

Thinking Beyond Stocks and Bonds

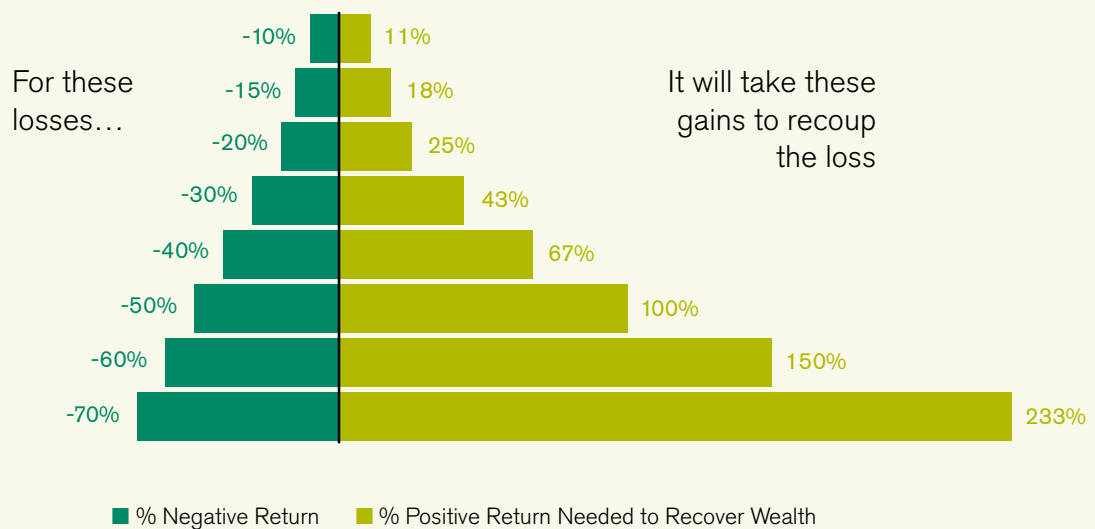
Markets in Motion Series

Bulls Don't Run Forever

When markets are riding high, it's easy to focus only on returns. But failing to plan for downside risks may be hazardous to your finances. That's because investments are penalized more from losses than they are rewarded from gains. Why? For every loss your portfolio experiences, you need an exponentially higher return to break even.

Gains and Losses Are Not Created Equal

The Larger Your Loss, the Greater Your Gains Must Be



Source: American Century Investments. This hypothetical situation is intended for illustrative purposes only and is not representative of the performance of any security or index. There is no assurance similar results can be achieved, and this information should not be relied upon as a specific recommendation to buy or sell securities. **Past performance is no guarantee of future results.**

Consider the Alternatives

Holding a diverse mix of investments has the potential to mitigate the impact of declines. Consider alternative mutual funds, which do not perform the same way as stocks and bonds and so adding them to your portfolio may help manage a number of threats such as:



Stock market downside
risk and volatility



Declining bond prices in a
rising-rate environment

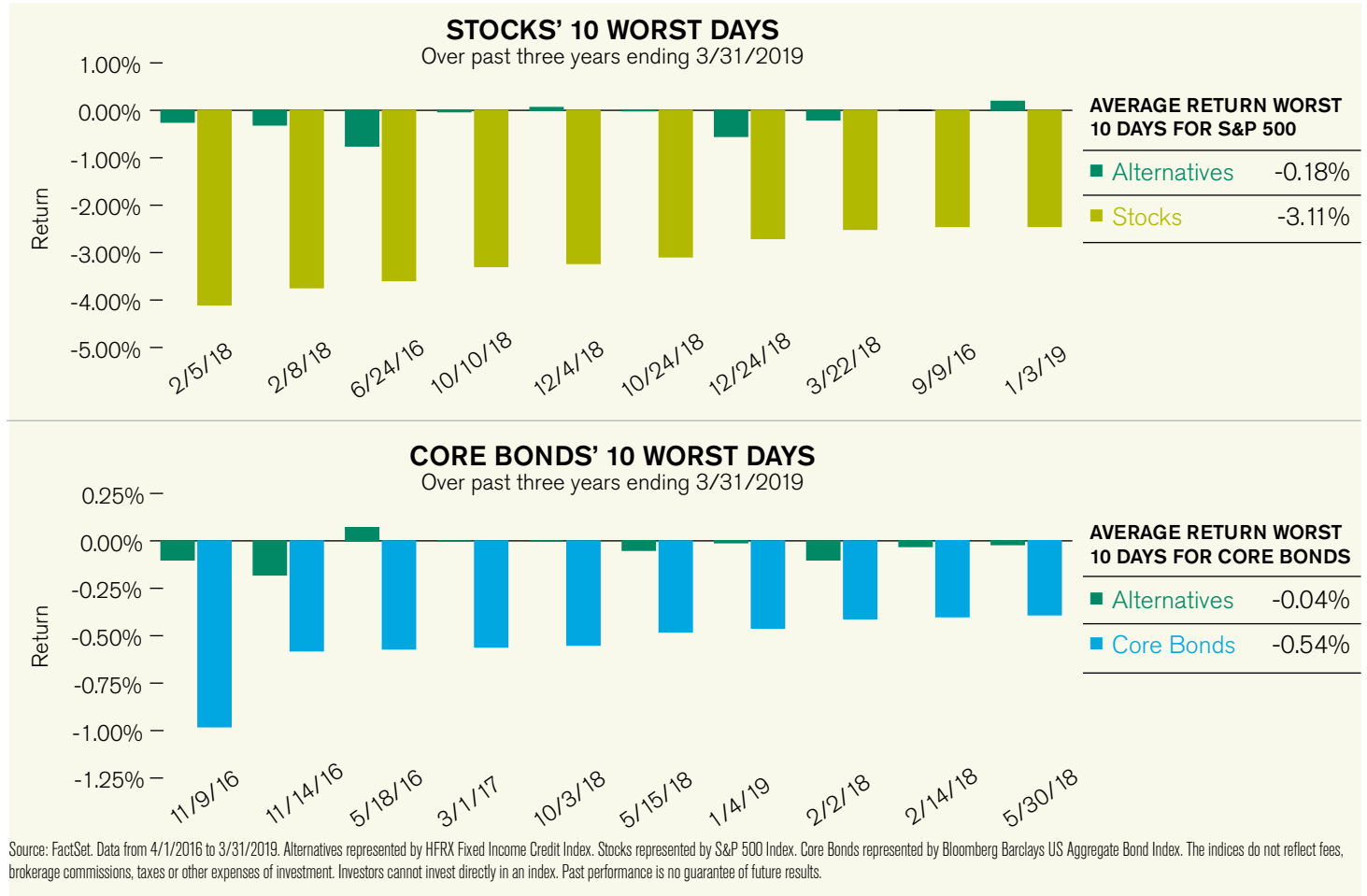


Low yields on
short-term investments

Alternative mutual funds hold a variety of non-traditional asset classes and often employ more complex trading strategies than traditional mutual funds. Each asset class and investment strategy has unique risks, which typically makes alternative mutual funds more suitable for investors with above-average risk tolerances and longer investment horizons. It's important to understand a fund's distinct features, risks and rewards before you invest.

Alternatives May Balance Return and Income With Risk Management

During periods of market stress, alternative investments historically have shown that they do not perform in line with stocks and bonds. While it won't guarantee positive future results, choosing assets that don't move together may help reduce overall losses.



Alternative Approach for Managing Volatility

In past markets, investors expected equities to drive returns and fixed-income investments to reduce risk. Going forward, including other investments may help you create a portfolio with the potential to endure a variety of market conditions.

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Data presented reflect past performance. Past performance is no guarantee of future results.

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. Generally, as interest rates rise, bond prices fall.

Diversification does not assure a profit nor does it protect against loss of principal.

Non-FDIC Insured • May Lose Value • No Bank Guarantee