

American Century®

# U.S. QUALITY VALUE ETF

Designed to offer core value exposure that dampens the cyclicity of value investing to pursue enhanced risk-adjusted returns versus market-cap weighted indexing.

Adjustments to Value and Income allocations seek to take advantage of prevailing market conditions. Allocation changes are based on analysis of risk-adjusted returns rather than pure price momentum, which helps the portfolio respond—but not overreact—to changing markets. The result is a core value holding designed to stand up to market changes and pursue more consistent returns across the market cycle.

## GOAL & STRATEGY:

Tracks the American Century® U.S. Quality Value Index.

## APPROACH:

Applies an index-based methodology that seeks to identify stocks with key characteristics:

- Quality companies with sound fundamentals, selling at attractive valuations
- Sustainable income-payers to help mitigate risk when value investing falls out of favor
- Diversified sector exposure and limited position size aimed at reducing risk

PERFORMANCE (%)	1 Mo.	QTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	5.19	9.70	13.82	10.17	10.76	-	7.08
Market Price	5.21	9.71	13.83	10.13	10.75	-	7.08
Spliced U.S. Quality Value	5.26	9.76	14.15	10.54	11.12	-	7.39
Russell 1000 Value Index	5.54	9.50	11.46	8.86	10.91	-	7.00

**Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Returns less than one year are not annualized. NAV prices are used to calculate market price performance prior to the date when the Fund first traded on the New York Stock Exchange. Market performance is determined using the bid/ask midpoint at 4:00 p.m. Eastern time, when the NAV is typically calculated. Market performance does not represent the returns you would receive if you traded shares at other times. To obtain performance data current to the most recent month end, please visit <https://ipro.americancentury.com/etf-performance>. Index performance does not represent the fund's performance. It is not possible to invest directly in an index.**

On May 31, 2023, VALQ began to track the American Century® U.S. Quality Value Index. Historical index data prior to May 31, 2023, is for the iSTOXX® American Century® USA Quality Value Index. Spliced index data on and after May 31, 2023, is for the Spliced U.S. Quality Value Index.

**A Note About Risk:** 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. VALQ is not actively managed and the portfolio managers do not attempt to take defensive positions under any market conditions, including declining markets. The portfolio managers also do not generally add or remove a security from the fund until such security is similarly added or removed from the underlying index. Therefore, the fund may hold an underperforming security or not hold an outperforming security until the underlying index reacts. This may result in underperformance compared to the market generally. In addition, there is no assurance that the underlying index will be determined, composed or calculated accurately. While the index provider provides descriptions of what the underlying index is designed to achieve, the index provider does not guarantee the quality, accuracy or completeness of data in respect of its indices, and does not guarantee that the underlying index will be in line with the described index methodology. Gains, losses or costs to the fund caused by errors in the underlying index may therefore be borne by the fund and its shareholders.

## Overall Morningstar Ratings™

Morningstar Category: Large Value

**VALQ** ★★★

Morningstar ratings are based on historical risk-adjusted total returns, which are not indicative of future results.

## FUND INFORMATION

Inception Date	1/11/18
Total Fund Assets	\$223.1M
Dividend Frequency	Quarterly
Gross Expense Ratio	0.29%
Benchmark	American Century® U.S. Quality Value Index
Benchmark 2	Russell 1000 Value Index
Ticker	VALQ
Intraday NAV Ticker	VALQ-IV
CUSIP	025072208
Exchange	NYSE Arca

Expense ratio is as of the most recent prospectus.

## PORTFOLIO MANAGEMENT TEAM

Name	Start Date	
	Industry	Company
Rene Casis	1997	2018
William Enderle	2017	2019

## RISK MEASURES (3-YEAR)

Alpha (Annualized)	-0.30
Beta	1.00
R-squared	1.00
Std. Deviation (Annualized)	16.81
Sharpe Ratio	0.47

On May 31, 2023, American Century® STOXX® U.S. Quality Value ETF was renamed American Century® U.S. Quality Value ETF.

**KEY CHARACTERISTICS**

	VALQ	Benchmark	Benchmark 2
Wtd Avg Market Cap	\$170.5B	\$169.4B	\$139.0B
Price/Earnings Ratio	18.32x	18.31x	16.70x
Price/Book Ratio	3.93x	3.93x	2.31x
Price to Cash Flow	11.71x	11.71x	10.23x
30 Day SEC Yield	1.43%	-	-
Number of Holdings	226	226	849

**TOP HOLDINGS (%)**

Gilead Sciences Inc	2.67
Comcast Corp	2.61
Walmart Inc	2.47
Apple Inc	2.42
Kimberly-Clark Corp	2.33
Cardinal Health Inc	2.27
McKesson Corp	2.22
TE Connectivity Ltd	1.80
Akamai Technologies Inc	1.75
Juniper Networks Inc	1.55

**TOP SECTORS (%)**

Information Technology	26.32
Industrials	17.21
Consumer Staples	15.36
Health Care	12.34
Consumer Discretionary	12.02
Communication Services	6.13
Financials	5.22
Energy	3.05
Materials	2.26
Real Estate	0.09

**Top Ten Holdings Total 22.09**

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.

**Morningstar Rating - VALQ**

**Morningstar Category - Large Value**

	Overall	3 Year	5 Year	10 Year
Rating	***	***	***	-
# of Funds	1,131	1,131	1,075	-

The Morningstar Rating™ for funds, or star rating, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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**KEY TERMS:**

**Price to Earnings Ratio:** The price of stock divided by its annual earnings per share. **Price to Book Ratio:** The ratio of a stock's price to its book value per share. **Price to Cash Flow:** The ratio of a stock's price to its cash flow per share. **30 Day SEC Yield:** Represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. The SEC Yield should be regarded as an estimate of the fund's rate of investment income, and it may not equal the fund's actual income distribution rate, the income paid to a shareholder's account, or the income reported in the fund's financial statements. **Quality companies:** Companies with strong fundamentals (profitability, limited use of leverage, high-quality earnings); positive earnings revisions; efficient use of capital to assess management quality. **Value stocks:** Attractively valued companies within each industry group based on value, earnings yield and cash flow metrics. **Income-oriented stocks:** Stocks with strong dividend yield, dividend growth, dividend coverage and historical consistency of dividend payment. **Dynamic Allocation:** Seeks to balance higher expected return/risk of value stocks with downside risk mitigation of income stocks. **Position Limits:** Value Sleeve: 35% to 80% allocation. Income Sleeve: 20% to 65% allocation. Rebalanced monthly in 15% increments based on recent risk-adjusted performance. **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. **Beta:** Measures the volatility of the fund, as compared to that of the overall market. The market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. **R2 - (R-squared):** A statistic that indicates how much of a fund's fluctuations were attributable to movements in the fund's benchmark index. **Sharpe Ratio:** Measures the potential reward offered by a mutual fund relative to its risk level using the fund's standard deviation and its excess return to determine reward per unit of risk. The higher the sharpe ratio, the better the fund's historical risk-adjusted performance. **Standard Deviation:** Defines how widely returns varied from an average over a given period of time. A higher standard deviation means a more volatile fund.

*DUE TO MARKET VOLATILITY, CURRENT PERFORMANCE MAY BE DIFFERENT THAN THE FIGURES SHOWN.*

Exchange Traded Funds (ETF) are bought and sold through 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 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.***

American Century® U.S. Quality Value Index seeks to capture the performance of large- and mid-capitalization companies in the U.S. that possess attractive quality, valuation, and income fundamentals. It is not possible to invest directly in an index.

The iSTOXX® American Century® USA Quality Value Index (underlying index) is a systematic, rules-based proprietary index that is owned and calculated by STOXX® based on the STOXX® 900 Index. The underlying index aims to dynamically allocate to both quality companies with sound fundamentals and attractive valuations and companies with sustainable income. The Stoxx® 900 Index covers the 900 largest U.S. companies by market capitalization. It is not possible to invest directly in an index. STOXX® and iSTOXX® are registered trademarks of STOXX Ltd.

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The Russell 1000® Value Index measures the performance of those Russell 1000 Index companies (the 1,000 largest publicly traded U.S. companies, based on total market capitalization) with lower price-to-book ratios and lower forecasted growth values. The Russell 1000® Index is a trademark/service mark of the Frank Russell Company. Russell® is trademark of the Frank Russell Company. Indices are not investment products available for purchase.