

Statement of Assets and Liabilities

JUNE 30, 2021 (UNAUDITED)

| Assets | |
|--|--|
| Investment securities, at value (cost of \$70,821,241) | \$ 314,410,946 |
| Receivable for investments sold | 320,017 |
| Receivable for capital shares sold | 47,282 |
| Unrealized appreciation on forward foreign currency exchange contracts | 15,545 |
| Dividends and interest receivable | 19,496 |
| | <hr style="border: 1px solid black;"/> |
| | 314,813,286 |
| | <hr style="border: 1px solid black;"/> |
| Liabilities | |
| Payable for capital shares redeemed | 1,538,335 |
| Accrued management fees | 180,313 |
| Distribution fees payable | 42,554 |
| | <hr style="border: 1px solid black;"/> |
| | 1,761,202 |
| | <hr style="border: 1px solid black;"/> |
| Net Assets | \$ 313,052,084 |
| | <hr style="border: 1px solid black;"/> |
| Net Assets Consist of: | |
| Capital (par value and paid-in surplus) | \$ 53,325,866 |
| Distributable earnings | 259,726,218 |
| | <hr style="border: 1px solid black;"/> |
| | \$ 313,052,084 |
| | <hr style="border: 1px solid black;"/> |

| | Net Assets | Shares Outstanding | Net Asset Value Per Share |
|----------------------------|-------------------|---------------------------|----------------------------------|
| Class I, \$0.01 Par Value | \$100,211,035 | 3,498,333 | \$28.65 |
| Class II, \$0.01 Par Value | \$212,841,049 | 7,652,798 | \$27.81 |

See Notes to Financial Statements.

Statement of Operations

FOR THE SIX MONTHS ENDED JUNE 30, 2021 (UNAUDITED)

| Investment Income (Loss) | |
|--|---------------|
| Income: | |
| Dividends (net of foreign taxes withheld of \$142) | \$ 666,363 |
| Interest | 137 |
| | 666,500 |
| | |
| Expenses: | |
| Management fees | 1,377,443 |
| Distribution fees - Class II | 252,348 |
| Directors' fees and expenses | 3,727 |
| Other expenses | 752 |
| | 1,634,270 |
| Fees waived ⁽¹⁾ | (310,460) |
| | 1,323,810 |
| | |
| Net investment income (loss) | (657,310) |
| | |
| Realized and Unrealized Gain (Loss) | |
| Net realized gain (loss) on: | |
| Investment transactions | 17,256,105 |
| Forward foreign currency exchange contract transactions | 127,989 |
| Foreign currency translation transactions | 780 |
| | 17,384,874 |
| | |
| Change in net unrealized appreciation (depreciation) on: | |
| Investments | 18,445,166 |
| Forward foreign currency exchange contracts | 16,223 |
| Translation of assets and liabilities in foreign currencies | (5) |
| | 18,461,384 |
| | |
| Net realized and unrealized gain (loss) | 35,846,258 |
| | |
| Net Increase (Decrease) in Net Assets Resulting from Operations | \$ 35,188,948 |

(1) Amount consists of \$98,488 and \$211,972 for Class I and Class II, respectively.

See Notes to Financial Statements.

Statement of Changes in Net Assets

SIX MONTHS ENDED JUNE 30, 2021 (UNAUDITED) AND YEAR ENDED DECEMBER 31, 2020

| Increase (Decrease) in Net Assets | June 30, 2021 | December 31, 2020 |
|--|-----------------------|-----------------------|
| Operations | | |
| Net investment income (loss) | \$ (657,310) | \$ (681,942) |
| Net realized gain (loss) | 17,384,874 | 21,691,667 |
| Change in net unrealized appreciation (depreciation) | 18,461,384 | 80,057,806 |
| Net increase (decrease) in net assets resulting from operations | <u>35,188,948</u> | <u>101,067,531</u> |
| Distributions to Shareholders | | |
| From earnings: | | |
| Class I | (6,448,663) | (5,711,976) |
| Class II | <u>(14,540,645)</u> | <u>(15,862,119)</u> |
| Decrease in net assets from distributions | <u>(20,989,308)</u> | <u>(21,574,095)</u> |
| Capital Share Transactions | | |
| Net increase (decrease) in net assets from capital share transactions (Note 5) | <u>1,076,422</u> | <u>2,167,599</u> |
| Net increase (decrease) in net assets | 15,276,062 | 81,661,035 |
| Net Assets | | |
| Beginning of period | 297,776,022 | 216,114,987 |
| End of period | <u>\$ 313,052,084</u> | <u>\$ 297,776,022</u> |

See Notes to Financial Statements.

Notes to Financial Statements

JUNE 30, 2021 (UNAUDITED)

1. Organization

American Century Variable Portfolios, Inc. (the corporation) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company and is organized as a Maryland corporation. VP Ultra Fund (the fund) is one fund in a series issued by the corporation. The fund's investment objective is to seek long-term capital growth. The fund offers Class I and Class II.

2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the fund in preparation of its financial statements. The fund is an investment company and follows accounting and reporting guidance in accordance with accounting principles generally accepted in the United States of America. This may require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from these estimates. Management evaluated the impact of events or transactions occurring through the date the financial statements were issued that would merit recognition or disclosure.

Investment Valuations — The fund determines the fair value of its investments and computes its net asset value (NAV) per share at the close of regular trading (usually 4 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open. The Board of Directors has adopted valuation policies and procedures to guide the investment advisor in the fund's investment valuation process and to provide methodologies for the oversight of the fund's pricing function.

Equity securities that are listed or traded on a domestic securities exchange are valued at the last reported sales price or at the official closing price as provided by the exchange. Equity securities traded on foreign securities exchanges are generally valued at the closing price of such securities on the exchange where primarily traded or at the close of the NYSE, if that is earlier. If no last sales price is reported, or if local convention or regulation so provides, the mean of the latest bid and asked prices may be used. Securities traded over-the-counter are valued at the mean of the latest bid and asked prices, the last sales price, or the official closing price. Equity securities initially expressed in local currencies are translated into U.S. dollars at the mean of the appropriate currency exchange rate at the close of the NYSE as provided by an independent pricing service.

Open-end management investment companies are valued at the reported NAV per share. Repurchase agreements are valued at cost, which approximates fair value. Forward foreign currency exchange contracts are valued at the mean of the appropriate forward exchange rate at the close of the NYSE as provided by an independent pricing service.

If the fund determines that the market price for an investment is not readily available or the valuation methods mentioned above do not reflect an investment's fair value, such investment is valued as determined in good faith by the Board of Directors or its delegate, in accordance with policies and procedures adopted by the Board of Directors. In its determination of fair value, the fund may review several factors including, but not limited to, market information regarding the specific investment or comparable investments and correlation with other investment types, futures indices or general market indicators. Circumstances that may cause the fund to use these procedures to value an investment include, but are not limited to: an investment has been declared in default or is distressed; trading in a security has been suspended during the trading day or a security is not actively trading on its principal exchange; prices received from a regular pricing source are deemed unreliable; or there is a foreign market holiday and no trading occurred.

The fund monitors for significant events occurring after the close of an investment's primary exchange but before the fund's NAV per share is determined. Significant events may include, but are not limited to: corporate announcements and transactions; governmental action and political unrest that could impact a specific investment or an investment sector; or armed conflicts, natural disasters and similar events that could affect investments in a specific country or region. The fund also monitors for significant fluctuations between domestic and foreign markets, as evidenced by the U.S. market or such other indicators that the Board of Directors, or its delegate, deems appropriate. The fund may apply a model-derived factor to the closing price of equity securities traded on foreign securities exchanges. The factor is based on observable market data as provided by an independent pricing service.

Security Transactions — Security transactions are accounted for as of the trade date. Net realized gains and losses are determined on the identified cost basis, which is also used for federal income tax purposes.

Investment Income — Dividend income less foreign taxes withheld, if any, is recorded as of the ex-dividend date. Distributions received on securities that represent a return of capital or long-term capital gain are recorded as a reduction of cost of investments and/or as a realized gain. The fund may estimate the components of distributions received that may be considered nontaxable distributions or long-term capital gain distributions for income tax purposes. Interest income is recorded on the accrual basis and includes accretion of discounts and amortization of premiums.

Foreign Currency Translations — All assets and liabilities initially expressed in foreign currencies are translated into U.S. dollars at prevailing exchange rates at period end. The fund may enter into spot foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of investment securities, dividend and interest income, spot foreign currency exchange contracts, and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Net realized and unrealized foreign currency exchange gains or losses related to investment securities are a component of net realized gain (loss) on investment transactions and change in net unrealized appreciation (depreciation) on investments, respectively.

Repurchase Agreements — The fund may enter into repurchase agreements with institutions that American Century Investment Management, Inc. (ACIM) (the investment advisor) has determined are creditworthy pursuant to criteria adopted by the Board of Directors. The fund requires that the collateral, represented by securities, received in a repurchase transaction be transferred to the custodian in a manner sufficient to enable the fund to obtain those securities in the event of a default under the repurchase agreement. ACIM monitors, on a daily basis, the securities transferred to ensure the value, including accrued interest, of the securities under each repurchase agreement is equal to or greater than amounts owed to the fund under each repurchase agreement.

Joint Trading Account — Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the fund, along with certain other funds in the American Century Investments family of funds, may transfer uninvested cash balances into a joint trading account. These balances are invested in one or more repurchase agreements that are collateralized by U.S. Treasury or Agency obligations.

Income Tax Status — It is the fund's policy to distribute substantially all net investment income and net realized gains to shareholders and to otherwise qualify as a regulated investment company under provisions of the Internal Revenue Code. Accordingly, no provision has been made for income taxes. The fund files U.S. federal, state, local and non-U.S. tax returns as applicable. The fund's tax returns are subject to examination by the relevant taxing authority until expiration of the applicable statute of limitations, which is generally three years from the date of filing but can be longer in certain jurisdictions. At this time, management believes there are no uncertain tax positions which, based on their technical merit, would not be sustained upon examination and for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

Multiple Class — All shares of the fund represent an equal pro rata interest in the net assets of the class to which such shares belong, and have identical voting, dividend, liquidation and other rights and the same terms and conditions, except for class specific expenses and exclusive rights to vote on matters affecting only individual classes. Income, non-class specific expenses, and realized and unrealized capital gains and losses of the fund are allocated to each class of shares based on their relative net assets.

Distributions to Shareholders — Distributions from net investment income and net realized gains, if any, are generally declared and paid annually.

Indemnifications — Under the corporation's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the fund. In addition, in the normal course of business, the fund enters into contracts that provide general indemnifications. The maximum exposure under these arrangements is unknown as this would involve future claims that may be made against a fund. The risk of material loss from such claims is considered by management to be remote.

3. Fees and Transactions with Related Parties

Certain officers and directors of the corporation are also officers and/or directors of American Century Companies, Inc. (ACC). The corporation's investment advisor, ACIM, the corporation's distributor, American Century Investment Services, Inc. (ACIS), and the corporation's transfer agent, American Century Services, LLC, are wholly owned, directly or indirectly, by ACC.

Management Fees — The corporation has entered into a management agreement with ACIM, under which ACIM provides the fund with investment advisory and management services in exchange for a single, unified management fee (the fee) per class. The agreement provides that ACIM will pay all expenses of managing and operating the fund, except brokerage expenses, taxes, interest, fees and expenses of the independent directors (including legal counsel fees), extraordinary expenses, and expenses incurred in connection with the provision of shareholder services and distribution services under a plan adopted pursuant to Rule 12b-1 under the 1940 Act. The fee is computed and accrued daily based on each class's daily net assets and paid monthly in arrears. The difference in the fee among the classes is a result of their separate arrangements for non-Rule 12b-1 shareholder services. It is not the result of any difference in advisory or custodial fees or other expenses related to the management of the fund's assets, which do not vary by class. The rate of the fee is determined by applying a fee rate calculation formula. This formula takes into account the fund's assets as well as certain assets, if any, of other clients of the investment advisor outside the American Century Investments family of funds (such as subadvised funds and separate accounts) that use very similar investment teams and strategies (strategy assets). From January 1, 2021 through July 31, 2021, the investment advisor agreed to waive 0.21% of the fund's management fee. Effective August 1, 2021, the stepped annual management fee schedule will be terminated, and the investment advisor agreed to decrease the amount of the waiver from 0.21% to 0.10% of the fund's management fee. The investment advisor expects this waiver to continue until July 31, 2022 and cannot terminate it prior to such date without the approval of the Board of Directors.

The management fee schedule range and the effective annual management fee before and after waiver for each class for the period ended June 30, 2021 are as follows:

| | Management Fee Schedule Range* | Effective Annual Management Fee | |
|----------|--------------------------------|---------------------------------|--------------|
| | | Before Waiver | After Waiver |
| Class I | 0.90% to 1.00% | 1.00% | 0.79% |
| Class II | 0.80% to 0.90% | 0.90% | 0.69% |

*Effective August 1, 2021 the annual management fee will be 0.89% for Class I and 0.79% for Class II.

Distribution Fees — The Board of Directors has adopted the Master Distribution Plan (the plan) for Class II, pursuant to Rule 12b-1 of the 1940 Act. The plan provides that Class II will pay ACIS an annual distribution fee equal to 0.25%. The fee is computed and accrued daily based on the Class II daily net assets and paid monthly in arrears. The distribution fee provides compensation for expenses incurred in connection with distributing shares of Class II including, but not limited to, payments to brokers, dealers, and financial institutions that have entered into sales agreements with respect to shares of the fund. Fees incurred under the plan during the period ended June 30, 2021 are detailed in the Statement of Operations.

Directors' Fees and Expenses — The Board of Directors is responsible for overseeing the investment advisor's management and operations of the fund. The directors receive detailed information about the fund and its investment advisor regularly throughout the year, and meet at least quarterly with management of the investment advisor to review reports about fund operations. The fund's officers do not receive compensation from the fund.

Interfund Transactions — The fund may enter into security transactions with other American Century Investments funds and other client accounts of the investment advisor, in accordance with the 1940 Act rules and procedures adopted by the Board of Directors. The rules and procedures require, among other things, that these transactions be effected at the independent current market price of the security. There were no interfund transactions during the period.

4. Investment Transactions

Purchases and sales of investment securities, excluding short-term investments, for the period ended June 30, 2021 were \$24,552,232 and \$43,044,812, respectively.

5. Capital Share Transactions

Transactions in shares of the fund were as follows:

| | Six months ended June 30, 2021 | | Year ended December 31, 2020 | |
|---|-----------------------------------|---------------------|---------------------------------|---------------------|
| | Shares | Amount | Shares | Amount |
| Class I/Shares Authorized | <u>100,000,000</u> | | <u>100,000,000</u> | |
| Sold | 401,800 | \$ 10,993,750 | 1,566,604 | \$ 35,506,039 |
| Issued in reinvestment of distributions | 256,204 | 6,448,663 | 374,065 | 5,711,976 |
| Redeemed | (662,567) | (18,211,106) | (1,276,486) | (27,787,644) |
| | (4,563) | (768,693) | 664,183 | 13,430,371 |
| Class II/Shares Authorized | <u>120,000,000</u> | | <u>120,000,000</u> | |
| Sold | 364,974 | 9,684,866 | 1,221,694 | 24,919,128 |
| Issued in reinvestment of distributions | 594,709 | 14,540,645 | 1,065,287 | 15,862,119 |
| Redeemed | (839,168) | (22,380,396) | (2,405,689) | (52,044,019) |
| | 120,515 | 1,845,115 | (118,708) | (11,262,772) |
| Net increase (decrease) | <u>115,952</u> | <u>\$ 1,076,422</u> | <u>545,475</u> | <u>\$ 2,167,599</u> |

6. Fair Value Measurements

The fund's investments valuation process is based on several considerations and may use multiple inputs to determine the fair value of the investments held by the fund. In conformity with accounting principles generally accepted in the United States of America, the inputs used to determine a valuation are classified into three broad levels.

- Level 1 valuation inputs consist of unadjusted quoted prices in an active market for identical investments.
- Level 2 valuation inputs consist of direct or indirect observable market data (including quoted prices for comparable investments, evaluations of subsequent market events, interest rates, prepayment speeds, credit risk, etc.). These inputs also consist of quoted prices for identical investments initially expressed in local currencies that are adjusted through translation into U.S. dollars.
- Level 3 valuation inputs consist of unobservable data (including a fund's own assumptions).

The level classification is based on the lowest level input that is significant to the fair valuation measurement. The valuation inputs are not necessarily an indication of the risks associated with investing in these securities or other financial instruments.

The following is a summary of the level classifications as of period end. The Schedule of Investments provides additional information on the fund's portfolio holdings.

| | Level 1 | Level 2 | Level 3 |
|---|-----------------------|---------------------|---------|
| Assets | | | |
| Investment Securities | | | |
| Common Stocks | \$ 303,227,761 | \$ 9,303,194 | — |
| Exchange-Traded Funds | 1,571,869 | — | — |
| Temporary Cash Investments | 48,657 | 259,465 | — |
| | <u>\$ 304,848,287</u> | <u>\$ 9,562,659</u> | — |
| Other Financial Instruments | | | |
| Forward Foreign Currency Exchange Contracts | — | \$ 15,545 | — |

7. Derivative Instruments

Foreign Currency Risk — The fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. The value of foreign investments held by a fund may be significantly affected by changes in foreign currency exchange rates. The dollar value of a foreign security generally decreases when the value of the dollar rises against the foreign currency in which the security is denominated and tends to increase when the value of the dollar declines against such foreign currency. A fund may enter into forward foreign currency exchange contracts to reduce a fund's exposure to foreign currency exchange rate fluctuations. The net U.S. dollar value of foreign currency underlying all contractual commitments held by a fund and the resulting unrealized appreciation or depreciation are determined daily. Realized gain or loss is recorded upon settlement of the contract. Net realized and unrealized gains or losses occurring during the holding period of forward foreign currency exchange contracts are a component of net realized gain (loss) on forward foreign currency exchange contract transactions and change in net unrealized appreciation (depreciation) on forward foreign currency exchange contracts, respectively. A fund bears the risk of an unfavorable change in the foreign currency exchange rate underlying the forward contract. Additionally, losses, up to the fair value, may arise if the counterparties do not perform under the contract terms. The fund's average U.S. dollar exposure to foreign currency risk derivative instruments held during the period was \$3,448,469.

The value of foreign currency risk derivative instruments as of June 30, 2021, is disclosed on the Statement of Assets and Liabilities as an asset of \$15,545 in unrealized appreciation on forward foreign currency exchange contracts. For the six months ended June 30, 2021, the effect of foreign currency risk derivative instruments on the Statement of Operations was \$127,989 in net realized gain (loss) on forward foreign currency exchange contract transactions and \$16,223 in change in net unrealized appreciation (depreciation) on forward foreign currency exchange contracts.

8. Risk Factors

The value of the fund's shares will go up and down, sometimes rapidly or unpredictably, based on the performance of the securities owned by the fund and other factors generally affecting the securities market. Market risks, including political, regulatory, economic and social developments, can affect the value of the fund's investments. Natural disasters, public health emergencies, terrorism and other unforeseeable events may lead to increased market volatility and may have adverse long-term effects on world economies and markets generally.

9. Federal Tax Information

The book-basis character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. These differences reflect the differing character of certain income items and net realized gains and losses for financial statement and tax purposes, and may result in reclassification among certain capital accounts on the financial statements.

As of period end, the components of investments for federal income tax purposes were as follows:

| | |
|--|-----------------------|
| Federal tax cost of investments | <u>\$ 71,313,767</u> |
| Gross tax appreciation of investments | \$ 243,097,179 |
| Gross tax depreciation of investments | — |
| Net tax appreciation (depreciation) of investments | <u>\$ 243,097,179</u> |

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable primarily to the tax deferral of losses on wash sales.

Financial Highlights

For a Share Outstanding Throughout the Years Ended December 31 (except as noted)

| Per-Share Data | | Ratios and Supplemental Data | | | | | | | | | | | | |
|--------------------------------------|---|---|----------------------------------|-----------------------|--------------------|---------------------|---------------------------------|-----------------------------|--|------------------------------|--|--|-------------------------|--|
| | | Income From Investment Operations: | | | | | Ratio to Average Net Assets of: | | | | | | | |
| Net Asset Value, Beginning of Period | Net Investment Income (Loss) ⁽¹⁾ | Net Realized and Unrealized Gain (Loss) | Total From Investment Operations | Net Investment Income | Net Realized Gains | Total Distributions | Net Asset Value, End of Period | Total Return ⁽²⁾ | Operating Expenses (before expense waiver) | Net Investment Income (Loss) | Operating Expenses (before expense waiver) | Net Investment Income (Loss) (before expense waiver) | Portfolio Turnover Rate | Net Assets, End of Period (in thousands) |
| Class I | | | | | | | | | | | | | | |
| 2021 ⁽³⁾ | \$27.48 | (0.05) | 3.20 | 3.15 | — | (1.98) | \$28.65 | 12.44% | 1.00% ⁽⁴⁾ | (0.34)% ⁽⁴⁾ | 1.00% ⁽⁴⁾ | (0.55)% ⁽⁴⁾ | 8% | \$100,211 |
| 2020 | \$20.93 | (0.04) | 8.75 | 8.71 | — | (2.16) | \$27.48 | 49.85% | 1.00% | (0.18)% | 1.00% | (0.38)% | 22% | \$96,249 |
| 2019 | \$17.40 | — ⁽⁵⁾ | 5.67 | 5.67 | — | (2.14) | \$20.93 | 34.58% | 1.00% | (0.01)% | 1.00% | (0.19)% | 23% | \$59,427 |
| 2018 | \$19.34 | — ⁽⁵⁾ | 0.17 | 0.17 | (0.05) | (2.11) | \$17.40 | 0.76% | 1.00% | 0.01% | 1.00% | (0.16)% | 29% | \$42,081 |
| 2017 | \$15.46 | 0.05 | 4.73 | 4.78 | (0.07) | (0.90) | \$19.34 | 32.22% | 1.00% | 0.26% | 1.00% | 0.10% | 22% | \$44,607 |
| 2016 | \$15.47 | 0.05 | 0.60 | 0.65 | (0.05) | (0.66) | \$15.46 | 4.45% | 1.00% | 0.34% | 1.00% | 0.19% | 30% | \$38,701 |
| Class II | | | | | | | | | | | | | | |
| 2021 ⁽³⁾ | \$26.76 | (0.06) | 3.09 | 3.03 | — | (1.98) | \$27.81 | 12.37% | 0.94% ⁽⁴⁾ | (0.49)% ⁽⁴⁾ | 1.15% ⁽⁴⁾ | (0.70)% ⁽⁴⁾ | 8% | \$212,841 |
| 2020 | \$20.48 | (0.07) | 8.51 | 8.44 | — | (2.16) | \$26.76 | 49.55% | 0.95% | (0.33)% | 1.15% | (0.53)% | 22% | \$201,527 |
| 2019 | \$17.08 | (0.03) | 5.57 | 5.54 | — | (2.14) | \$20.48 | 34.46% | 0.97% | (0.16)% | 1.15% | (0.34)% | 23% | \$156,688 |
| 2018 | \$19.02 | (0.03) | 0.17 | 0.14 | (0.02) | (2.06) | \$17.08 | 0.60% | 0.98% | (0.14)% | 1.15% | (0.31)% | 29% | \$143,249 |
| 2017 | \$15.22 | 0.02 | 4.65 | 4.67 | (0.04) | (0.83) | \$19.02 | 32.00% | 0.99% | 0.11% | 1.15% | (0.05)% | 22% | \$160,964 |
| 2016 | \$15.24 | 0.03 | 0.59 | 0.62 | (0.03) | (0.64) | \$15.22 | 4.35% | 1.00% | 0.19% | 1.15% | 0.04% | 30% | \$138,411 |

Notes to Financial Highlights

- (1) Computed using average shares outstanding throughout the period.
- (2) Total returns are calculated based on the net asset value of the last business day. Total returns for periods less than one year are not annualized. The total returns presented do not include the fees and charges assessed with investments in variable insurance products, those charges are disclosed in the separate account prospectus. The inclusion of such fees and charges would lower total return.
- (3) Six months ended June 30, 2021 (unaudited).
- (4) Annualized.
- (5) Per-share amount was less than \$0.005.

See Notes to Financial Statements.

Approval of Management Agreement

At a meeting held on June 30, 2021, the Fund's Board of Directors (the "Board") unanimously approved the renewal of the management agreement pursuant to which American Century Investment Management, Inc. (the "Advisor") acts as the investment advisor for the Fund. Under Section 15(c) of the Investment Company Act, contracts for investment advisory services are required to be reviewed, evaluated, and approved by a majority of a fund's directors (the "Directors"), including a majority of the independent Directors, each year.

Prior to its consideration of the renewal of the management agreement, the Directors requested and reviewed extensive data and information compiled by the Advisor and certain independent providers of evaluation data concerning the Fund and the services provided to the Fund by the Advisor. This review was in addition to the oversight and evaluation undertaken by the Board and its committees on a continual basis and the information received was supplemental to the extensive information that the Board and its committees receive and consider throughout the year.

In connection with its consideration of the renewal of the management agreement, the Board's review and evaluation of the services provided by the Advisor and its affiliates included, but was not limited to, the following:

- the nature, extent, and quality of investment management, shareholder services, and other services provided and to be provided to the Fund including without limitation portfolio management and trading services, shareholder and intermediary services, compliance and legal services, fund accounting and financial reporting, and fund share distribution;
- the wide range of other programs and services provided and to be provided to the Fund and its shareholders on a routine and non-routine basis;
- the Fund's investment performance, including data comparing the Fund's performance to appropriate benchmarks and/or a peer group of other mutual funds with similar investment objectives and strategies;
- the cost of owning the Fund compared to the cost of owning similar funds;
- the compliance policies, procedures, and regulatory experience of the Advisor and the Fund's service providers;
- the Advisor's strategic plans, COVID-19 pandemic response, vendor management practices, and social justice initiatives;
- the Advisor's business continuity plans and cyber security practices;
- financial data showing the cost of services provided to the Fund, the profitability of the Fund to the Advisor, and the overall profitability of the Advisor;
- possible economies of scale associated with the Advisor's management of the Fund and other accounts;
- services provided and charges to the Advisor's other investment management clients;
- acquired fund fees and expenses;
- payments and practices in connection with financial intermediaries holding shares of the Fund and the services provided by intermediaries in connection therewith; and
- possible collateral benefits to the Advisor from the management of the Fund.

The Board held two meetings to consider the renewal. The independent Directors also met in private session three times to review and discuss the information provided in response to their request. The independent Directors held active discussions with the Advisor regarding the renewal of the management agreement, requesting supplemental information, and reviewing information provided by the Advisor in response thereto. The independent Directors had the benefit of the advice of their independent counsel throughout the process.

Factors Considered

The Directors considered all of the information provided by the Advisor, the independent data providers, and independent counsel in connection with the approval. They determined that the information was sufficient for them to evaluate the management agreement for the Fund. In connection with their review, the Directors did not identify any single factor as being all-important or controlling, and each Director may have attributed different levels of importance to different factors. In deciding to renew the management agreement, the Board based its decision on a number of factors, including without limitation the following:

Nature, Extent and Quality of Services — Generally. Under the management agreement, the Advisor is responsible for providing or arranging for all services necessary for the operation of the Fund. The Board noted that the Advisor provides or arranges at its own expense a wide variety of services which include the following:

- constructing and designing the Fund
- portfolio research and security selection
- initial capitalization/funding
- securities trading
- Fund administration
- custody of Fund assets
- daily valuation of the Fund's portfolio
- liquidity monitoring and management
- risk management, including cyber security
- shareholder servicing and transfer agency, including shareholder confirmations, recordkeeping, and communications
- legal services (except the independent Directors' counsel)
- regulatory and portfolio compliance
- financial reporting
- marketing and distribution (except amounts paid by the Fund under Rule 12b-1 plans)

The Board noted that many of these services have expanded over time in terms of both quantity and complexity in response to shareholder demands, competition in the industry, changing distribution channels, and the changing regulatory environment.

Investment Management Services. The nature of the investment management services provided to the Fund is quite complex and allows Fund shareholders access to professional money management, instant diversification of their investments within an asset class, the opportunity to easily diversify among asset classes by investing in or exchanging among various American Century Investments funds, and liquidity. In evaluating investment performance, the Board expects the Advisor to manage the Fund in accordance with its investment objectives and approved strategies. Further, the Directors recognize that the Advisor has an obligation to monitor trading activities, and in particular to seek the best execution of fund trades, and to evaluate the use of and payment for research. In providing these services, the Advisor utilizes teams of investment professionals (portfolio managers, analysts, research assistants, and securities traders) who require extensive information technology, research, training, compliance, and other systems to conduct their business. The Board, directly and through its Fund Performance Review Committee, provides oversight of the investment performance process. It regularly reviews investment performance information for the Fund, together with comparative information for appropriate benchmarks and/or peer groups of similarly-managed funds, over different time horizons. The Directors also review investment performance information during the management agreement renewal process. If performance concerns are identified, the Fund receives special reviews until performance improves, during which the Board discusses with the Advisor the reasons for such

results (e.g., market conditions, security selection) and any efforts being undertaken to improve performance. The Fund's performance was above its benchmark for the one-, three-, five-, and ten-year periods reviewed by the Board. The Board found the investment management services provided by the Advisor to the Fund to be satisfactory and consistent with the management agreement.

Shareholder and Other Services. Under the management agreement, the Advisor provides the Fund with a comprehensive package of transfer agency, shareholder, and other services. The Board, directly and through its various committees, regularly reviews reports and evaluations of such services at its regular meetings. These reports include, but are not limited to, information regarding the operational efficiency and accuracy of the shareholder and transfer agency services provided, staffing levels, shareholder satisfaction, technology support (including cyber security), new products and services offered to Fund shareholders, securities trading activities, portfolio valuation services, auditing services, and legal and operational compliance activities. The Board found the services provided by the Advisor to the Fund under the management agreement to be competitive and of high quality.

Costs of Services and Profitability. The Advisor provides detailed information concerning its cost of providing various services to the Fund, its profitability in managing the Fund (pre- and post-distribution), its overall profitability, and its financial condition. The Directors have reviewed with the Advisor the methodology used to prepare this financial information. This information is considered in evaluating the Advisor's financial condition, its ability to continue to provide services under the management agreement, and the reasonableness of the current management fee. The Board concluded that the Advisor's profits were reasonable in light of the services provided to the Fund.

Ethics. The Board generally considers the Advisor's commitment to providing quality services to shareholders and to conducting its business ethically. They noted that the Advisor's practices generally meet or exceed industry best practices.

Economies of Scale. The Board also reviewed information provided by the Advisor regarding the possible existence of economies of scale in connection with the management of the Fund. The Board concluded that economies of scale are difficult to measure and predict with precision, especially on a fund-by-fund basis. The Board concluded that the Advisor is sharing economies of scale, to the extent they exist, through its competitive fee structure, offering competitive fees from fund inception, and through reinvestment in its business, infrastructure, investment capabilities and initiatives to provide shareholders additional content and services.

Comparison to Other Funds' Fees. The management agreement provides that the Fund pays the Advisor a single, all-inclusive (or unified) management fee for providing all services necessary for the management and operation of the Fund, other than brokerage expenses, expenses attributable to short sales, taxes, interest, extraordinary expenses, fees and expenses of the Fund's independent Directors (including their independent legal counsel), and expenses incurred in connection with the provision of shareholder services and distribution services under a plan adopted pursuant to Rule 12b-1 under the Investment Company Act. Under the unified fee structure, the Advisor is responsible for providing all investment advisory, custody, audit, administrative, compliance, recordkeeping, marketing and shareholder services, or arranging and supervising third parties to provide such services. By contrast, most other funds are charged a variety of fees, including an investment advisory fee, a transfer agency fee, an administrative fee, distribution charges, and other expenses. Other than their investment advisory fees and any applicable Rule 12b-1 distribution fees, all other components of the total fees charged by these other funds may be increased without shareholder approval. The Board believes the unified fee structure is a benefit to Fund shareholders because it clearly discloses to shareholders the cost of owning Fund shares, and, since the unified fee cannot be increased without a vote of Fund shareholders, it shifts to the Advisor the risk of increased costs of operating the Fund and provides a direct incentive to minimize administrative inefficiencies. Part of the Board's analysis of fee levels involves reviewing certain evaluative data compiled by an independent provider comparing the Fund's unified fee to the total expense ratios of its peers. The unified fee charged to shareholders of the Fund was above the median of the total expense ratios of the Fund's peer expense universe. In addition, the Board reviewed the Fund's position relative to the narrower set of its expense group

peers. The Board and the Advisor agreed to both a permanent change to the Fund's fee schedule that should have the effect of lowering the Fund's annual unified management fee by approximately 0.11%, beginning August 1, 2021, and a temporary reduction of the Fund's annual unified management fee of 0.10% (e.g., the Class I unified fee will be reduced from 1.00% to 0.79%) for at least one year, beginning August 1, 2021. The Board concluded that the management fee paid by the Fund to the Advisor under the management agreement is reasonable in light of the services provided to the Fund.

Comparison to Fees and Services Provided to Other Clients of the Advisor. The Board also requested and received information from the Advisor concerning the nature of the services, fees, costs, and profitability of its advisory services to advisory clients other than the Fund. They observed that these varying types of client accounts require different services and involve different regulatory and entrepreneurial risks than the management of the Fund. The Board analyzed this information and concluded that the fees charged and services provided to the Fund were reasonable by comparison.

Payments to Intermediaries. The Directors also requested and received a description of payments made to intermediaries by the Fund and the Advisor and services provided in response thereto. These payments include various payments made by the Fund or the Advisor to different types of intermediaries and recordkeepers for distribution and service activities provided for the Fund. The Directors reviewed such information and received representations from the Advisor that all such payments by the Fund were made pursuant to the Fund's Rule 12b-1 Plan and that all such payments by the Advisor were made from the Advisor's resources and reasonable profits. The Board found such payments to be reasonable in scope and purpose.

Collateral or "Fall-Out" Benefits Derived by the Advisor. The Board considered the possible existence of collateral benefits the Advisor may receive as a result of its relationship with the Fund. They concluded that the Advisor's primary business is managing funds and it generally does not use fund or shareholder information to generate profits in other lines of business, and therefore does not derive any significant collateral benefits from them. To the extent there are potential collateral benefits, the Board has been advised and has taken this into consideration in its review of the management contract with the Fund. The Board noted that additional assets from other clients may offer the Advisor some benefit from increased leverage with service providers and counterparties. Additionally, the Advisor may receive proprietary research from broker-dealers that execute fund portfolio transactions, which the Board concluded is likely to benefit other clients of the Advisor, as well as Fund shareholders. The Board also determined that the Advisor is able to provide investment management services to certain clients other than the Fund, at least in part, due to its existing infrastructure built to serve the fund complex. The Board concluded that appropriate allocation methodologies had been employed to assign resources and the cost of those resources to these other clients.

Existing Relationship. The Board also considered whether there was any reason for not continuing the existing arrangement with the Advisor. In this regard, the Board was mindful of the potential disruptions of the Fund's operations and various risks, uncertainties, and other effects that could occur as a result of a decision not to continue such relationship. In particular, the Board recognized that most shareholders have invested in the Fund on the strength of the Advisor's industry standing and reputation and in the expectation that the Advisor will have a continuing role in providing advisory services to the Fund.

Conclusion of the Directors. As a result of this process, the Board, including all of the independent Directors, taking into account all of the factors discussed above and the information provided by the Advisor and others in connection with its review and throughout the year, determined that the management fee is fair and reasonable in light of the services provided and that the investment management agreement between the Fund and the Advisor should be renewed.

Liquidity Risk Management Program

The Fund has adopted a liquidity risk management program (the “program”). The Fund’s Board of Directors (the “Board”) has designated American Century Investment Management, Inc. (“ACIM”) as the administrator of the program. Personnel of ACIM or its affiliates conduct the day-to-day operation of the program pursuant to policies and procedures administered by those members of the ACIM’s Investment Oversight Committee who are members of the ACIM’s Investment Management and Global Analytics departments.

Under the program, ACIM manages the Fund’s liquidity risk, which is the risk that the Fund could not meet shareholder redemption requests without significant dilution of remaining shareholders’ interests in the Fund. This risk is managed by monitoring the degree of liquidity of the Fund’s investments, limiting the amount of the Fund’s illiquid investments, and utilizing various risk management tools and facilities available to the Fund for meeting shareholder redemptions, among other means. ACIM’s process of determining the degree of liquidity of the Fund’s investments is supported by one or more third-party liquidity assessment vendors.

The Board reviewed a report prepared by ACIM regarding the operation and effectiveness of the program for the period December 1, 2019 through December 31, 2020. No significant liquidity events impacting the Fund were noted in the report. In addition, ACIM provided its assessment that the program had been effective in managing the Fund’s liquidity risk.

Additional Information

Proxy Voting Policies

A description of the policies that the fund's investment advisor uses in exercising the voting rights associated with the securities purchased and/or held by the fund is available without charge, upon request, by calling 1-800-378-9878. It is also available on American Century Investments' website at americancentury.com/proxy and on the Securities and Exchange Commission's website at sec.gov. Information regarding how the investment advisor voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on americancentury.com/proxy. It is also available at sec.gov.

Quarterly Portfolio Disclosure

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. These portfolio holdings are available on the fund's website at ipro.americancentury.com (for Investment Professionals) and, upon request, by calling 1-800-378-9878. The fund's Form N-PORT reports are available on the SEC's website at sec.gov.

Notes

Notes



Contact Us

americancentury.com

| | |
|---|----------------|
| Automated Information Line | 1-800-345-8765 |
| Investment Professional Service Representatives | 1-800-345-6488 |
| Telecommunications Relay Service for the Deaf | 711 |

American Century Variable Portfolios, Inc.

Investment Advisor:

American Century Investment Management, Inc.
Kansas City, Missouri

This report and the statements it contains are submitted for the general information of our shareholders. The report is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

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VARIABLE PORTFOLIO FUNDS

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