

# Large Cap Equity Fund

## SUSTAINABILITY REPORT





We believe integrating material sustainability-related risks and opportunities into the investment process can lead to more informed decisions and better outcomes.

**Joe Reiland, CFA**  
Senior Portfolio Manager





# Letter to Shareholders

A talented and productive workforce is critical to maximizing corporate profitability in a globally competitive market. Companies focused on attracting, training and retaining the highest-quality talent become stronger competitors. However, this focus on labor has become more challenging as workers feel a growing pinch from years of inflation eating away at their real purchasing power.

After years of above-trend inflation, high prices are presenting a significant headwind, especially in the case of non-discretionary expenses like housing, food, interest, and health care, which are beginning to impact spending on discretionary purchases, such as travel.

Workers' concerns about their income levels have increased dramatically, with the recent University of Michigan survey on U.S. Consumer Real Income Expectations near its lowest point in the last five decades. Higher inflation means companies must offer attractive compensation to compete for and retain talent or risk losing highly valuable employees.

As the Federal Reserve seeks to combat high inflation, businesses face higher labor costs and limited ways of passing along higher pricing. These challenges present headwinds for firms aiming to maintain or grow their profit margins and attract investors.

Those companies that are most proactive, looking out for the future of their workers, and providing career opportunities, training and competitive compensation, are likely better positioned to weather the bumpy road ahead. This is an important element we consider in identifying the ability to augment long-term value creation.

American Century's Sustainable Research Team has identified five themes and subthemes to assess long-term sustainability-related risks and opportunities:

**Empowerment** — Human/labor rights, diversity, equity and inclusion, wage structures and upward mobility.

**Sustainable Living** — Recycling, production, food systems and product life extension.

**Climate** — Alternative energy, biodiversity, water, climate mitigation and climate technologies.

**Health Care** — Innovative treatments, improved medical equipment and services, access to medicine and health care services, and solutions to reduce health care costs.

**Technological Advancement** — Related aspects of digitalization, financial technology, e-commerce, connectivity and automation.

Importantly, these themes are not siloed — they impact each other. This framework helps us identify these interrelationships and take a holistic view of sustainability.

We continue to be encouraged by the sustainability commitments many companies are making across our five themes, and we highlight several in this report. While sustainable investing and investors' expectations evolve, our core beliefs remain:

- Companies that excel at managing business fundamentals and material sustainability issues will likely outperform their peers over time.
- Environmental, social and governance (ESG) analysis complements traditional financial analysis and results in a more comprehensive understanding of risks and opportunities.
- Integration, rather than exclusionary screening, improves diversification and produces a more robust opportunity set.

*We are always mindful of the trust you have shown by investing with us. Thank you.*

**The Sustainable Equity Team**

4 **HOW WE INVEST  
FOR SUSTAINABILITY**

5 **ENVIRONMENTAL**

8 **SOCIAL**

11 **GOVERNANCE**

13 **STEWARDSHIP**

16 **MEET OUR  
PEOPLE**

18 **SUSTAINABILITY  
IT'S IN OUR GENES™**

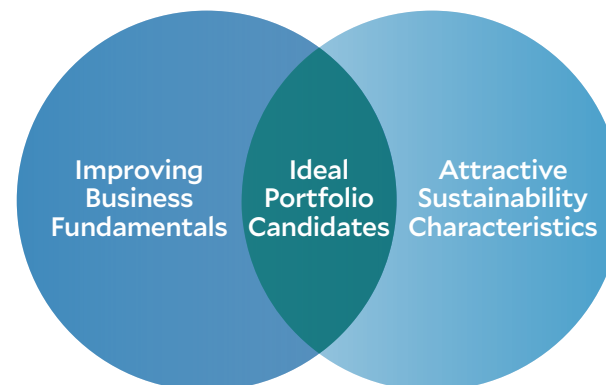
## HOW WE INVEST FOR SUSTAINABILITY

Ideal portfolio candidates may lie at the intersection of improving business fundamentals and attractive sustainability characteristics.

We believe integrating ESG analysis alongside traditional financial evaluation creates a more robust portfolio that may offer the potential to deliver excess returns over time.

We focus on companies that we believe exhibit both attractive business characteristics and strong sustainability profiles. In addition to applying rigorous fundamental research, we seek to identify sustainability leaders within each sector and industry based on their management of sustainability risks and opportunities. Our goal is to deliver a sustainable large-cap core portfolio and drive performance through security selection.

- Seek to deliver competitive long-term financial returns while integrating material sustainability factors into the investment process.
- Consider material sustainability issues alongside traditional financial information to provide a more comprehensive view of the value, risk and return potential of a security.
- Construct a sustainable large-cap core portfolio driven by security selection, with minimal cash and non-U.S. exposure.



# ENVIRONMENTAL

Environmental metrics reflect how a company affects nature. The companies in which we invest have less impact on the environment and use fewer resources.

## Our portfolio holdings compared to the S&P 500® Index...

Produce **55%**  
lower green house  
gas emissions

Use **59%**  
less energy

Use **86%**  
less water

Generate **96%**  
less waste

## This equates to...



**22,457**  
fewer cars  
on the road



**118,794**  
fewer homes'  
annual energy use



**404**  
fewer households'  
annual water  
consumption



**52,071**  
fewer homes'  
annual waste  
generation

Based on portfolio assets under management of \$6.3 billion.

Data as of 6/30/2024.

Source: FactSet, MSCI, Refinitiv.

Typical passenger vehicle carbon dioxide emissions per year (www.epa.gov)	4.6 metric tons
Average energy use in the U.S. per home per year	10.79 megawatt-hours
Average water use in the U.S. per home per year	442.14 cubic meters
Average waste generation in the U.S. per home per year	2.980 tons



## PUTTING WORDS INTO ACTION

# Environmental Policy

Metric	Description	Portfolio	S&P 500	Difference
Greenhouse Gas Emissions (Scope 1 and 2)	Carbon dioxide equivalent emitted in tons by stocks held within the portfolio per \$1 million invested	14	30	-55%
Energy Consumption	Energy consumed in megawatt-hour per \$1 million invested	139	343	-59%
Water Use	Water consumed in cubic meters per \$1 million invested	5	33	-86%
Waste Generation	Waste produced in tons per \$1 million invested	1	26	-96%

Metric	Percent of companies that...	Portfolio	S&P 500	Difference
Resource Reduction Policy	Have policies for reducing the use of natural resources or lessening the environmental impact of their supply chain	98%	99%	-1%
Renewable Energy Use	Use renewable energy	94%	84%	10%
Green Buildings	Report environmentally friendly or green sites or offices	70%	65%	5%
Policy Water Efficiency	Have policies to improve water efficiency	82%	84%	-2%
Policy Energy Efficiency	Have policies to improve energy efficiency	97%	95%	2%
Policy Sustainable Packaging	Have policies to improve the use of sustainable packaging	58%	38%	20%
Policy Environmental Supply Chain	Have policies that include their supply chains to help lessen overall environmental impacts	91%	87%	4%
Environment Management Team	Have environmental management teams	83%	77%	6%
Environment Management Training	Train employees on environmental issues	75%	69%	6%
Environmental Materials Sourcing	Use environmental criteria (e.g., life cycle assessment) to source or eliminate materials	63%	58%	5%
Environmental Supply Chain Management	Use environmental criteria (e.g., ISO 14000, energy consumption, etc.) in the selection process of its suppliers or sourcing partners	85%	79%	6%
Environmental Supply Chain Monitoring	Conduct surveys of the environmental performance of its suppliers	70%	60%	10%
Env Supply Chain Partnership Termination	Report or show to be ready to end partnerships with sourcing partners that fail to meet environmental criteria	53%	41%	12%
Environmental Products	Report at least one product line or service that is designed to have positive effects on the environment, or which is environmentally labeled and marketed	72%	65%	7%
Product Environmental Responsible Use	Report product features and applications or services that will promote responsible, efficient, cost-effective and environmentally preferable use	72%	65%	7%

Data as of 6/30/2024.

Source: FactSet, Refinitiv.

## FOCUS ON SUSTAINABILITY LEADERS

# Environmental

### Deckers Outdoor Corp. | Sector: Consumer Discretionary

Deckers manufactures footwear, apparel and accessories for both everyday casual lifestyle use and high-performance activities. The company's notable brands include UGG®, HOKA®, Teva® and Sanuk®.

The company has set aggressive goals for materials usage, water, electricity, and waste and has provided robust reporting and tracking of progress toward these goals over time. Key highlights from its FY2023 Creating Change report include:

100% of all hides used in footwear were recycled leather or sourced from Leather Working Group (LWG)-certified tanneries. 100% of all hides used in apparel, accessories and home goods were recycled leather or sourced from LWG-certified tanneries. By sourcing through LWG-certified tanneries compared to conventional standards, the company saved over 457 million megajoules of energy, over 21.8 billion liters of water, and over 55.3 million pounds of CO2 equivalent emissions.

The company has used 100% renewable energy in its owned and operated facilities, reducing scope 1&2 greenhouse gas emissions by 50% from its baseline year.

The company invests in regenerative farming and set a goal of investing in 1 million acres within five years in 2021. As of September 2023, the company has influenced approximately 890,000 acres and expects to reach its 1-million-acre goal in 2025.

Footwear water usage per pound of material sourced has declined 39% relative to FY2019.

### NextEra Energy | Sector: Utilities

NextEra Energy is the largest utility company in the world in terms of market capitalization. In the U.S., it is the largest clean energy company and the third-largest energy company. It has a presence, operations or development projects in 49 states and four provinces in Canada. For decades, NextEra has been reducing emissions through the development of renewable energy and modernization of its generation fleet.

The company set a goal in 2022 called Real Zero to eliminate carbon emissions from its operations at no additional cost to its customers by 2045. Since 2005, the company has reduced its CO2 emissions rate by 61%, reduced absolute CO2 tons emitted by 27% and increased clean generation by 88%. The company's CO2 emissions rate is 53% better than the industry average.

NextEra's investments in water-free wind and photovoltaic solar energy, comprising more than a third of the company's generating capacity, avoided using more than 21 billion gallons of water in 2022. Only one of its 25 generation facilities that use water is in a region of high or extremely high water stress in the U.S. Nearly 75% of the water it withdrew in 2022 came from saltwater sources.

The company is also working to minimize its waste footprint. It recycled 57 million pounds of scrap wire and metal, 22 tons of vegetation waste and donated 10,600 yards of wood to local recyclers.

## SOCIAL

Social metrics help shine a light on a company's relationship with its stakeholders. This may include reviews of human rights, employee relations, working conditions and the use of child labor among customers, suppliers, employees and their community or region.

### Portfolio Holdings



Sources: FactSet, Refinitiv as of 6/30/2024. Comparisons are based on the S&P 500 Index<sup>®</sup>, a measure of 500 selected common stocks most of which are listed on the New York Stock Exchange. The index is not an investment product available for purchase.





PUTTING WORDS INTO ACTION

## Social Policies

Metric	Percent of companies that...	Portfolio	S&P 500	Difference
Policy Skills Training	Have policies to improve the skills training of employees	94%	97%	-3%
Policy Career Development	Have policies to improve the career development paths of employees	97%	98%	-1%
Flexible Working Hours	Provide flexible working hours or working hours that promote work-life balance	78%	67%	11%
Day Care Services	Provide day care services for employees	61%	42%	19%
Internal Promotion	Claim to favor promotion from within	51%	51%	0%
Management Training	Provide regular staff and business management training for managers	94%	92%	2%
Supplier ESG training	Provide training in ESG factors for suppliers	52%	43%	9%
Corporate Responsibility Awards	Have received awards for social, ethical, community, or environmental activities or performance	76%	76%	0%
Policy Customer Health & Safety	Have policies to protect customer health & safety	55%	43%	12%
Policy Employee Health & Safety	Have policies to improve employee health & safety within the company	97%	97%	0%
Policy Supply Chain Health & Safety	Have policies to improve employee health & safety in their supply chains	81%	75%	6%
Health & Safety Training	Train key employees on health & safety	85%	87%	-2%
Supply Chain Health & Safety Training	Train key employees on health & safety in their supply chains	50%	36%	14%
Employees Health & Safety Team	Have employee health & safety teams	76%	71%	5%

Data as of 6/30/2024.

Source: FactSet, Refinitiv.

## FOCUS ON SUSTAINABILITY LEADERS

# Social

### Target | Sector: Consumer Staples

Target is a general merchandise retailer with nearly 2,000 stores across the U.S. and over 400,000 employees.

The company provides clear goals and robust reporting around key performance metrics for attracting, retaining and developing team members. It provides average hourly wages, tuition assistance, employee engagement scores, gender diversity, and strong workplace safety policies.

Target has played a leadership role in advancing equitable pay and benefits. In 2017, it announced it would raise starting wages to \$15 per hour, an industry-leading milestone. In 2022, it announced a new starting wage range of \$15 to \$24, depending on the job and local market. 100% of its employees earn above the locally applicable minimum wage.

The company conducts pay equity analyses which have indicated (1) women are paid 100% of the wages of men and (2) Black communities, Indigenous communities and other communities of color (BIPOC) team members are paid 100% of the wages of white team members.

The company provides career development and leadership training resources, with 94% of employees receiving training (excluding onboarding and compliance) during FY 2022. It also offers a Credit for Training program, certifying existing Target training programs for college credit, allowing team members to apply those credits to a degree they choose at participating universities.

### Workday | Sector: Information Technology

Workday is a leading provider of enterprise cloud applications for finance and human resources. Its solutions are used by more than 10,000 organizations worldwide and across industries — from medium-sized businesses to more than 50% of the *Fortune* 500.

As a software provider with access to sensitive customer information, data privacy and security are key considerations when evaluating the company under the social pillar. The strength of the Workday security and privacy commitments can be seen by its long history of adherence to global compliance programs such as SOC 1 Type II, SOC 2 Type II, ISO/IEC 27001, ISO/IEC 2701, Asia-Pacific Economic Cross-Border Privacy Rules and the EU Cloud Code of Conduct.

The company has strong employee engagement, ranking in the top 10% of software and services companies globally. The company uses a tool called Workday Peakon Employee Voice as a weekly employee engagement and feedback tool. Participation is high — averaging around 70% participation each week, with 97% of employees having taken part at least once.

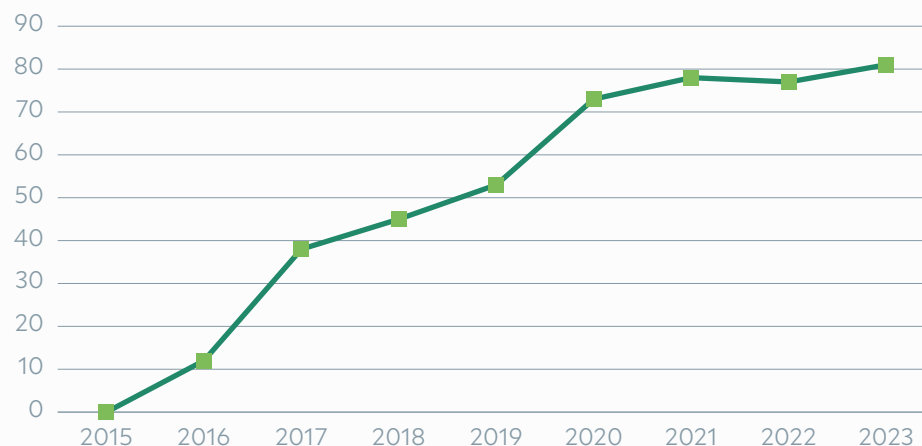
The company offers a workforce development movement (the Opportunity Onramps program) that provides training, internships and opportunities to job seekers from nontraditional backgrounds. Some 16% of all FY2022 hires for early to mid-career roles came through the program.

Its vision to Value Inclusion, Belonging and Equity (VIBE™) is a key focus for the company, and it has set goals around hiring and developing diverse talent, cultivating a culture of belonging, strengthening their communities and building inclusive products and technology.

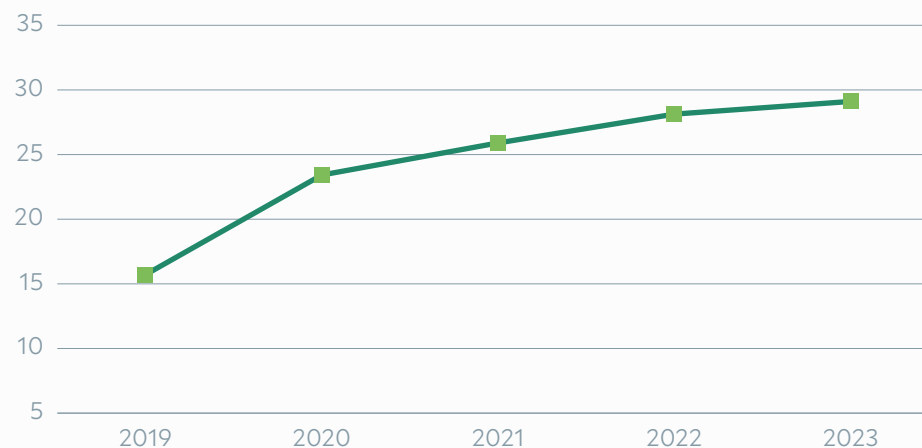
# GOVERNANCE

Governance measures highlight policies and practices that encourage corporate board and management diversity and independence, reporting on sustainability and social responsibility and engagement with employees, customers and other key stakeholders.

Percent of Portfolio With 3+ Female Board Members



Percent of Portfolio With Minority Board Members



Sources: FactSet, Refinitiv as of 6/30/2024.





PUTTING WORDS INTO ACTION

## Corporate Governance Policies

Metric	Description	Portfolio	S&P 500	Difference
Employee Training on Ethical Standards	Percent of holdings reported having programs or statements about employee training on ethical standards	94%	93%	1%
Independent Board	The percentage of portfolio exposed to companies with an independent board majority	97%	99%	-2%
Directors Over 70	Portfolio-weighted average of directors older than age 70	11%	14%	-3%
Outside Directors	The number of outside board members, excluding board members classified as “outside-related” by MSCI ESG Research	79%	81%	-2%

Metric	Percent of companies that...	Portfolio	S&P 500	Difference
CSR Sustainability Reporting	Publish a separate Corporate Social Responsibility (CSR)/Health and Safety (H&S)/Sustainability report or publish a section in the annual report on CSR/H&S/Sustainability	97%	97%	0%
CSR Sustainability Report Global Activities	Consider the global activities of the company in extra-financial reports	94%	94%	0%
CSR Sustainability Committee	Have CSR committees or teams	95%	93%	2%
GRI Report Guidelines	Publish CSR reports in accordance with GRI guidelines	68%	71%	-3%
CSR Sustainability External Audit	Have external auditors for CSR/H&S/Sustainability reports	69%	56%	13%
Stakeholder Engagement	Explain how they engage with stakeholders	74%	73%	1%
Integrated Strategy in MD&A	Explicitly integrate financial and extra-financial factors in the management discussion and analysts (MD&A) sections of annual reports	16%	14%	2%
Global Compact Signatory	Have signed the U.N. Global Compact, a non-binding pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation	33%	24%	9%

Data as of 6/30/2024.  
Source: FactSet, Refinitiv.

## 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.

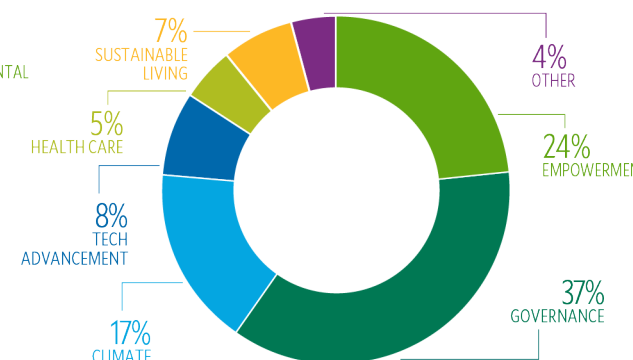
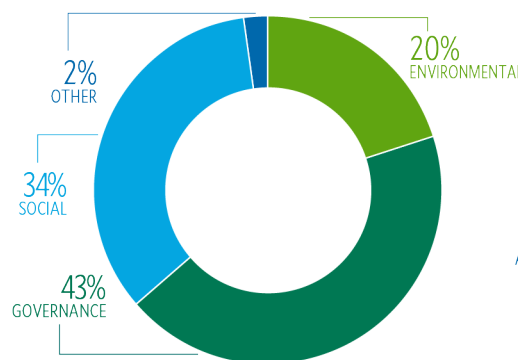
Through these interactions, we gain insights into how companies manage risks and opportunities related to sustainability issues that may not be otherwise disclosed.

This information is a key input for decisions about maintaining, increasing, decreasing or divesting our position in a company.

### Engagement Activities

Engagements	68
Companies Engaged	51
Topics Engaged	30

Engagements Led To	# of Companies
Increased Understanding	47
Proxy-Related Activity	18
Commitments to Change	3



Based on the total number of strategy engagements in the one year ending 6/30/2024. Due to rounding, the total of each chart may not equal 100%. Source: American Century Investments.

# 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 assesses the financial materiality of the sustainability issues underpinning proxy proposals and makes voting recommendations to portfolio managers.

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	
Number of Meetings Voted	101
Number of Items Voted	1,506
Votes With Management	95%
Votes Against Management	5%

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

Based on proxy activities in the one year ending 6/30/2024. Source: American Century Investments.



# We Support These 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 supporter of TCFD and continues to support its voluntary, consistent climate-related financial risk disclosures.

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

American Century is 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 part of this coalition of investors that engages with 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 this community 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 partner with clients to offer solutions designed to meet their investment and sustainability objectives.

\*Team as of 6/30/2024.

## Investment Team

### PORTFOLIO MANAGERS



**Joe Reiland, CFA**  
Senior Portfolio Manager

**Year Began**

Industry	American Century
1995	2000



**Justin Brown, CFA**  
Portfolio Manager

**Year Began**

Industry	American Century
1993	2000



**Rob Bove**  
Portfolio Manager

**Year Began**

Industry	American Century
1994	2005

### INVESTMENT ANALYSTS



**Scott Renze, CFA**  
Senior Investment Analyst

**Year Began**

Industry	American Century
1999	2005



**Scott Marolf**  
Portfolio Manager  
Senior Investment Analyst

**Year Began**

Industry	American Century
2005	2008



**David Cross, CFA**  
Portfolio Manager  
Senior Investment Analyst

**Year Began**

Industry	American Century
2003	2016



**Erica Kazlow**  
Senior Investment Analyst

**Year Began**

Industry	American Century
2007	2021

### CLIENT PORTFOLIO MANAGER



**Jonathan Bauman, CFA**  
Senior Client Portfolio Manager

**Year Began**

Industry	American Century
1998	1998

# 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  
*Empowerment, 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*



# SUSTAINABILITY: IT'S IN OUR GENES™

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+**  
Employee Volunteer  
Hours A Year

## CORPORATE RESPONSIBILITY

Uniquely motivated to give back

**Integrated,  
Focused  
& Impact  
Solutions**

## SUSTAINABLE INVESTING

Decisions shaped by  
sustainability considerations

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. Data as of 6/30/2024.

**americancentury.com**

4500 Main Street  
Kansas City, MO 64111  
1-866-628-8826

330 Madison Avenue  
New York, NY 10017  
1-866-628-8826

70 Main Street  
New Canaan, CT 06840  
1-866-628-8826

360 East 2nd Street  
Los Angeles, CA 90071  
1-866-628-8826

2 Ice House Street  
Hong Kong  
+852 3405 2600

12 Henrietta Street  
London, WC2E 8LH  
+44 20 7024 7080

1 Farrer Place  
Sydney, NSW, 2000  
+61 2 8823 3403

Taunusanlage 8  
60329 Frankfurt, Germany  
+49 69 8088 5501

***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, contains this and other information about the fund, and should be read carefully before investing.***

The value and/or returns of a portfolio will fluctuate with market and economic conditions. Different investment styles tend to shift in and out of favor depending upon market and economic conditions, as well as investor sentiment. A fund may outperform or underperform other funds that employ a different investment style. There is no guarantee that the investment objectives will be met.

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.

**Sustainable Investing Definitions**

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

**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.

International investing involves special risk considerations, including economic and political conditions, inflation rates and currency fluctuations.

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.

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

©2024 Standard & Poor's Financial Services LLC. 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.

**Top 10 Holdings (%)**

Microsoft Corp	8.65	Meta Platforms, Inc.	2.39
NVDA	7.00	United Health Inc.	1.79
Apple Inc.	6.37	JP Morgan Chase & Co.	1.65
Alphabet Inc.	4.53	Visa Inc.	1.58
Amazon.com Inc	3.59	Home Depot, Inc.	1.48

As of 6/30/2024.

The holdings listed should not be considered recommendations to purchase or sell a particular security.