companies manage risks and opportunities related to access-to-medicine and antimicrobial resistance (AMR) and utilizing Access to Medicine Foundation research in investment analysis and engagements with companies.

## **CDP (formerly known as the Carbon Disclosure Project)**

The firm is a member of CDP, a global disclosure system that encourages companies and local, state and regional governments to measure and manage their environmental impacts.

## **Task Force Climate-Related Financial Disclosures (TCFD)**

Though TCFD disbanded and its list of supporters is now inactive, American Century was a former supporter of TCFD and continues to support its voluntary, consistent climate-related financial risk disclosures.

## **Task Force on Nature-Related Financial Disclosures (TNFD)**

We are a forum member of TNFD, a coalition aimed at developing and delivering a risk management and disclosure framework for organizations to report and act on evolving nature-related risks.

## **ShareAction (Healthy Markets Initiative)**

We are a part of a coalition of investors to engage companies to promote public health and sustainable growth.

## **Human Capital Management Coalition**

The firm is a member of a diverse group of asset owners to further elevate human capital management as a critical component in company performance.

## **Ellen MacArthur Foundation Community**

We are a part of the community of the foundation that works with businesses, academia, policymakers and institutions across the globe to develop and promote the idea of a circular economy.

Affiliations as of 6/30/2024



# MEET OUR PEOPLE

We strive to build portfolios that align with your investment, sustainability and impact objectives.

## Investment Team

### PORTFOLIO MANAGERS



**Rob Brookby**  
Senior Portfolio Manager  
*B.A. Economics, Northwestern University  
M.B.A. Harvard University*



**Nalin Yogasundram**  
Portfolio Manager  
*B.S. Electrical Engineering, University of Arkansas  
M.S. Electrical Engineering, Southern Methodist University  
M.B.A. University of Pennsylvania*

### INVESTMENT ANALYSTS



**Rahul Jadhav, CFA**  
Senior Investment Analyst  
*B.T. Electrical Engineering, Indian Institute of Technology  
P.G.D. Management, Indian Institute of Management  
M.B.A. Columbia University*



**Mark Krutty**  
Investment Analyst  
*B.S. Mechanical Engineering, University of Kansas  
M.B.A. Cornell University*



**Yusuf Anwar, M.D., CFA**  
Senior Investment Analyst  
*B.A. CUNY Brooklyn College & Macaulay  
M.D. SUNY Downstate College of Medicine*

### CLIENT PORTFOLIO MANAGER



**Jonathan Bauman, CFA**  
Senior Client Portfolio Manager  
*B.A. Business Administration, Illinois Wesleyan University*

# Sustainable Research Team

The Sustainable Research team is part of the investment organization and serves as the center of expertise supporting those investment teams that seek to incorporate sustainability issues into fundamental analysis and portfolio decision-making. The Sustainable Research team is responsible for expanding issuer-specific and thematic research and training, developing sustainability assessment tools, managing stewardship practices, publishing thought leadership, and innovating client solutions.



**Sarah Bratton Hughes**  
Head of Sustainable Investing  
*Innovation*



**Don Cassidy**  
Director of Stewardship  
*Stewardship*



**Sharvari Johari**  
Senior Sustainable Research Analyst  
*Climate*



**Jake Hense**  
Sustainable Research Analyst  
*Tech Advancement*



**Aditi Pai**  
Senior Sustainable Research Analyst  
*Sustainable Living*



**Mikaela Steutermann**  
Sustainable Research Analyst  
*Data, Modeling & Analysis*



**Christian Caillaux**  
Sustainable Research Analyst  
*Health Care*

## EVERY CLIENT MAKES AN IMPACT

Sustainable investing has the potential to yield financial success and positively impact society. Through our unique ownership structure, generating results for clients also supports research that can improve health and save lives.

**Jonathan Thomas**  
President  
Chief Executive Officer

### Stowers Institute for Medical Research

## Our Unique Ownership Structure Impacts Society in a Meaningful Way

Investing in health care innovation is foundational to American Century. Our founder James E. Stowers Jr. and his wife Virginia used much of their net worth to establish a not-for-profit biomedical research organization focused on investigating gene-based diseases.

Through our unique ownership structure, American Century directs over 40% of its dividends to the Stowers Institute for Medical Research, a biomedical research organization dedicated to uncovering the causes, treatments and cures for life-threatening diseases that affect millions of people and their families. Since 2000, that equates to more than \$2 billion dollars directed to the Institute.

To complement the Institute's research focus, James and Virginia Stowers also established BioMed Valley Discoveries (BVD), a for-profit clinical-stage biotechnology company that seeks to address patients' unmet therapeutic and diagnostic needs in various medical specialties, including cancer, inflammation and infectious diseases. BVD is wholly owned by a supporting organization of the Institute, and 100% of its profits accrue to the Institute.

These strategic relationships enable our investors to directly support crucial research and contribute to the global fight against cancer and other gene-based diseases.



# SUSTAINABILITY: IT'S IN OUR GENES<sup>®</sup>

Sustainability isn't just something we practice; it is part of who we are as a company and as global citizens.

With an ownership structure that directs over 40% of our profits to fund medical research, we attract employees motivated to make a difference and develop investment teams who weigh more than just traditional financial criteria in their analyses.

**\$2B+**  
Supporting  
Medical Research

## OWNERSHIP STRUCTURE

Enduring, meaningful societal impact

**6000+**  
Average Volunteer  
Hours A Year

## CORPORATE RESPONSIBILITY

Uniquely motivated to give back

**Integrated,  
Focused  
& Impact  
Solutions**

## SUSTAINABLE INVESTING

Decisions shaped by sustainability considerations

Data as of 6/30/2024

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.

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# Stowers Institute for Medical Research

## Highlights of Ground-Breaking Medical Research From 2022

**Discovering ways to fight diseases by understanding how a “selfish” gene functions and survives.** Building on past research on a gene found in yeast that can replicate quickly but provides no benefit to the organism, new findings that show the selfish gene produces a poison protein that can destroy its offspring could eventually be used to fight diseases, especially those that can be transferred between insects, animals and humans.

**Potentially explaining why Alzheimer’s medications have had little success.** This research showed that genetically altered snails, fruit flies and mice forgot where to find food, while different alterations improved memories in fruit flies. The flies with better memories were modified to have more protein clumping in their brains, while the animals modified to have less protein clumping were more forgetful. This may shift the paradigm for tackling Alzheimer’s disease and dementia.

**Inspiring the design of minuscule drug-delivery devices.** Stowers researchers used cutting-edge imaging technology to study jellyfish, sea anemones and corals, which sting with tiny, pressurized capsules that fire poisonous darts at explosive speeds. Understanding the biophysics of “one of nature’s most exquisite biological micromachines” could help in creating new ways of delivering drugs in the human body.

**Uncovering the causes of inflammatory and age-related diseases.** Stowers researchers demonstrated that mechanisms involved in invoking an immune response are connected to the potential for a specific protein complex to come together when a pathogen is encountered. The findings have broad implications for uncovering the causes and progression of inflammatory illness in humans and understanding age-related diseases such as Alzheimer’s.

**Improving our understanding of metabolism.** Evolution drives genetic adaptations that enable survival during periods of feast or famine. Stowers researchers’ studies of cave fish under unique circumstances has improved our understanding of this process, with important implications for tackling health problems associated with metabolism, including diabetes, heart disease and stroke.

**Determining why some species can regenerate organs, limbs, or even heads.** Humans and many other species, cannot regrow lost organs or limbs, but some can. Researchers at Stowers studied a type of white blood cell called macrophages in zebrafish that undergo a three-step, sequential change to enable cell regeneration in sensory organs that moves us closer to someday understanding how this process might be triggered in other animals.

# End Notes

## Health Care

<sup>1</sup>"Levels & Trends in Child Mortality", United Nations Inter-Agency Group for Child Mortality Estimation, March 12, 2024.

<sup>2</sup>"Billions left behind on the path to universal health coverage", World Health Organization, September 18, 2023.

<sup>3</sup>"COVID-19 to Add as Many as 150 Million Extreme Poor by 2021," World Bank Press Release, October 7, 2020.

## Sustainable Living

<sup>4</sup>"Sources of Greenhouse Gas Emissions," U.S. Environmental Protection Agency, last modified July 8, 2024.

<sup>5</sup>"Investing in the Sustainable Development Goals," GS SUSTAIN, Goldman Sachs, February 12, 2021.

<sup>6</sup>"5 facts about food waste and hunger" World Food Programme, June 25, 2024.

<sup>7</sup>"Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options" OECD (2022)

## Technological Advancement

<sup>8</sup>"The Sustainable Development Goals Report, Special Edition," United Nations (2023)

<sup>9</sup>"Facts and Figures 2023" International Telecommunications Union (ITU)

<sup>10</sup>"World Energy Outlook 2023" 2021, International Energy Agency, October 2023.

<sup>11</sup>"Cost of a Data Breach Report 2024" IBM July 2024.

## Empowerment

<sup>12</sup>"World Employment and Social Outlook: Trends 2024," International Labour Organization, January 20, 2024.

<sup>13</sup>"The State of Mobile Internet Connectivity 2023," Groupe Speciale Mobile Association (GSMA), October 2023.

<sup>14</sup>Asli Demircug-Kunt, et al., "Chapter 2: The Unbanked," *The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19*, World Bank Group, 2022.

<sup>15</sup>Work Institute, "2024 Retention Report: Decoding the Emerging Workforce,"

## Climate

<sup>16</sup>"Water Security for All," UNICEF, March 2021

<sup>17</sup>Paige Bennet, "Climate change is costing the world \$16 million per hour" World Economic forum, October 12, 2023.

<sup>18</sup>"Drinking-water," World Health Organization, June 14, 2019.

<sup>19</sup>Gregory P. Asner, Ph.D., "Measuring Carbon Emissions from Tropical Deforestation: An Overview," Environmental Defense Fund, 2009.

<sup>20</sup>World Health Organization, "WHO-convened global study of origins of SARS-CoV-2: China Part," April 6, 2021



Exchange-Traded Funds (ETFs) are bought and sold through an exchange trading at market price (not NAV) and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns.

*You should consider the investment objectives, risks, and charges and expenses carefully before you invest. The 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.*

*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 fund is an actively managed ETF that does not seek to replicate the performance of a specified index.*

*MID is classified as non-diversified. Because it is non-diversified, it may hold positions in a small number of securities. To the extent it maintains such positions, a price change in any one of those securities may have a greater impact on the fund's share price than if it were diversified.*

*Proxy Portfolio Risk: The goal of the Proxy Portfolio is to track closely the daily performance of the Actual Portfolio. The Proxy Portfolio is designed to reflect the economic exposures and the risk characteristics of the Actual Portfolio on any given trading day.*

- *ETFs trading on the basis of a published Proxy Portfolio may exhibit wider premiums and discounts, bid/ask spreads, and tracking error than other ETFs using the same investment strategies that publish their portfolios on a daily basis, especially during periods of market disruption or volatility. Therefore, shares of the fund may cost investors more to trade than shares of a traditional ETF.*
- *Each day the fund calculates the overlap between the holdings of the prior Business Day's Proxy Portfolio compared to the Actual Portfolio (Proxy Overlap) and the difference, in percentage terms, between the Proxy Portfolio per share NAV and that of the Actual Portfolio (Tracking Error).*
- *Although the fund seeks to benefit from keeping its portfolio information secret, market participants may attempt to use the Proxy Portfolio to identify a fund's trading strategy, which if successful, could result in such market participants engaging in certain predatory trading practices that may have the potential to harm the fund and its shareholders.*

**Premium/Discount Risk:** *Although the Proxy Portfolio is intended to provide investors with enough information to allow for an effective arbitrage mechanism that will keep the market price of the fund at or close to the underlying net asset value (NAV) per share of the fund, there is a risk (which may increase during periods of market disruption or volatility) that market prices will vary significantly from the underlying NAV of the fund.*

**Trading Issues Risk:** *Trading halts may have a greater impact on this fund compared to other ETFs due to the fund's non-transparent structure.*

**Authorized Participant/Authorized Participant Representative Concentration Risk:** *Only an authorized participant may engage in creation or redemption transactions directly with the fund. The fund may have a limited number of institutions that act as authorized participants. The fact that the fund is offering a novel and unique structure may affect the number of entities willing to act as Authorized Participants. During times of market stress, Authorized Participants may be more likely to step away from this type of ETF than a traditional ETF.*

*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 opinions expressed are those of the portfolio team and are no guarantee of the future performance of any American Century Investments portfolio. This information is for an educational purpose only and is not intended to serve as investment advice.*

*References to specific securities are for illustrative purposes only and are not intended as recommendations to purchase or sell securities.*

*Opinions and estimates offered constitute our judgment and, along with other portfolio data, are subject to change without notice.*

*Many of American Century's investment strategies incorporate the consideration of environmental, social, and/or governance (ESG) factors into their investment processes in addition to traditional financial analysis. However, when doing so, the portfolio managers may not consider ESG factors with respect to every investment decision and, even when such factors are considered, they may conclude that other attributes of an investment outweigh ESG considerations when making decisions for the portfolio. The consideration of ESG factors may limit the investment opportunities available to a portfolio, and the portfolio may perform differently than those that do not incorporate ESG considerations. 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.*

### **Sustainability 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.

■ **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, improvers, thematic, and impact approaches.

**Sustainability:** *Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. There are many different approaches to Sustainability, with motives varying from positive societal impact, to wanting to achieve competitive financial results, or both. Methods of sustainable investing include active share ownership, integration of ESG factors, thematic investing, impact investing and exclusion among others.*



Signatory of:



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*The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index. The Russell Midcap® Growth Index measures the performance of those Russell Midcap® companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000® Growth Index. Created by Frank Russell Company, indices are not investment products available for purchase.*

Top 10 Holdings (%)			
Monolithic Power Systems Inc	6.63	Avient Corp	3.57
Manhattan Associates Inc	5.88	MSCI Inc	3.48
Cadence Design Systems Inc	5.07	Chipotle Mexican Grill Inc	3.40
Republic Services Inc	4.75	Trane Technologies PLC	3.25
Element Solutions Inc	4.25	Cloudflare Inc	3.11

*As of June 30, 2024 holdings listed should not be considered recommendations to purchase or sell a particular security.*