FOURTH QUARTER 2023

Short Duration Strategic Income Fund

Quarterly Commentary

Market Review

Bonds rebounded strongly. After enduring two consecutive negative quarters, U.S. investment-grade bonds rallied back in the fourth quarter, restoring solid year-to-date gains. Plunging Treasury yields, cooling inflation and a more dovish Federal Reserve (Fed) helped power the rally. All investment-grade bond sectors delivered strong returns for the three-month period.

Economic growth remained robust. The U.S. economy continued to display surprising resilience, growing at a 4.9% annualized pace in the third quarter. This marked the strongest growth since 2021's fourth quarter. However, much of the gain was due to unsustainable factors, including a summer consumer spending surge and business inventory replenishment. Accordingly, slower growth is likely ahead.

Fed adopted less restrictive stance. The Fed's July rate hike, which pushed rates to a 22-year high of 5.25% to 5.5%, proved to be its last. Policymakers held rates steady at each of its subsequent policy meetings. By the December meeting, the Fed indicated it likely would cut rates three times in 2024. This outlook bolstered investor expectations for a soft landing rather than a recession.

Treasury yields declined. After climbing to multiyear highs in October, Treasury yields reversed course amid slowing inflation and the Fed's extended pause. The 10-year note, which briefly topped 5% for the first time since 2007, ended the quarter yielding 3.88%, 0.7% lower than on September 30. The two-year Treasury yield dropped to 4.25%. The yield curve steepened but remained inverted.

Inflation moderated. Declining energy prices helped slow the pace of headline inflation, which rose at a year-over-year rate of 3.1% in November. Meanwhile, the core Consumer Price Index (CPI) held steady at 4%. A 6.5% increase in the shelter component accounted for most of core CPI's annual gain. Inflation break-even rates declined as inflation expectations eased, and Treasury inflation-protected securities lagged nominal Treasuries.

Corporate bonds, MBS outperformed. Falling rates and tighter credit spreads led to strong performance for investment-grade corporate bonds, which outpaced mortgage-backed securities (MBS), Treasuries and the broad bond market. MBS also outperformed Treasuries and the broad market, while Treasuries lagged the market. High-yield corporates rallied but underperformed investment-grade corporates.

Portfolio Performance Review

Duration drove results. Our longer-than-index duration position accounted for most of the portfolio's outperformance compared with the benchmark for the quarter. Treasury yields declined sharply, and our duration strategy lifted performance. We reduced our duration overweight relative to the benchmark by quarter-end, given the two-year Treasury's strong rally.

Corporate credit contributed. Investment-grade corporate and high-yield bonds contributed. Investment-grade banks, real estate investment trusts and finance and health care companies were top contributors. In the high-yield sector, banks, finance companies and bank loans contributed. Our high-yield weighting declined slightly on strength from rising stars Ford Motor Co., the automaker, and software provider Black Knight.

Goal and Strategy

Current income through investments in income-producing securities.

Portfolio Management Team

	Start Date	
Name	Industry	Company
Charles Tan	1994	2018
Jason Greenblath	2002	2019
Jeffrey Houston, CFA	1986	1990
Joseph Norris	1992	2023
Gavin Fleischman	2000	2008

Securitized sector aided results. Our allocation to securitized securities also contributed to performance, largely due to asset-backed securities (ABS) and collateralized loan obligations (CLOs). Given the sector's recent strength, we broadly reduced exposure, particularly among aircraft and cell tower ABS, non-agency collateralized mortgage obligations and CLOs.

Portfolio Positioning

Economic slowdown likely. While our economic outlook is less pessimistic, we still believe significant Fed tightening and persistent inflation will slow the economy to below-trend levels. Following the fourth-quarter rally, we expect rates to remain range-bound before declining further as the economy slows. Accordingly, our duration position remains at the upper end of our strategic range.

Defensive stance persists. The portfolio remains somewhat defensive, given our view that valuations are vulnerable to slowing fundamentals. Additionally, we do not believe higher interest rates have fully filtered through the economy, which could further pressure valuations. We believe a slowing economy ultimately will outweigh the technical factors that supported credit spreads in 2023.

Waiting for better buying opportunities. We continue to look for more attractive entry points across the credit sectors. We believe valuations in the coming quarters will provide us with opportunities to execute on that plan. Once spreads widen and valuations appear attractive again, we plan to draw on our higher-than-usual liquidity, via Treasuries, to increase exposure to credit risk.

Short Duration Strategic Income Fund

TICKERS Investor Class: ASDVX | I Class: ASDHX | A Class: ASADX | C Class: ASCDX | R Class: ASDRX | R5 Class: ASDJX | R6 Class: ASXDX

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 12/31/2023

Class	Qtr (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Inception Date	Gross Expense Ratio (%)
Investor	3.29	5.74	0.53	2.43	-	1.95	7/28/14	0.52
I	3.32	5.84	0.64	2.53	-	2.16	4/10/17	0.42
R5	3.35	5.95	0.70	2.61	-	2.16	7/28/14	0.32
R6	3.36	6.12	0.82	2.69	-	2.22	7/28/14	0.27
Bloomberg U.S. 1-3 Year Government/Credit Bond Index	2.69	4.61	0.09	1.51	-	-	-	-

Historical performance for the I Class prior to its inception is based on the performance of the R5 Class shares. I Class performance has been adjusted to reflect the differences in expenses between the classes, if applicable.

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. The R5 and R6 Share Classes are available only to participants in group employer-sponsored retirement plans where a financial intermediary provides recordkeeping services to plan participants.

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.

Diversification does not assure a profit nor does it protect against loss of principal.

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.

The letter ratings indicate the credit worthiness of the underlying bonds in the portfolio and generally range from AAA (highest) to D (lowest).

Generally, as interest rates rise, the value of the securities held in the fund will decline. The opposite is true when interest rates decline.

Source: Bloomberg Index Services Ltd. Bloomberg U.S. 1-3 Year Government/Credit Bond Index is a component of the U.S. Government/Credit Bond Index, which includes Treasury and agency securities (Government Bond Index) and publicly issued U.S. corporate and foreign debentures and secured notes (Credit Bond Index). The bonds in the index are investment-grade with a maturity between one and three years.

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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 (BPS): 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. Core CPI excludes food and energy prices, which tend to be volatile.

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.

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.

U.S. Treasury securities: Debt securities issued by the U.S. Treasury and backed by the direct "full faith and credit" pledge of the U.S. government. Treasury securities include bills (maturing in one year or less), notes (maturing in two to 10 years) and bonds (maturing in more than 10 years). They are generally considered among the highest quality and most liquid securities in the world.

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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Glossary Sources: American Century Investments, Bloomberg Indices.