

AMERICAN CENTURY®

QUALITY PREFERRED ETF

High-Quality Preferred Securities Offering the Potential for High, Sustainable Income and Portfolio Diversification

Preferred securities are hybrids that share the characteristics of both stocks and bonds to offer income and upside potential. Typically issued by investment-grade, regulated companies, preferreds offer higher potential yield than investment grade as compensation for being lower in the capital structure.

Allocating to preferred securities in a portfolio may:

- Provide enhanced portfolio yield without significantly sacrificing credit quality.
- Provide diversification away from traditional fixed-income investments with less vulnerability to rising rates.
- Be an income enhancer for credit-sensitive portfolios.

FUND INFORMATION

Ticker	QPFF
Intraday NAV Ticker	QPFF-IV
Inception Date	2/16/2021
Exchange	CBOE BZX Exchange
Gross Expense Ratio	0.32%
Benchmark	ICE Exchange-Listed Preferred & Hybrid Securities Index
Bloomberg Ticker	PHGY
Number of Holdings	100-200
Distribution Frequency	Monthly

AN ACTIVE APPROACH TO PORTFOLIO CONSTRUCTION THAT SEEKS TO IMPROVE UPON A PASSIVE APPROACH

QPFF combines quantitative and fundamental insights designed to enhance income opportunities while tempering risk in volatile markets. Indices weight holdings based on the size of their issuance and do not consider the fundamentals of the issuer or the structural features of the security in their methodology. Some issuers of preferreds may not have the financial strength to maintain dividends during challenging environments, while others may offer securities with certain features like calls that increase sensitivity to rising rates. Our strategy focuses on quality, diversification and risk management in an effort to generate attractive yield and optimize risk/return potential.

Our process begins by screening the preferred universe to identify strong issuers. Our models address the universe's concentration in highly regulated industries such as banking and insurance by incorporating sector-specific metrics. Our portfolio is not beholden to static rebalancing schedules and has the flexibility to actively select the optimal issues with respect to par value, call features, rate policy and other structural features. As a result, our portfolio is designed to hold higher-quality, higher-profitability issuers that we believe can sustain dividends throughout the market cycle, have lower exposure to cyclical sectors and have lower exposure to sources of credit and interest rate risk.

Investment Universe

Largest Liquid Preferreds (ICE Exchange-listed Preferred & Hybrid Securities Index)

Identify High Quality Issuers

- Eliminate issuers with highest likelihood of suspending dividends in challenging market environments, focusing on earnings quality and market capitalization.
- Employ sector-specific screens to further refine investment universe to account for idiosyncrasies among banking and nonbanking sectors.
- Optimize remaining issuers based on valuation and yield.

Select Optimal Securities

Seek the securities with the best structural features, accounting for market inefficiencies that may impact relative valuation among issues.

Portfolio Construction

Ensures alignment with aggregate portfolio risk/return objectives, liquidity and portfolio constraints.

Portfolio
100-200 Holdings

INVESTOR PROFILE



- Investors seeking stable income over market cycles while mitigating risk.
- Investors searching for portfolio yield who want to diversify away from traditional fixed income.
- Tax-sensitive investors searching for attractive after-tax yield, as preferred income is often classified as qualified dividend income.



INNOVATIVE

Variety of investment approaches that offer proactive solutions.



UPSIDE POTENTIAL

Alpha-seeking portfolios based on manager research and insights.



LOWER COST

Benefits of active management in a lower-cost, tax-efficient, liquid vehicle.

Investing With Purpose

American Century Investments® is an asset manager known for industry-leading client care, stewardship and stability. Founded more than 60 years ago, the firm boasts an institutional-quality investment management platform with more than \$212 billion in AUM.* Through American Century's relationship with the Stowers Institute for Medical Research, your investments help support research that can improve human health and save lives. Since 2000, American Century's dividends distributed to the Institute have totaled \$1.7 billion.

*As of 12/31/2020.

Role of QPFF in a Portfolio

As a strategic allocation: to provide enhanced portfolio yield without significantly sacrificing credit quality.

As a tactical allocation: to provide diversification away from traditional fixed-income investments, with less vulnerability to rising rates.

Actively Investing in Your Success

Drawing on more than 60 years of real-world, active management experience, we offer access to lower-cost, tax-efficient investment strategies in a liquid ETF. Our ETF lineup expands your options to manage portfolio risk, reduce the impact of fees and taxes and enhance investor return potential.

Our semitransparent active ETFs (also known as nontransparent ETFs) have the same features and potential benefits as traditional ETFs while protecting the intellectual property that is critical to generate alpha.



Exchange Traded Funds (ETFs) 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.

The fund is an actively managed ETF that does not seek to replicate the performance of a specified index. To determine whether to buy or sell a security, the portfolio managers consider, among other things, various fund requirements and standards, along with economic conditions, alternative investments, interest rates and various credit metrics. If the portfolio manager considerations are inaccurate or misapplied, the fund's performance may suffer.

Preferred securities combine some of the characteristics of both common stocks and bonds. Preferred securities may receive preferential treatment compared to common stock regarding dividends, but they are typically subordinated to a company's other debt, which subjects them to greater credit risk. Generally, holders of preferred securities have no voting rights. A company issuing preferred securities may defer dividend payments on the securities and may redeem the securities prior to a specified date. Preferred securities may also be substantially less liquid than other securities and may have less upside potential than common stock.

Floating-rate securities are structured so that the security's coupon rate or the interest paid on a bond fluctuates based upon a reference rate. In a falling interest rate environment, the coupon on floating-rate securities will generally decline, causing a reduction in the fund's income. A floating-rate security's coupon rate resets periodically according to the terms of the security. In a rising interest rate environment, floating-rate securities with coupon rates that reset infrequently may lag behind the changes in market interest rates. Floating-rate securities may also contain terms that impose a maximum coupon rate the company issuing the security will pay, therefore decreasing the value of the security.

Concentrating investments in a particular industry or group of industries gives the fund greater exposure than other funds to market, economic and other factors affecting that industry or group of industries. The financials sector can be significantly affected by changes in interest rates, government regulation, the rate of defaults on corporate, consumer and government debt, and the availability and cost of capital.

International investing involves special risks, such as political instability and currency fluctuations. Investing in emerging markets may accentuate these risks.

The fund is classified as nondiversified. Because it is nondiversified, it may hold large positions in a small number of securities. To the extent it maintains such positions, a price change in any one of those securities may have a greater impact on the fund's share price than if it were diversified.

Alpha is typically used to represent the value added or subtracted by active investment management strategies. It shows how an actively managed investment portfolio performed compared with the expected portfolio returns produced simply by benchmark volatility (beta) and market changes. A positive alpha shows that an investment manager has been able to capture more of the upside movement in the benchmark while softening the downswings. A negative alpha means that the manager's strategies have caught more benchmark downside than upside.

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.