



What's in *your* investment portfolio?

The stock market is volatile. Mergers, inflation, and other economic developments can send stock prices soaring or plummeting on any given trading day. If you put all of your money into one single stock investment, you could suffer a large loss if that stock is a dud.

Diversification means putting your money into many different investments to moderate your risk. When you own a variety of investments, you reduce the chance that losses from any single investment or investment type will put your entire portfolio in jeopardy.

Your First Step

You'll want to choose a mix of investments from the three major investment classes – stocks, bonds and cash equivalents. How you allocate your investment assets depends on your tolerance for risk and the number of years until you will need the money.

- ♦ *Equity investments* — including individual stocks and stock mutual funds — present the most risk to your principal but offer the greatest potential for earning higher returns.
- ♦ *Income investments* — such as bonds and bond funds — present less risk to your principal than stocks but generally offer lower returns.
- ♦ *Cash investments* — certificates of deposit, Treasury bills, money market funds, and similar investments — typically earn lower returns than equity or income investments but present very

little risk to your principal. You do, however, run the chance of not keeping up with inflation because returns may be lower than the inflation rate.

Because the different asset types don't usually move up and down at the same time or at the same rates, income and cash investments may help cushion your losses in the event of a downturn in the stock market.

Keep It Going

While spreading your investment money among the three major asset classes is a great start, it's not enough. You'll also need to diversify *within* each investment type. You aren't adequately diversified if you own stock in only a few companies or only in companies from the same economic sector — all pharmaceutical or technology company stocks, for example.

The Easy Way

Stock mutual funds¹ provide automatic diversification, since they hold stocks from many different companies. But owning several mutual funds with the same investment styles and objectives won't give your portfolio the diversification it needs either. A truly diversified portfolio contains mutual funds representing a variety of market sectors.

Make sure your bond investments are diversified as well by owning a mix of funds containing different types of bonds or other income investments with varying maturity dates.

Count on COUNTRY

The first step to a diversified portfolio is sitting down with your COUNTRY[®] Financial representative for guidance on designing an investment strategy based on your goals and risk tolerance. Then, working with our team of investment experts, you can develop a portfolio for your specific needs.

It's all part of the tangible plan you'll get from COUNTRY. Helping you achieve financial security, no matter where you're starting from.

¹Mutual funds are sold by prospectus, which includes information on charges, expenses, and risks. To receive a current prospectus, contact your registered representative. You should read the prospectus carefully before investing.

Diversification does not guarantee gains nor prevent losses.



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