

AMERICAN CENTURY®

# DIVERSIFIED MUNICIPAL BOND ETF

## Pursuing Tax-Advantaged Income Across the Market Cycle

Many investors look to municipal bonds for their attractive taxable-equivalent yields and their relatively low default rates. Yet a market-weighted passive index approach may not fully capture these opportunities.

That's because the market is highly fragmented. It consists of more than a million outstanding municipal securities, which makes replicating market-weighted indexes challenging. Municipal indexes also often overweight highly indebted projects or sectors. Moreover, investment grade indexes exclude un-rated issues that could offer potential for capital appreciation.

Finally, passive indexes don't offer the opportunity to add value through security selection, sector exposures, or duration positioning, or to identify opportunities across the quality spectrum.

Diversified Municipal Bond ETF (TAXF) seeks to capitalize on these inefficiencies by drawing on the expertise of American Century's dedicated muni team. Their research-driven approach pursues attractive issues with low default risk, while the portfolio opportunistically allocates between 5 percent and 35 percent to high yield based on market and economic trends.

## FUND INFORMATION

Ticker	TAXF
Intraday NAV Ticker	TAXF-IV
Inception Date	9/10/2018
Exchange	NYSE ARCA
Gross Expense Ratio	0.29%
Benchmark	S&P National AMT-Free Municipal Bond
Distribution Frequency	Monthly

## A DYNAMIC APPROACH TO MUNICIPAL BOND INVESTING

American Century's municipal bond team believes that combining top-down analysis with bottom-up research offers the greatest potential for attractive income and risk-adjusted returns.

Top-down analysis helps determine the optimal allocations to high yield and investment grade as well as duration and yield curve positioning, while in-depth bottom-up analysis of each bond seeks to identify those believed to offer low default risk and potential for credit upgrades. The result is a portfolio designed to be diversified by sector, credit quality and interest rate sensitivity that offers the potential for enhanced income.

### Investment Universe

Federally tax-exempt municipal securities

### Top-Down Investment Grade/High Yield Allocation, Duration and Yield Curve

Determine the optimal allocation to high yield, duration and yield curve

### Bottom-Up Security Selection and Industry Allocation

Identify municipal securities which seek to provide attractive value

### Risk-Aware Portfolio Construction

Adjust portfolio to help ensure liquidity and diversification across sector, credit quality and interest sensitivity

TAXF

# INVESTOR PROFILE



- Investors seeking enhanced income and risk-adjusted return potential from their municipal bond portfolio
- Investors concerned that a cap-weighted index approach to municipal bonds does not emphasize the most attractive issues
- Investors who would like a municipal bond solution that aims to adjust to changing market conditions and allocates opportunistically to investment grade and high yield

## Managing Money, Making A Difference

American Century Investments® is a leading asset manager focused on delivering investment results and building long-term client relationships while supporting research that can improve human health and save lives. It's how we and our clients together **Prosper With Purpose®**

Every day people are increasingly focused on investing to make the world a better place for themselves, their families, their organizations and the world at large. It is possible to live a more meaningful and impactful life and give back something that's more valuable than money.

When you invest with us, you can also invest in the future of others and have the potential to impact the lives of millions. That's possible because of the distinct relationship with the Stowers Institute for Medical Research, which owns more than 40% of American Century. Our dividend payments provide ongoing financial support for the Institute's work of uncovering the causes, treatments and prevention of life-threatening diseases, like cancer. **Together we can become a powerful force for good.**

## The Steady Hand of Experience

Diversified Municipal Bond ETF is managed by a team of muni investing veterans that includes 10 seasoned professionals who average more than 24 years of experience.

American Century has been managing municipal portfolios for more than 30 years and today manages more than \$7 billion in assets.

All data as of 6/30/2018.



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

ETFs trade like stocks, fluctuate in market value and may trade at prices above or below the ETF's net asset value. Brokerage commissions and ETF expenses will reduce returns.

The fund is actively managed and 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 managers' considerations are inaccurate or misapplied, the fund's performance may suffer.

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. Generally, as interest rates rise, the value of the securities held in the fund will decline. The opposite is true when interest rates decline. Investment income may be subject to certain state and local taxes and, depending on your tax status, the federal alternative minimum tax (AMT). Capital gains are not exempt from state and federal income tax. Lower-rated securities in which the fund invests are subject to greater credit risk, default risk and liquidity risk.

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**S&P® National AMT-Free Municipal Bond Index** is a broad market value-weighted index designed to measure the performance of the investment-grade tax-exempt U.S. municipal bond market. Bonds issued by U.S. territories, including Puerto Rico, are excluded from this index. It is not possible to invest directly in an index.

**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.**