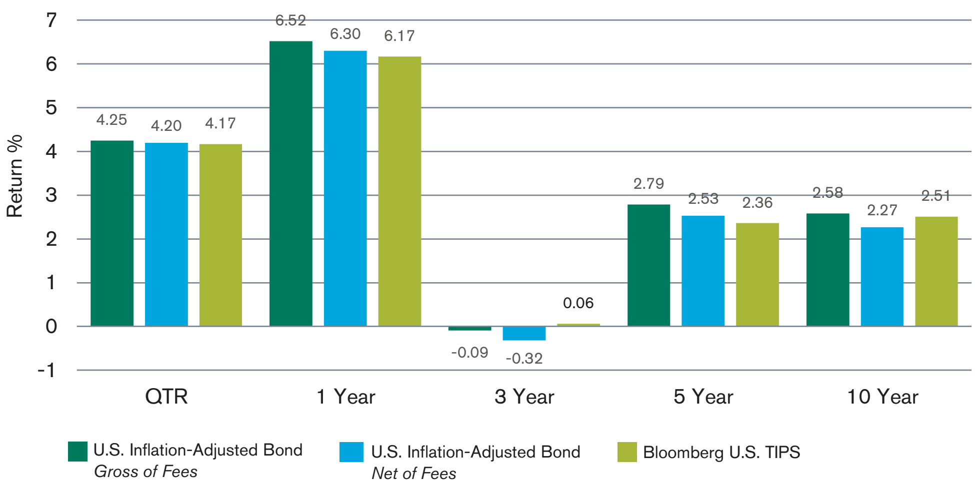
U.S. Inflation-Adjusted Bond

Quarterly Review

Composite Performance

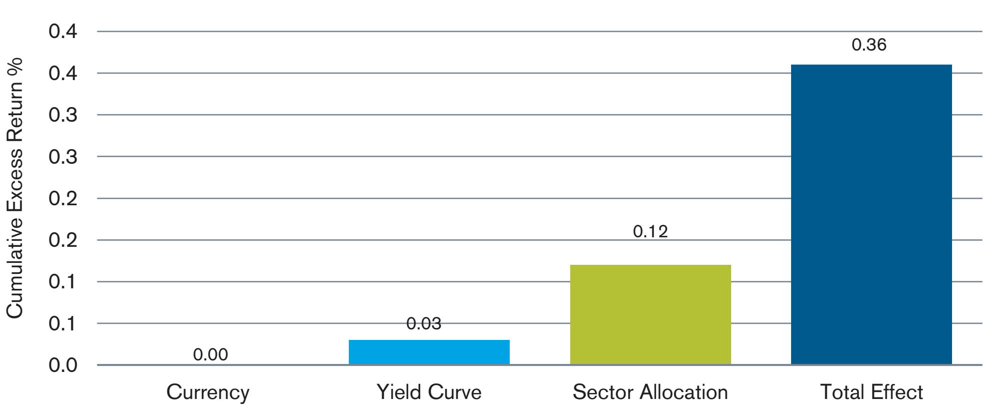
Periods Ending March 31, 2025



Source: FactSet
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.

Attribution Analysis

One Year Ending March 31, 2025



Total Effect includes residual securities not reflected in the categories shown above.

At a Glance

Inception: March 1, 1997

Benchmark: Bloomberg U.S. TIPS

AUM: $2.36 billion

Portfolio Management Team

	Start Date	
Name	Industry	Firm
Robert Gahagan	1983	1983
Jim Platz, CFA	1986	2003
Miguel Castillo	2002	2008
Stephen Bartolini	1999	2024

Investment Philosophy

Fixed income markets are inefficient and mean-reverting. Dislocations can be exploited by skilled, active managers through a combination of fundamental and quantitative research and rigorous risk analysis.

- We believe the ability to outperform requires the expertise to spot opportunities as well as the agility to act on them.
- We believe in the power of fundamental research – augmented by quantitative methodologies – to seek consistent excess returns over a full market cycle.
- We view relationships with our clients as partnerships and collaborate to customize solutions.

Goal

Seeks to outperform the Bloomberg U.S. TIPS Index by 25 to 75 basis points annualized over a market cycle.

Risk Guidelines

Duration limits: +/- 20% of benchmark weight

Maximum sector exposure: +/- one year contribution to duration versus the benchmark

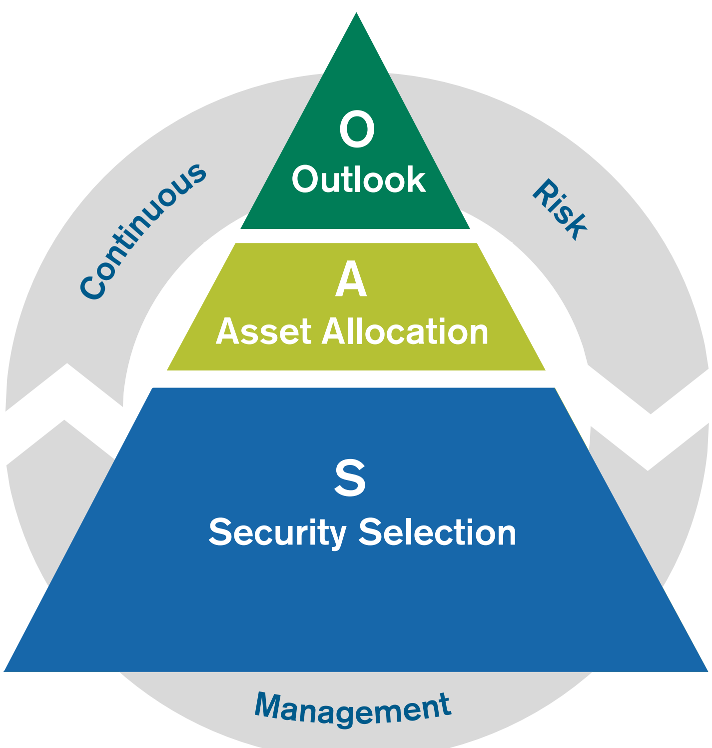
Issuer limits: 5% per issuer at purchase, excluding government securities and government agency mortgages

U.S. inflation-linked securities: > 80%

Active risk target: 0.5% to 1.5% versus benchmark

Cash exposure: < 5%

Investment Process



Global Fixed Income Investment Committee:
- Outlook on global economic growth, interest rates and the risk environment.
- Risk management oversight.

GFI Investment Committee and Portfolio Construction Teams:
- Asset allocation driven by sector-based relative value analysis ranking expected returns and information ratio under various risk scenarios.
- Incorporates qualitative and quantitative inputs.
- Optimized portfolio construction designed to meet client-specific risk/reward targets.

Sector Teams:
- Portfolio manager/research analyst/trader collaboration to manage sector exposures, security selection and issuer weights.
- Position sizing based on strength of conviction and upside potential.

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.

Portfolio Characteristics

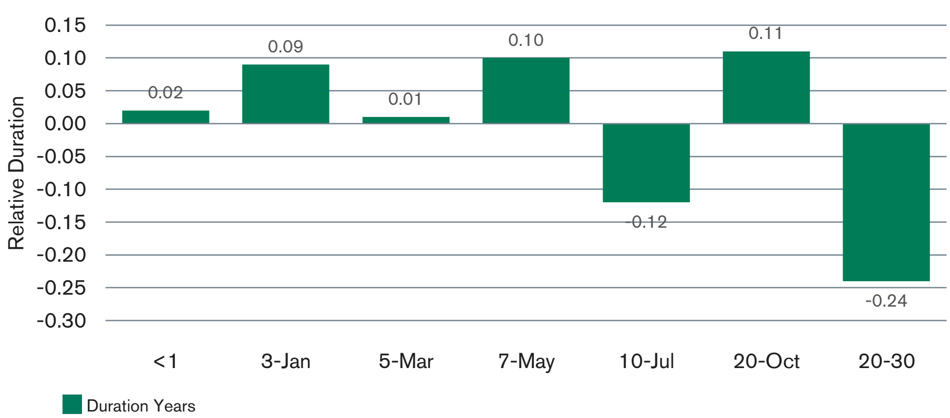
	Portfolio	Benchmark
Duration	6.55 Years	6.58 Years
Spread Duration	0.47 Years	0.00 Years
Weighted Average Life to Maturity	7.99 Years	7.31 Years
Yield to Maturity	4.46%	4.18%

Sector Allocation

	Portfolio	Benchmark	Difference
USD Denominated	**100.66%**	**100.00%**	**0.66%**
Government	85.41%	100.00%	-14.59%
Treasury Futures	0.04%	0.00%	0.04%
Inflation-Linked Swaps	1.33%	0.00%	1.33%
Inflation-Linked Government	84.04%	100.00%	-15.96%
Securitized	10.90%	0.00%	10.90%
Agency Mortgage Backed Securities	2.98%	0.00%	2.98%
Non-Agency Collateralized Mortgage Obligation	4.39%	0.00%	4.39%
Non-Agency Commercial Mortgage Backed Security	1.15%	0.00%	1.15%
Asset Backed Security	0.86%	0.00%	0.86%
Collateralized Loan Obligation	1.52%	0.00%	1.52%
Credit	4.35%	0.00%	4.35%
Investment Grade Credit	1.95%	0.00%	1.95%
High Yield Credit	2.40%	0.00%	2.40%
Cash & Cash Equivalents	**-0.65%**	**0.00%**	**-0.65%**
Total	**100.01%**	**100.00%**	**0.01%**

Relative Duration

Portfolio Weight vs. Benchmark



Quarterly Commentary

Market Review

Bonds rebounded. U.S. investment-grade bonds bounced back from a fourth-quarter loss to deliver a solid first-quarter gain. Mounting uncertainty regarding growth, tariffs and inflation helped push yields lower, which helped drive the market's positive performance.

Economy slowed. The U.S. economy grew 2.4% (annualized) in the fourth quarter, down from 3.1% in the third quarter. Data released in the first quarter of 2025 were mixed. Private sector activity strengthened, with services and manufacturing expanding. Monthly retail sales improved, but consumer confidence and wage growth declined. Job growth slowed, but the unemployment rate held fairly steady.

The Fed paused. After cutting rates 100 bps in 2024, the Fed left its rate target range of 4.25% to 4.5% unchanged in the first quarter. By March, amid growing economic uncertainty, Fed officials lowered their 2025 growth outlook and lifted their inflation forecast. They also reiterated their wait-and-see approach toward additional rate cuts.

Treasury yields fell. Treasury yields ended the quarter lower, and the yield curve between two and 10 years steepened slightly. Economic uncertainty stemming from pending tariff policy largely contributed to the yield backdrop. The yield on the 10-year note declined 37 bps to 4.21%, while the two-year Treasury yield fell 35 bps to 3.9%.

Most inflation measures moderated. Year-over-year headline CPI eased in February to 2.8%. Core CPI slowed to 3.1% from 3.3% in January. However, annual core personal consumption expenditures, the Fed's preferred inflation gauge, rose to 2.8% in February, up from 2.7% in January and above the Fed's 2% target. Inflation breakeven rates increased, and TIPS outperformed nominal Treasuries.

All investment-grade bond sectors gained. MBS and Treasuries were top first-quarter performers, outpacing the broad bond market index. Although credit spreads widened in the quarter, falling yields aided investment-grade corporate bond returns, which advanced but lagged the broad bond market index. High-yield corporates advanced but underperformed their investment-grade peers.

Portfolio Performance Review

Inflation exposure aided results. Inflation breakeven rates ended the quarter higher, and our inflation-linked allocation contributed, largely due to an out-of-index position in short-dated inflation swaps. We held swaps in conjunction with securitized and corporate bonds to manage inflation exposure. Our underweight versus the index in TIPS detracted, but the swaps more than offset that effect.

Duration positioning slightly detracted. Duration positioning had a slightly negative effect on relative results, largely due to market volatility in the quarter. The volatility was more pronounced at the short end of the curve, where we had overweight exposure versus the index.

Non-index positions dampened results. Out-of-index positioning modestly detracted from results amid late-quarter volatility. Allocations to securitized and high-yield corporate securities generated slightly negative effects. Out-of-index investment-grade corporates had a near-neutral effect on relative results.

Positioning for the Future

Economy likely to slow. We expect below-trend growth to emerge over the next several months. Still-restrictive interest rates, tariffs and persistent inflation will likely pressure spending and economic growth. This outlook prompted us to exit some higher-risk positions and focus on agency MBS and other securitized assets we believe offer defensive characteristics and attractive yields.

Inflation puts Fed in a bind. The Fed will likely delay easing until it collects more economic data. But, if inflation expectations rise, the Fed may have to wait until the job market weakens before cutting rates aggressively. Fed Board Chair Jerome Powell recently said, "Inflation is moving up, and growth is slowing, but it's not clear what the appropriate monetary policy will be."

Awaiting value opportunities. We have been waiting for credit spreads to widen before adding risk to the portfolio. With that process underway, we will evaluate relative value opportunities, seeking to maximize the yield/duration ratio and add attractive risk-adjusted opportunities to the portfolio. We also will remain defensive in higher-risk securities until spreads reach our targets.

Available Vehicles

Separate Account	Available in U.S. and certain non-U.S. countries
Collective Investment Trust	Available only in U.S.
Inflation-Adjusted Bond Fund	
I Share Class - AIAHX	Available only in U.S.
R5 Share Class - AIANX	Available only in U.S.
Investor Share Class - ACITX	Available only in U.S.

Unless otherwise stated, data is provided by American Century Investments.

Composite returns are gross of investment management fees. unless otherwise noted. Sector weights, portfolio characteristics and holdings are of a representative account in the composite. Holdings are current as of the date indicated, are subject to change and may not reflect the portfolio's current holdings. Portfolio construction guidelines document operational policies and not necessarily investment restrictions imposed on management of the strategy. Material presented has been derived from industry sources considered to be reliable, but their accuracy and completeness cannot be guaranteed. Opinions expressed are those of the portfolio investment team and are no guarantee of the future performance of any American Century Investments® portfolio. Nothing in this document should be construed as offering investment advice. Please note that this is for informational purposes only and does not take into account whether an investment is suitable or appropriate for a specific investor.

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