AC ALTERNATIVES® Equity Market Neutral

TICKERS Inv Class: ALHIX > I: ALISX > A Class: ALIAX > C Class: ALICX > R5 Class: ALIGX > R Class: ALIRX

Portfolio Review

Global stocks finished up. Global equity markets rebounded strongly in the first quarter following a sharp sell-off in the fourth quarter. Hopes for a U.S.-China trade deal and prospects for more accommodative central bank policies helped reassure investors, offsetting concerns about slowing global economic growth.

Mid-caps fared best. Based on the Russell family of indices, mid-cap stocks outperformed both small- and large-cap stocks. From a style perspective, growth outperformed value across all market capitalizations.

Factor contribution negative. Our stock selection process incorporates factors of valuation, quality, growth and sentiment while striving to minimize unintended risks along industries and other risk characteristics. During the period, growth and sentiment contributed, while the valuation and quality factors detracted.

Long positions were key contributors during strong period for stocks. As a result of the broad rally in global equities, many of the key contributions to return came from long positions. This underscores the diversification benefit of a long/short, absolute return strategy during periods of market volatility. A long/short position is a "market neutral" investing strategy that involves taking long positions in assets that are expected to increase in value and short positions in assets that are expected to decrease in value. A long position is typical ownership of an asset or investment that gives the owner the right to transfer ownership, the right to any income generated by the asset and the right to any profits or losses due to value changes. A short position refers to the sale of an asset borrowed, not owned, by the seller in anticipation of a price decline. If the seller can buy the asset later (to return what was borrowed) at a lower price, a profit results. If the price rises, the borrower/seller suffers a loss.

Industrials sector positioning bolsters results. Performance benefited from long positions in the commercial services and supplies, professional services, building products and electrical equipment industries. Generally, stock prices in the sector increased during the period due to optimism regarding progress in U.S.-China trade negotiations.

Materials construct positivity. Results were buoyed by long positions within the materials sector. Most notably, positioning in the metals and mining and paper and forest products industries benefited relative results.

Consumer discretionary weighs on returns. Both long and short positions in the household durables, automobiles and specialty retail industries detracted from results.

Information technology, health care were net longs; utilities, real estate were net shorts. We are finding attractive investment opportunities along multiple measures of our stock selection model across many industry groups in the information technology sector as well as in the health care sector. Key areas of opportunity include technology hardware and equipment and pharmaceuticals, respectively. At the other end of the spectrum, we found greater opportunity on the short side in the utilities and real estate sectors.

Key Contributors

Domtar. This packaging and fiber product company's stock rose during the period on the back of positive earnings estimate revisions, lifting portfolio returns. The company maintains favorable scores across all four model factors.

Clean Harbors. The stock of this waste management services company rose during the quarter on the back of strong fourth-quarter and year-end results. The company has strong scores for growth, quality and sentiment.

OBJECTIVE

Long-term capital growth independent of equity market conditions.

PORTFOLIO MANAGEMENT TEAM

	Start Date	
	Industry	Company
Brian Garbe	1988	2010
Claudia Musat	2005	2005

TOP 10 EQUITY HOLDINGS (%)

AutoZone Inc	1.01
Hill-Rom Holdings Inc	0.99
Capcom Co Ltd	0.98
NuVasive Inc	0.98
Robert Half International Inc	0.97
Discover Financial Services	0.96
Tech Data Corp	0.95
Healthcare Trust of America Inc	0.92
Fifth Third Bancorp	0.92
Halliburton Co	0.91

As of 3/31/2019

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.

Keysight Technologies. The stock of this electronic instrument design and testing company benefited from relative results during the period. The stock rose throughout the period on strong fundamentals. The company maintains high scores for quality, growth and sentiment.

Key Detractors

Wayfair. Short exposure to this online home goods retailer hurt relative results. The stock rose throughout much of the period on the back of a fourth-quarter revenue increase, although the company reported a loss for the period. The company maintains low scores for sentiment, growth and valuation.

The New York Times Co. The stock of this publisher increased during much of the period, buoyed by a dividend increase and growing online subscriptions. The company scored poorly across all four factors within our model, thus, the short position.

Tempur Sealy International. A short position in this furniture company detracted from performance as the stock gained steadily throughout the period. The stock maintains low scores for valuation and quality.

Positioning for the Future

The portfolio is managed to be market neutral with approximately equal dollar amounts invested in its long and short positions. We employ a structured, disciplined investment approach for both stock selection and portfolio construction. We incorporate measures of valuation, quality, growth and sentiment into our stock selection process with the aim of producing consistent long-term performance.

Looking for value in technology. As reflected in our model, on the long side, we want to look for growing, quality technology companies with lower valuations. Technology hardware and equipment stocks in particular offer attractive, high-quality earnings growth potential. The software and services and semiconductor and semiconductor equipment industries also score well across multiple factors.

Additional long opportunities in health care and industrials sectors. We are net long in health care and industrials holdings, as we continue to see investment opportunities that offer the potential for gains across multiple measures of our stock selection model in these sectors. In health care, the pharmaceuticals industry scores well. In industrials, commercial and professional services is an opportune industry.

Utilities and real estate shorts. Electric, water and multiutilities are particular areas where we see opportunity on the short side within the utilities sector. In real estate, our model shows real estate management and development as the favorable area for short-side opportunity.

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. 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 3/31/2019 (%)

Class	Qtr (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Inception Date
Investor	-0.82	0.90	0.18	0.20	1.24	1.20	9/30/05
I	-0.71	1.24	0.41	0.40	1.45	1.41	9/30/05
R5[1]	-0.62	1.24	0.41	0.40	1.45	1.07	4/10/17
Bloomberg Barclays U.S. 1-3 Month Treasury Bill Index	0.59	2.09	1.14	0.71	0.40	-	-

[1]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.

Performance less than one year, when quoted, is not annualized.

EXPENSES & SALES CHARGES (%)	Investor	I	R5
Gross Expense Ratio	3.07	2.87	2.87

The total expense ratio (excluding dividends and interest expense on securities sold short) was **1.38%** for Investor Class and **1.18%** for I and R5 Classes. This fund's total expense ratio excludes dividends on short sales. These are the dividends paid to the lenders of the borrowed securities. The expense relating to dividends on short sales will vary depending on whether the securities the fund sells short pay dividends and on the size of any such dividends.

The gross expense ratio is the fund's total annual operating costs, expressed as a percentage of the fund's average net assets for a given time period. It is gross of any fee waivers or expense reimbursement.

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.

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.

Alternative mutual funds often hold a variety of non-traditional investments, and also often employ more complex trading strategies than traditional mutual funds. Each of these different alternative asset classes and investment strategies have unique risks making them more suitable for investors with an above average tolerance for risk.

Fund shown may take short positions. A short position arises when the fund sells stock that it does not own but was borrowed in anticipation that the market price of the stock will decline. If the market price declines, the fund can replace the borrowed stock at a lower price and capture the value represented by the difference between the higher sale price and the lower replacement price. Conversely, if the price of the stock goes up after the fund borrows the stock, the fund will lose money because it will have to pay more to replace the borrowed stock than it received when it sold the stock short. Any loss will be increased by the amount of compensation, interest or dividends, and transaction costs the fund must pay to the lender of the borrowed security. In addition, because the fund's loss on a short sale stems from increases in the value of the stock sold short, the extent of such loss, like the price of the stock sold short, is theoretically unlimited. By contrast, a fund's loss on a long position arises from decreases in the value of the stock and therefore is limited by the fact that a stock's value cannot drop below zero. In addition, the fund may not be able to close out a short position at a particular time or price advantageous to the fund and there is some risk the lender of the stock sold short will terminate the loan at an inopportune time.

Under normal circumstances the fund's security selection process may result in the managers taking long positions in a market sector or industry that is not offset, or not offset to the same extent, by corresponding short positions in the same market sector or industry, and vice versa. This may result in increased risk and opportunity for loss should the securities in a particular market sector or industry not perform as predicted by our security selection process. The fund's portfolio turnover may be very high which could result in relatively high transaction costs which could hurt the fund's performance and cause capital gains tax liabilities.

Source: Bloomberg Index Services Ltd.Bloomberg Barclays U.S. 1-3 Month Treasury Bill Index is the 1- to 3-month component of the U.S. Treasury Bill Index, which includes U.S. Treasury bills with a remaining maturity from 1 up to 12 months and excludes zero coupon strips.

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