

# Socially Aware Large-Cap Investing

Sustainable Equity is a large-cap portfolio that seeks to deliver competitive long-term financial returns while integrating material ESG factors into the investment process.

## Improvement & Sustainability

The team follows the philosophy that excess returns can be achieved by investing in companies with improving business fundamentals and sustainable corporate behaviors.

By considering environmental, social, and governance (ESG) issues combined with traditional financial information, the team gains a more complete view of value, risk and return potential of a company.

## Comprehensive ESG Approach

The team leverages ESG research from multiple sources. In addition to utilizing third-party sources, the team combines quantitative analysis with insights from our fundamental team to develop a complete view of each company. This comprehensive approach provides a more holistic view of a company's ESG practices.

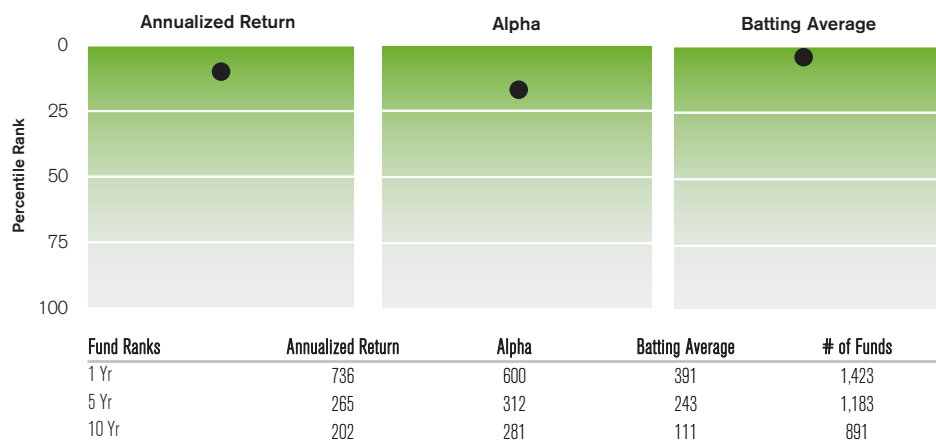
## Risk-Aware Stock Selection

The team uses a dynamic risk management process focused on understanding and quantifying all portfolio risks. The aim is to reduce unintended risks, such as sector and industry concentrations, and to align the portfolio with stock-specific risk that the team believes will be rewarded over time.

## Sustainable Equity has achieved above-average returns in addition to a competitive sustainability rating

### Attractive Statistics vs. Peers

7/1/2016 – 3/31/2024



July 2016 represents the implementation of the current investment strategy focusing on tilting the portfolio towards ESG leaders and integration. Source: Morningstar Direct as of 3/31/2024. Rankings represented with Morningstar's Large Blend Category out of 1,032 funds.

### Competitive Sustainability Rating



Out of 3,642 funds in US Equity Large Cap Blend global category as of 2/29/2024. Based on 100% of AUM. Sustainability Score and Sustainability Rating as of 2/29/2024. Sustainability provides company-level analysis used in the calculation of Morningstar's Sustainability Score.



Produced by MSCI ESG Research as of 3/31/2024.

**Past performance is no guarantee of future results.**

Average annual total returns for period ended 3/31/2024 (%)	1 Year	3 Year	5 Year	10 Year	Inception	Gross Expense Ratio (%)
Sustainable Equity	28.94	10.66	14.94	12.54	10.87	0.79

Inception date is 7/29/2005. Expense ratio is as of the fund's current prospectus.

Extraordinary performance is attributable in part to unusually favorable market conditions and may not be repeated or consistently achieved in the future.

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.

Calendar year returns (%)	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Sustainable Equity	-1.67	8.99	25.79	-5.50	33.82	19.27	28.60	-19.53	24.20	10.97

**Data presented reflect past performance of Investor Class shares. 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](http://www.americancentury.com/performance). Investment return and fund share value will fluctuate, and redemption value may be more or less than original cost. Data assume reinvestment of dividends and capital gains. For information about other share classes available, please consult the prospectus. There is no guarantee the fund will meet its investment objective.**

# Sustainable Equity Fund

TICKERS Investor Class: AFDIX | I Class: AFEIX | A Class: AFDAX | C Class: AFDCX | R Class: AFDRX | R5 Class: AFDGX | R6 Class: AFEDX

## The steady hand of experience

Sustainable Equity is managed by a veteran team. Pictured left to right (industry start date in parentheses): Portfolio Managers Justin Brown, CFA (1993), Joe Reiland, CFA (1995) and Rob Bove, CPA (1994). They are supported by a team of dedicated analysts.



## Top five holdings (%)

Microsoft Corp	8.75
NVIDIA Corp	5.32
Apple Inc	4.07
Alphabet Inc	3.97
Amazon.com Inc	3.34

Data as of 3/31/2024

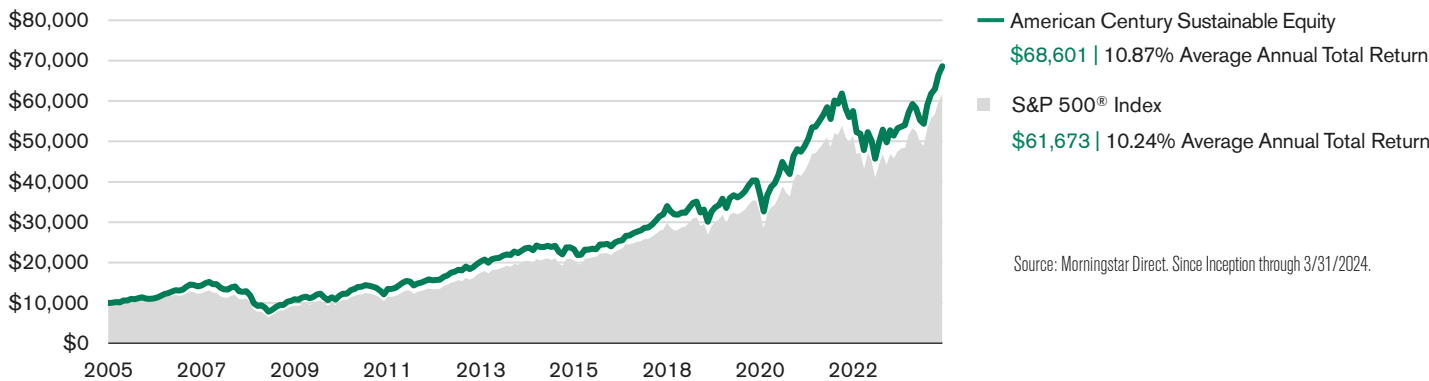
The holdings listed should not be considered recommendations to purchase or sell a particular security. Equity holdings are grouped to include common shares, depository receipts, rights and warrants issued by the same company. Fund holdings subject to change.

## Top five sectors (%)

Information Technology	30.84
Financials	13.28
Health Care	12.72
Consumer Discretionary	10.63
Industrials	8.93

Data as of 3/31/2024

## Growth of a hypothetical \$10,000 investment



**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](http://americancentury.com), contains this and other information about the fund, and should be read carefully before investing.**

**Alpha:** Shows how a fund did relative to what would have been expected given the fund's beta and the performance of the benchmark index. For example, an alpha of 1.4 means that the fund outperformed its estimated return (based on market activity alone) by 1.4%. **Batting Average:** A measure of consistency of returns representing the periods of a fund's outperformance divided by the total number of periods. The higher the batting average, the more consistent the fund has been in outperforming the benchmark.

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.

Mutual fund investing involves market risk. Investment return and fund share value will fluctuate and it is possible to lose money by investing. Equity investments are subject to market fluctuations. The fund also may invest in foreign securities, which can be riskier than investing in U.S. securities.

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The Average of Morningstar Large-Cap Blend Category is an average of all the funds in this category. It is not an investment product available for purchase. ©2024 Morningstar, Inc. All Rights Reserved. Certain information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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.
- **Sustainability 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, best-in-progress, thematic, and impact approaches.

The Morningstar Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their financially material environmental, social and governance, or ESG, risks relative to the fund's Morningstar Global Category peers.

The Morningstar Sustainability Rating calculation is a five -step process. First, each fund with at least 67% of assets covered by a company-level ESG Risk Score from Sustainalytics receives a Morningstar Portfolio Sustainability Score. The Morningstar Portfolio Sustainability Score is an asset-weighted average of company-level ESG Risk Scores. The Portfolio Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk.

Second, the Historical Sustainability Score is an exponential weighted moving average of the Portfolio Sustainability Scores over the past 12 months. The process rescales the current Portfolio Sustainability Score to reflect the consistency of the scores. The Historical Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk, on a consistent historical basis.

Third, the Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Global Categories in which at least thirty (30) funds receive a Historical Sustainability Score and is determined by each fund's Morningstar Sustainability Rating Score rank within the following distribution: High (highest 10%); Above Average (next 22.5%); Average (next 35%); Below Average (next 22.5%) and Low (lowest 10%).

Fourth, we apply a 1% rating buffer from the previous month to increase rating stability. This means a fund must move 1% beyond the rating breakpoint to change ratings.

Fifth, we adjust downward positive Sustainability Ratings to funds with a with high ESG Risk scores. The logic is as follows:

- If Portfolio Sustainability score is above 40, then the fund receives a Low Sustainability Rating
- If Portfolio Sustainability score is above 35 and preliminary rating is Average or better, then the fund is downgraded to Below Average
- If Portfolio Sustainability score is above 30 and preliminary rating is Above Average, then the fund is downgraded to Average
- If Portfolio Sustainability score is below 30, then no adjustment is made.

The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. Since a Sustainability Rating is assigned to all funds that meet the above criteria, the rating it is not limited to funds with explicit sustainable or responsible investment mandates.

Morningstar updates its Sustainability Ratings monthly. The Portfolio Sustainability Score is calculated when Morningstar receives a new portfolio. Then, the Historical Sustainability Score and the Sustainability Rating is calculated one month and six business days after the reported as-of date of the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date.

Sustainalytics is an independent ESG and corporate governance research, ratings, and analysis firm and is not an affiliated company of Morningstar.

MSCI ESG Research LLC's ("MSCI ESG") Fund Ratings products (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 56,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Advisor under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or promotion of recommendation of, any security, financial instrument or product trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when to buy or sell them. The information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information.