

Periodic Table of Style Rotation – Why Diversification Matters

Annual Returns for Selected Asset Classes (1994 - 2008)



This style rotation table compares the return of various indices. Fluctuations in market cycles demonstrate the importance of diversification. Diversification does not ensure any investment strategy will protect against market risk. As with any investment it is possible to lose money.

- Large Stocks** are represented by the Russell 1000 Index, which measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.
- Large Growth Stocks** are represented by the Russell 1000 Growth Index, which measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
- Large Value Stocks** are represented by the Russell 1000 Value Index, which measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.
- Midcap Growth Stocks** are represented by the Russell Midcap Growth Index, which measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values.
- Midcap Value Stocks** are represented by the Russell Midcap Value Index, which measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.
- Small Growth Stocks** are represented by the Russell 2000 Growth Index, which measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values.
- Small Value Stocks** are represented by the Russell 2000 Value Index, which measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.
- Foreign Stocks** are represented by the MSCI EAFE Index. The MSCI Europe, Australasia, Far East (EAFE) Index is a widely followed group of stocks from 21 developed market countries.
- Bonds** are represented by the Barclay's Capital U.S. Aggregate Bond Index which reflects the price fluctuations of U.S. Treasury and government agency securities, corporate bond issues and mortgage-backed securities.
- Aggressive Growth Stocks** are represented by the NASDAQ Composite Index which is a market-capitalization index that reflects the aggregate performance of domestic common stocks traded on the regular NASDAQ market, as well as national market system traded foreign common stocks and ADRs.
- REITs** are represented by the Wilshire REIT Index which measures U.S. publicly traded Real Estate Investment Trusts. This index is a subset of the Wilshire Real Estate Securities Index.

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Foreign Stocks	8.1	Aggressive Growth Stocks 39.9	REITs 37.0	Large Value Stocks 35.2	Aggressive Growth Stocks 39.6	Aggressive Growth Stocks 85.6	REITs 31.0	Small Value Stocks 14.0	Bonds 10.3	Aggressive Growth Stocks 50.0	REITs 33.2	Foreign Stocks 14.0	REITs 36.0	Large Growth Stocks 11.8	Bonds 5.2
REITs	2.7	Large Value Stocks 38.4	Large Growth Stocks 23.1	Midcap Value Stocks 34.4	Large Growth Stocks 38.7	Midcap Growth Stocks 51.3	Small Value Stocks 22.8	REITs 12.4	REITs 3.6	Small Growth Stocks 48.5	Midcap Value Stocks 23.7	REITs 13.8	Foreign Stocks 26.9	Foreign Stocks 11.6	Small Value Stocks -28.9
Large Growth Stocks	2.6	Large Stocks 37.8	Aggressive Growth Stocks 22.7	Large Stocks 32.9	Large Stocks 27.0	Small Growth Stocks 43.1	Midcap Value Stocks 19.2	Bonds 8.4	Midcap Value Stocks -9.6	Small Value Stocks 46.0	Small Value Stocks 22.3	Midcap Value Stocks 12.6	Small Value Stocks 23.5	Midcap Growth Stocks 11.4	Large Value Stocks -36.8
Large Stocks	0.4	Large Growth Stocks 37.2	Large Stocks 22.4	Small Value Stocks 31.8	Foreign Stocks 20.3	Large Growth Stocks 33.2	Bonds 11.6	Midcap Value Stocks 2.3	Small Value Stocks -11.4	Midcap Growth Stocks 42.7	Foreign Stocks 20.7	Midcap Growth Stocks 12.1	Large Value Stocks 22.2	Aggressive Growth Stocks 9.8	Large Stocks -37.6
Small Value Stocks	-1.6	Midcap Value Stocks 34.9	Large Value Stocks 21.6	Large Growth Stocks 30.5	Midcap Growth Stocks 17.9	Foreign Stocks 27.3	Large Value Stocks 7.0	Large Value Stocks -5.6	Large Value Stocks -15.5	Foreign Stocks 39.2	Large Value Stocks 16.5	Large Value Stocks 7.1	Midcap Value Stocks 20.2	Small Growth Stocks 7.1	Large Growth Stocks -38.4
Large Value Stocks	-2.0	Midcap Growth Stocks 34.0	Small Value Stocks 21.4	Midcap Growth Stocks 22.5	Large Value Stocks 15.6	Large Stocks 20.9	Large Stocks -7.8	Small Growth Stocks -9.2	Foreign Stocks -15.7	Midcap Value Stocks 38.1	Midcap Growth Stocks 15.5	Large Stocks 6.3	Large Stocks 15.5	Bonds 7.0	Midcap Value Stocks -38.4
Midcap Value Stocks	-2.1	Small Growth Stocks 31.0	Midcap Value Stocks 20.3	Aggressive Growth Stocks 21.6	Bonds 8.7	Large Value Stocks 7.3	Midcap Growth Stocks -11.7	Large Stocks -12.4	Large Stocks -21.7	REITs 36.2	Small Growth Stocks 14.3	Large Growth Stocks 5.3	Small Growth Stocks 13.3	Large Stocks 5.8	Small Growth Stocks -38.5
Midcap Growth Stocks	-2.2	Small Value Stocks 25.8	Midcap Growth Stocks 17.5	REITs 19.7	Midcap Value Stocks 5.1	Midcap Value Stocks -0.1	Foreign Stocks -14.0	Midcap Growth Stocks -20.2	Midcap Growth Stocks -27.4	Large Value Stocks 30.0	Large Stocks 11.4	Small Value Stocks 4.7	Midcap Growth Stocks 10.7	Large Value Stocks -0.2	REITs -39.2
Small Growth Stocks	-2.4	Bonds 18.5	Small Growth Stocks 11.3	Small Growth Stocks 13.0	Small Growth Stocks 1.2	Bonds -0.8	Large Growth Stocks -22.4	Large Growth Stocks -20.4	Large Growth Stocks -27.9	Large Stocks 29.9	Aggressive Growth Stocks 8.6	Small Growth Stocks 4.2	Aggressive Growth Stocks 9.5	Midcap Value Stocks -1.4	Aggressive Growth Stocks -40.5
Bonds	-2.9	REITs 12.2	Foreign Stocks 6.4	Bonds 9.7	Small Value Stocks -6.5	Small Value Stocks -1.5	Small Growth Stocks -22.4	Aggressive Growth Stocks -21.1	Small Growth Stocks -30.3	Large Growth Stocks 29.7	Large Growth Stocks 6.3	Bonds 2.5	Large Growth Stocks 9.1	Small Value Stocks -9.8	Foreign Stocks -43.1
Aggressive Growth Stocks	-3.2	Foreign Stocks 11.6	Bonds 3.6	Foreign Stocks 2.1	REITs -17.0	REITs -2.6	Aggressive Growth Stocks -39.3	Foreign Stocks -21.2	Aggressive Growth Stocks -31.5	Bonds 4.1	Bonds 4.3	Aggressive Growth Stocks 1.4	Bonds 4.3	REITs -17.6	Midcap Growth Stocks -44.3

BEST PERFORMANCE ↑
↓ WORST PERFORMANCE

Past performance is no guarantee of future results. This information is for illustrative purposes only and is not intended to represent any particular investment product. Sources: Russell Investments, FactSet, Bloomberg

An index is unmanaged and cannot be invested in directly. A mutual fund's portfolio may differ significantly from the securities held in the indices. These indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the active management of an actual portfolio. The indices shown do not include fees, loads or expenses, and are not available for actual investment.

Periodic Table of Sector Rotation – Why Diversification Matters

Annual Returns for Selected Asset Classes (1997 - 2008)



This sector rotation table compares the return of various sector indices. Fluctuations in market cycles demonstrate the importance of diversification. Diversification does not ensure any investment strategy will protect against market risk. As with any investment it is possible to lose money.

Consumer Discretionary GICS classification includes: Auto Parts & Equipment, Tires & Rubber, Automobile Manufacturers, Motorcycle Manufacturers, Consumer Electronics, Home Furnishings, Homebuilding, Household Appliances, Housewares & Specialties, Leisure Products, Photographic Products, Apparel, Accessories & Luxury Goods, Footwear, Textiles, Casinos & Gaming, Hotels, Resorts & Cruise Lines, Leisure Facilities, Restaurants, Education Services, Specialized Consumer Services, Advertising, Broadcasting & Cable TV, Movies & Entertainment, Publishing, Distributors, Catalog Retail, Internet Retail, Department Stores, General Merchandise Stores, Apparel Retail, Computer & Electronics Retail, Home Improvement Retail, Specialty Stores, Automotive Retail, Homefurnishing Retail.

Consumer Staples GICS classification includes: Drug Retail, Food Distributors, Fokod Retail, Hypermarkets & Super Centers, Brewers, Distillers & Vintners, Soft Drinks, Agricultural Products, Meat, Poultry & Fish, Packaged Foods & Meats, Tobacco, Household Products, Personal Products.

Energy GICS classification includes: Oil & Drilling, Oil & Gas Equipment and Services, Integrated Oil & Gas, Oil & Gas Exploration and Production, Oil & Gas Refining and Marketing, Oil & Gas Storage and Transportation, Coal & Consumable Fuels.

Financials GICS classification includes: Diversified Banks, Regional Banks, Thrifts & Mortgage Finance, Consumer Finance, Other Diversified Financial Services, Multi-Sector Holdings, Specialized Finance, Consumer Finance, Asset Management & Custody Banks, Investment Banking & Brokerage, Diversified Capital Markets, Insurance Brokers, Life & Health Insurance, Multi-line Insurance, Property & Casualty Insurance, Reinsurance, Real Estate Investment Trusts, Real Estate Management & Development, Diversified REITs, Industrial REITs, Mortgage REITs, Office REITs, Residential REITs, Retail REITs, Specialized REITs, Real Estate Management & Development.

Health Care GICS classification includes: Health Care Equipment, Health Care Supplies, Health Care Distributors, Health Care Services, Health Care Facilities, Managed Health Care, Health Care Technology, Bio technology, Pharmaceuticals, Life Sciences Tools & Services.

Industrials GICS classification includes: Aerospace & Defense, Building Products, Construction & Engineering, Electrical Components & Equipment, Heavy Electrical Equipment, Industrial Conglomerates, Construction & Farm Machinery and Heavy Trucks, Industrial Machinery, Trading Companies & Distributors, Commercial Printing, Data Processing Services, Diversified Commercial & Professional Services, Human Resources & Employment Services, Environmental & Facilities Services, Office Services & Supplies, Air Freight & Logistics, Airlines, Marine, Railroads, Trucking, Airport Services, Highways & Railroads, Marine Ports & Services.

Information Technology GICS classification includes: Internet Software & Services, IT Consulting & Other Services, Data Processing & Outsourced Services, Application Software, Systems Software, Home Entertainment Software, Communications Equipment, Networking Equipment, Telecommunications Equipment, Computer Hardware, Computer Storage & Peripherals, Electronic Equipment Manufacturers, Electronic Manufacturing Services, Technology Distributors, Office Electronics, Semiconductor Equipment, Semiconductors.

Materials GICS classification includes: Commodity Chemicals, Diversified Chemicals, Fertilizers & Agricultural Chemicals, Industrial Gases, Specialty Chemicals, Construction Materials, Metal & Glass Containers, Paper Packaging, Aluminum, Diversified Metals & Mining, Gold, Precious Metals & Minerals, Steel, Forest Products, Paper Products.

Telecommunication Services GICS classification includes: Alternative Carriers, Integrated Telecommunication Services, Wireless Telecommunication Services.

Utilities GICS classification includes: Electric Utilities, Gas Utilities, Multi-Utilities, Water Utilities, Independent Power Producers & Energy Traders.

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	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Financials	49.97	Information Technology 63.90	Information Technology 82.62	Utilities 56.28	Consumer Discretionary 5.18	Consumer Staples -6.61	Information Technology 50.14	Energy 32.77	Energy 33.34	Telecommunication Services 37.38	Energy 31.91	Consumer Staples -16.61	BEST PERFORMANCE
Telecommunication Services	41.27	Telecommunication Services 44.50	Materials 23.83	Health Care 38.76	Materials 4.44	Materials -8.12	Consumer Discretionary 37.60	Utilities 23.38	Utilities 15.04	Utilities 21.82	Materials 26.32	Health Care -23.45	
Health Care	35.59	Health Care 38.77	Consumer Discretionary 22.35	Financials 25.42	Consumer Staples -2.49	Financials -10.77	Materials 36.45	Industrials 19.05	Health Care 8.17	Energy 21.38	Utilities 17.44	Utilities -28.39	
Consumer Staples	35.57	Consumer Discretionary 31.45	Telecommunication Services 21.48	Energy 23.31	Financials -5.72	Energy -13.30	Industrials 33.14	Telecommunication Services 18.53	Financials 6.39	Materials 20.60	Information Technology 15.07	Telecommunication Services -33.31	
Consumer Discretionary	30.25	Consumer Staples 21.32	Industrials 17.61	Consumer Staples 9.88	Industrials -7.29	Utilities -19.51	Financials 32.53	Materials 16.75	Industrials 6.11	Financials 19.92	Consumer Staples 14.07	Energy -37.10	
Industrials	26.59	Utilities 12.83	Energy 16.72	Industrials 2.37	Energy -10.50	Industrials -19.62	Energy 26.78	Financials 13.80	Consumer Staples 4.75	Consumer Discretionary 16.52	Industrials 12.30	Consumer Discretionary -38.62	
Utilities	26.11	Financials 7.99	Financials 1.53	Materials -14.94	Health Care -12.75	Health Care -21.62	Utilities 25.01	Consumer Discretionary 11.91	Materials 3.87	Consumer Staples 15.13	Telecommunication Services 10.66	Industrials -39.97	
Energy	21.70	Industrials 6.60	Consumer Staples -5.99	Consumer Discretionary -24.01	Telecommunication Services -13.77	Consumer Discretionary -24.36	Health Care 20.48	Consumer Staples 9.48	Information Technology 1.55	Industrials 15.07	Health Care 7.91	Information Technology -42.85	
Information Technology	19.89	Energy -3.34	Health Care -6.36	Telecommunication Services -34.50	Utilities -25.87	Telecommunication Services -29.81	Consumer Staples 17.50	Health Care 4.25	Telecommunication Services -2.63	Information Technology 8.57	Consumer Discretionary -11.38	Materials -46.77	
Materials	14.24	Materials -7.83	Utilities -10.55	Information Technology -35.54	Information Technology -26.15	Information Technology -38.26	Telecommunication Services 7.73	Information Technology 2.61	Consumer Discretionary -3.43	Health Care 6.84	Financials -17.91	Financials -49.81	WORST PERFORMANCE

The Global Industry Classification Standard (GICS) was developed by Morgan Stanley Capital International (MSCI), a premier independent provider of global indices and benchmark-related products and services, and Standard & Poor's (S&P), an independent international financial data and investment services company and a leading provider of global equity indices. The GICS classifications aim to enhance the investment research and asset management process for financial professionals worldwide. It is the result of numerous discussions with asset owners, portfolio managers and investment analysts around the world and is designed to respond to the global financial community's need for an accurate, complete and standard industry definition.

The GICS structure consists of 10 sectors, 24 industry groups, 67 industries and 147 sub-industries. Returns are based on the Russell 3000 Index. This index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

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