

# 2020 Tax Information U.S. Government Obligations

## Tax questions?

Read this flier for:

- Details on Forms 1099-DIV and 1099-B
- Cost basis rules
- State tax-exempt income

Find more answers in our Tax Center at  
**[americancentury.com/taxes](https://www.americancentury.com/taxes)**.

- Cost basis descriptions and examples
- Qualified dividend income
- Alternative Minimum Tax (AMT)
- Foreign tax income and credits

# Cost basis: Three things you need to know

Cost basis comes into play when you sell or exchange shares. Generally, cost basis is the price you pay when you purchase your shares. When you sell or exchange shares, the difference in the purchase and sale prices determines if you have a capital gain or loss.

It's important to understand how the cost basis rules that began in 2012 affect your tax form.

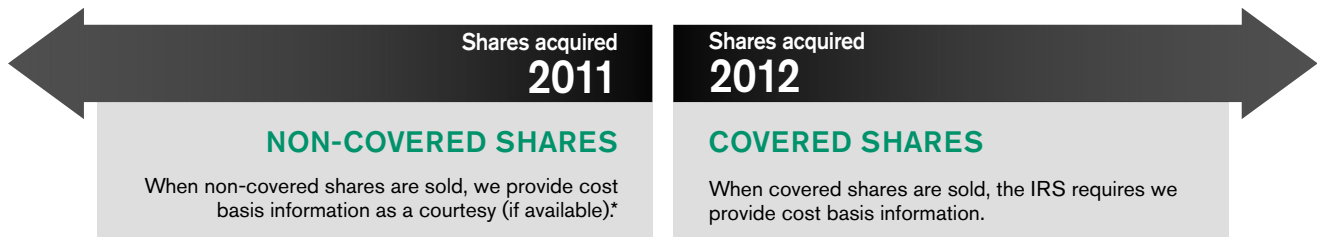
**1. The rules apply only to redemptions on purchases made after January 1, 2012.** If you purchased shares after that date, they are considered "covered" shares. If you purchased shares before that date they are considered "non-covered." Information on covered shares is reported to the IRS.

Because of the difference between non-covered and covered, you may receive two cost basis figures for one redemption.

**2. If you sold shares acquired before January 1, 2012,** we provided Average Cost information as a courtesy—if available. If no information is provided or if you plan to use a method other than Average Cost, you can find the information to calculate your cost basis by logging into your My Account page and reviewing your Transaction History.

**3. If you sold shares acquired after January 1, 2012,** we applied a default of Average Cost or used the cost basis method you elected. Want a different method for future shares? Review your options online, then log in to change your election.

Go to [americancentury.com](http://americancentury.com) and search **cost basis reporting** to review your cost basis options and examples of commonly used methods.



\*If no cost basis is shown on your non-covered shares, you can calculate your cost basis using your transaction history found online.

## Learn about Form 1099-DIV

This form lists reportable information for your taxable accounts. For more information about the amounts reported in each column, review the descriptions found on the back of the tax form.

Per IRS rules, short-term capital gains and ordinary income are combined and reported in the same box as they are taxed at the same rate.

Address, city or town, state or province, postal code, and telephone number.  
 American Century Investments  
 10000 Lakeside Blvd  
 Kansas City, MO 64114-6200  
 or visit: [americancentury.com/taxes](http://americancentury.com/taxes)  
 Mailing address (including apt. no., city or town, and ZIP or foreign postal code).

Copy B For Recipient  
 Department of the Treasury-Internal Revenue Service

RECIPIENT'S TIN	XXX-XX-1234
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(keep for your records)

TAX YEAR 2020  
 This is important tax information that belongs to the IRS. If you are required to file a return, this information is taxable and the IRS determines if a penalty or other sanction may be imposed on you for not reporting it.

Reports a return of your original investment dollars and is non-taxable. Your cost basis should be reduced by the same amount. Refer to Form 1040.

Corrected (if checked)  (OMB No. 1545-0110) Page 1 of 1

FORM 1099-DIV • DIVIDENDS AND DISTRIBUTIONS • 2020													
(1a)	(1b)	(2a)	(2b)	(2c)	(2d)	(3)	(4)	(5)	(7)	(9)	(10)	(11)	(12)
Total ordinary dividends	Qualified dividends	Total capital gain distributions	Unrecap. Sec. 1250 gain	Collectibles (28%) gain	Nondividend distributions	Federal income tax withheld	Section 199A dividends	Foreign tax paid	Cash liquidation distributions	Noncash liquidation distributions	Exempt-interest dividends	Specified private activity bond interest dividends	
Fund: EQUITY INCOME 999.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Form 1099-DIV \*Please see instructions for additional details.

Shows foreign tax paid. Refer to [americancentury.com/taxes](http://americancentury.com/taxes) for details on claiming foreign income.

# Learn about Form 1099-B

This form lists reportable redemption activity for your taxable accounts. For more information about the amounts reported in each column, review the descriptions found on the back of the tax form.

**Note:** Form 1099-B is split into multiple sections to account for short- and long-term transactions and whether or not cost basis is reported to the IRS.

Short-term transactions for which we **do not report** cost basis to the IRS (non-covered shares). You must report it to the IRS on Form 8949.

Short-term transactions for which we **do report** cost basis to the IRS (covered shares). You must report it to the IRS on Form 8949.

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Department of the Treasury-Internal Revenue Service

RECIPIENT'S TIN: XXX-XX-1234

TAX YEAR 2020

FORM 1099-B • PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS • 2020

Corrected (if checked)  (OMB No. 1545-0715)

Short-term transactions for which basis is reported to the IRS; report on Form 8949, Part I with Box A checked.

(a) Description of property	Share Price**	Quantity Sold**	(b) Date acquired	(c) Date sold or disposed	(d) Net proceeds	(e) Cost or other basis	(f) Wash sale loss disallowed	(g) Proceeds from DDF	(4) Federal income tax withheld	(5) Non-covered security	Gain/ (Loss)**
Fund: ALL CAP GROWTH											
SHARES REDEEMED	37.510	15.499	12/17/19	01/21/20	581.27	473.09	0.00		0.00		108.28

Short-term transactions for which basis is NOT reported to the IRS; report on Form 8949, Part I with Box B checked.

(a) Description of property	Share Price**	Quantity Sold**	(b) Date acquired	(c) Date sold or disposed	(d) Net proceeds	(e) Cost or other basis	(f) Wash sale loss disallowed	(g) Proceeds from DDF	(4) Federal income tax withheld	(5) Non-covered security	Gain/ (Loss)**
Fund: ALL CAP GROWTH											
SHARES REDEEMED	37.510	15.499	12/17/19	01/21/20	581.27	473.09	0.00		0.00		108.28

Long-term transactions for which we **do not report** cost basis to the IRS (non-covered shares). You must report it to the IRS on Form 8949.

Long-term transactions for which we **do report** cost basis to the IRS (covered shares). You must report it to the IRS on Form 8949.

FORM 1099-B • PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS • 2020

Corrected (if checked)  (OMB No. 1545-0715)

Long-term transactions for which basis is reported to the IRS; report on Form 8949, Part II with Box D checked.

(a) Description of property	Share Price**	Quantity Sold**	(b) Date acquired	(c) Date sold or disposed	(d) Net proceeds	(e) Cost or other basis	(f) Wash sale loss disallowed	(g) Proceeds from DDF	(4) Federal income tax withheld	(5) Non-covered security	Gain/ (Loss)**
Fund: HERITAGE											
SHARES REDEEMED	21.600	46.636	01/17/20		1,007.12	963.89	0.00		0.00		43.23
<b>TOTAL</b>					<b>1,007.12</b>	<b>963.89</b>	<b>0.00</b>		<b>0.00</b>		<b>43.23</b>

Long-term transactions for which basis is NOT reported to the IRS; report on Form 8949, Part II with Box E checked.

(a) Description of property	Share Price**	Quantity Sold**	(b) Date acquired	(c) Date sold or disposed	(d) Net proceeds	(e) Cost or other basis	(f) Wash sale loss disallowed	(g) Proceeds from DDF	(4) Federal income tax withheld	(5) Non-covered security	Gain/ (Loss)**
Fund: HERITAGE											
SHARES REDEEMED	21.600	258.669	01/17/20		5,587.23	7,709.85	0.00		0.00	YES	(2,122.62)

Cost basis is **unknown\*** in some cases. This is due to a transfer or the cost basis information is not available. Although the Gain/Loss column may indicate "0" (not available), you may still have a gain or loss to report to the IRS.

Transactions for which basis is NOT reported to the IRS and for which short-term or long-term determination is unknown. You must determine short-term or long-term gain/(loss) based on your records and report on Form 8949, Part I, with Box B checked or on Form 8949, Part II, with Box E checked, as appropriate.

(a) Description of property	Share Price**	Quantity Sold**	(b) Date acquired	(c) Date sold or disposed	(d) Net proceeds	(e) Cost or other basis	(f) Wash sale loss disallowed	(g) Proceeds from DDF	(4) Federal income tax withheld	(5) Non-covered security	Gain/ (Loss)**
Fund: ALL CAP GROWTH											
SHARES REDEEMED	37.020	35.480	01/15/20		1,313.80				0.00	YES	

*\*Find the details you need to calculate cost basis in your transaction history found online.*

# Determine any state tax-exempt income

The amount in column 1a of your Form 1099-DIV includes income from direct and indirect U.S. government obligations. This income may be tax exempt in your state. Because state laws vary, please consult your tax advisor or see your state's tax form instructions to determine which types of income are exempt.

Once determined, calculate how much of your income is exempt from state taxes. To do this, you'll need your Form 1099-DIV and information from the chart below.

**Step 1** – Find your fund and the corresponding percentage.

**Step 2** – Multiply the percentage by the figure in column 1a of your Form 1099-DIV.

**Result** – This is the amount that is exempt from state tax.

## Fund name and percentage of income from direct U.S. government obligations

AC Alternatives® Income	0%	Heritage	N/A	One Choice® Portfolio: Conservative	10%
AC Alternatives® Market Neutral Value <sup>1</sup>	0%	High Income	0%	One Choice® Portfolio: Moderate	6%
All Cap Growth	0%	High-Yield	0%	One Choice® Portfolio: Very Aggressive	0%
Balanced	10%	Income & Growth	0%	One Choice® Portfolio: Very Conservative	17%
Capital Preservation <sup>2†</sup>	100%	Inflation-Adjusted Bond <sup>2</sup>	92%	Prime Money Market*	9%
Capital Value	0%	International Bond	0%	Real Estate	0%
Core Plus	13%	International Growth	0%	Select	N/A
Disciplined Growth	0%	International Opportunities	N/A	Short Duration	11%
Diversified Bond	10%	International Value	0%	Short Duration Inflation Protection Bond <sup>2</sup>	90%
Emerging Markets	0%	Mid Cap Value <sup>1</sup>	0%	Short Duration Strategic Income	3%
Emerging Markets Debt	0%	Multi-Asset Income	0%	Short-Term Government <sup>2</sup>	55%
Emerging Markets Small Cap	N/A	Multi-Asset Real Return	26%	Small Cap Growth	0%
Equity Growth	0%	Non-U.S. Intrinsic Value	0%	Small Cap Value <sup>1</sup>	0%
Equity Income <sup>1</sup>	0%	One Choice® 2020 Portfolio	6%	Small Company	0%
Focused Dynamic Growth	0%	One Choice® 2025 Portfolio	8%	Strategic Allocation: Aggressive	1%
Focused Global Growth	0%	One Choice® 2030 Portfolio	7%	Strategic Allocation: Conservative	3%
Focused International Growth	N/A	One Choice® 2035 Portfolio	5%	Strategic Allocation: Moderate	2%
Focused Large Cap Value	0%	One Choice® 2040 Portfolio	4%	Strategic Income	1%
Ginnie Mae	1%	One Choice® 2045 Portfolio	3%	Sustainable Equity	0%
Global Bond	0%	One Choice® 2050 Portfolio	2%	Ultra®	N/A
Global Gold	0%	One Choice® 2055 Portfolio	2%	U.S. Government Money Market <sup>2,†</sup>	74%
Global Real Estate	0%	One Choice® 2060 Portfolio	2%	Utilities	0%
Global Small Cap	N/A	One Choice® 2065 Portfolio	1%	Value	0%
Government Bond	22%	One Choice® In Retirement Portfolio	11%	Zero Coupon 2025 <sup>2</sup>	94%
Growth	0%	One Choice® Portfolio: Aggressive	3%		

<sup>1</sup> Funds may be closed to certain intermediaries. <sup>2</sup> If you are a resident of California, Connecticut or New York, please know that the assets of these funds were at least 50% invested in direct U.S. government obligations as of the end of each calendar quarter during 2020. These are the only funds that meet the minimum requirements for your state.

N/A = These funds did not make an income distribution in 2020.

Alternative mutual funds that hold a variety of non-traditional investments 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.

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.

\* You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

† You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

You should consider a fund's investment objectives, risks, charges and expenses carefully before you invest. The fund's 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.