

Small Cap Value Fund

Quarterly Commentary

Portfolio Review

U.S. stocks gained ground. Equities rose, with several reaching record highs. The Federal Reserve, reacting to job market weakness, reduced its benchmark interest rate for the first time this year. Most policymakers expected two more rate cuts by the end of the year.

Economic growth continues. The economy continued to expand, which helped stocks overcome concerns about inflation, a U.S. government shutdown and ongoing tariff uncertainty. The U.S. government revised its final reading of second-quarter gross domestic product (a measure of the total economic output in goods and services for an economy) from 3.3% to 3.8%, marking a sharp rebound from the first quarter.

Energy detracted. Stock selection in this sector hampered relative performance. Energy-related stocks dramatically underperformed the benchmark as increased production by OPEC members helped push gas and oil prices lower amid tempered demand.

Financials underperformed. This sector lagged due to overweight positioning in the financial services and insurance industries relative to the benchmark. Stock selection also hindered performance. In financial services, Euronet Worldwide and Evertec were notable detractors from returns. In insurance, AXIS Capital Holdings and Slide Insurance Holdings also detracted.

Utilities contributed. Utilities stocks narrowly underperformed the benchmark. As a result, our lack of exposure to the sector contributed to performance.

Key Contributors

The Brink's Co. Shares of this cash-in-transit/armored truck service provider performed well during the quarter as the company reported strong earnings, benefiting from its strategic shift toward premium solutions.

Axcelis Technologies. After an extended period of underperformance, we think the stock of this semiconductor capital equipment company has performed well. Axcelis has been generating better-than-expected profits amid stabilizing demand. We think the stock has also likely benefited from improved semiconductor sentiment.

Visteon. This supplier of displays to automakers fell out of favor as investors feared that tariffs could limit automobile production. But the company has won new business with Asian original equipment manufacturers (outside of China).

Key Detractors

Americold Realty Trust. This real estate investment trust (REIT), which specializes in cold storage in the food supply chain, has been hurt by high inflation and interest rates. Declining food volumes due to the popularity of GLP-1 drugs have also hurt earnings.

Axis Capital Holdings. Shares of this property and casualty insurer and reinsurer underperformed as investors rotated out of insurance stocks, favoring what they believed were higher-risk sectors and industries with greater growth potential.

Euronet Worldwide. This financial services provider detracted. Despite Euronet's strong financial characteristics, we think the stock has been hindered by the Trump administration's immigration policies, which could hurt the money transfer business, and by the rise of stablecoins.

Goal and Strategy

Long-term capital growth and income by investing in the stocks of small-sized companies that are believed to be undervalued.

Portfolio Management Team

Name	Start Date	
	Industry	Company
Jeff John, CFA	1991	2008
Ryan Cope, CFA	2009	2009

Top 10 Holdings (%)

Old National Bancorp/IN	2.97
SOUTHSTATE BANK CORP	2.73
Axis Capital Holdings Ltd	2.67
Graphic Packaging Holding Co	2.65
Timken Co/The	2.51
EVERTEC Inc	2.37
Euronet Worldwide Inc	2.29
UMB Financial Corp	2.24
Webster Financial Corp	2.21
Enovis Corp	2.11

As of 9/30/2025

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.

Notable Trades

Bath & Body Works. We initiated a position in this retailer of fragrance and body care products for what we believed were its high margins and potential for rapid growth. We think the company's low valuation should be temporary and that strong free cash flows can help mitigate risk as we wait for strategic initiatives to take hold.

Ashland Global Holdings. We opened a position in this global specialty chemical company, which has shifted its focus to serving the consumer and pharmaceutical end markets. Despite what we believe is a high-quality portfolio, the stock is trading at a steep discount to historical valuations.

GMS. This specialty building products distributor was acquired by The Home Depot following a bidding war with QXO, another building products distributor. We exited the position on the deal.

ChampionX. This oil field services company was acquired by SLB (formerly Schlumberger). The transaction closed out our position.

Portfolio Positioning

The portfolio seeks to invest in small-cap companies where we believe the valuation does not reflect the quality and normal earnings power of the company. Our process is based on individual security selection, but broad themes have emerged.

Opportunities in financials. We have been significantly overweight in this sector relative to the benchmark, especially in banks, financial services companies (e.g., payment processors, holding companies and metals brokers) and insurers. We also have no exposure to mortgage REITs and consumer finance. Our research has indicated an impending positive inflection in net interest income and overstated fears by the market for an extended negative lending cycle. We remain positively predisposed to what we believe are higher-quality banks, with many of our holdings still trading meaningfully below historical valuations.

Overweight consumer discretionary. We have held a large overweight in this sector relative to the benchmark. We believe our holdings have been attractively valued and have provided us with exposure to unique and more durable areas of the consumer market (e.g., higher-end consumers, recurring revenue stories, etc.). Our overweight in the sector is broadly dispersed across what we believe are higher-quality specialty retail companies, higher-end accessories companies, leisure product manufacturers, consumer services companies, leisure companies and household durables providers.

Less weight in industrials. We reduced our allocation in this sector, but the portfolio is still overweight relative to the benchmark. We have continued to find what we believe are higher-quality industrials (e.g., machinery, distribution, commercial services), many of which have been able to exert strong pricing power during the recent inflationary environment. Our research has indicated that this pricing power, coupled with strong core unit demand and prudent cost control efforts, has enabled many of our industrials to generate significant excess cash flow and has allowed accelerated efforts to return cash to shareholders via increased dividends, share buybacks and debt reduction.

No exposure to utilities. We have no exposure to utilities stocks. After underperforming the benchmark in 2023 and again in 2024, the sector snapped back in the first quarter of 2025, providing what we believe was defensive posturing for investors in the face of a volatile market. The sector lagged once again in the second and third quarters of 2025 as investor appetite for risk returned. We continue to look for opportunities to gain exposure in this sector, though at this point we believe there have been better risk/reward opportunities in more cyclical corners of the market.

Significantly underweight health care. We believe valuations in the health care sector have not presented attractive risk/reward opportunities. A significant portion of our underweight in this sector relative to the benchmark has been driven by our lack of exposure to the biotechnology, pharmaceuticals and life sciences tools and services industries. We will likely remain materially underweight in the health care sector as we believe these industries, which now account for a significant portion of the benchmark, do not fit our process regarding quality and financial strength.

Small Cap Value Fund

TICKERS Investor Class: ASVIX | I Class: ACVIX | A Class: ACSCX | C Class: ASVNX | R Class: ASVRX | R5 Class: ASVGX | R6 Class: ASVDX

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 9/30/2025

Class	Qtr (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Inception Date	Gross Expense Ratio (%)
Investor	4.69	-2.16	10.30	13.55	9.45	10.42	7/31/98	1.08
I	4.67	-2.02	10.54	13.75	9.66	10.87	10/26/98	0.88
R5	4.67	-2.02	10.53	13.77	9.66	7.76	4/10/17	0.88
R6	4.81	-1.78	10.69	13.94	9.84	8.79	7/26/13	0.73
Russell 2000 Value Index	12.60	7.88	13.56	14.59	9.23	-	-	-

Historical performance for the R5 Class prior to its inception is based on the performance of I Class shares, which have the same expenses as the R5 Class.

Pre-inception differences in R5 Class and I Class performance are based on rounding.

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 Share Class is available only to participants in group employer-sponsored retirement plans where a financial intermediary provides recordkeeping services to plan participants.

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.

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.

Historically, small- and/or mid-cap stocks have been more volatile than the stocks of larger, more established companies. Smaller companies may have limited resources, product lines and markets, and their securities may trade less frequently and in more limited volumes than those of larger companies.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Value Index measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. Created by Frank Russell Company, it is not an investment product available for purchase.

