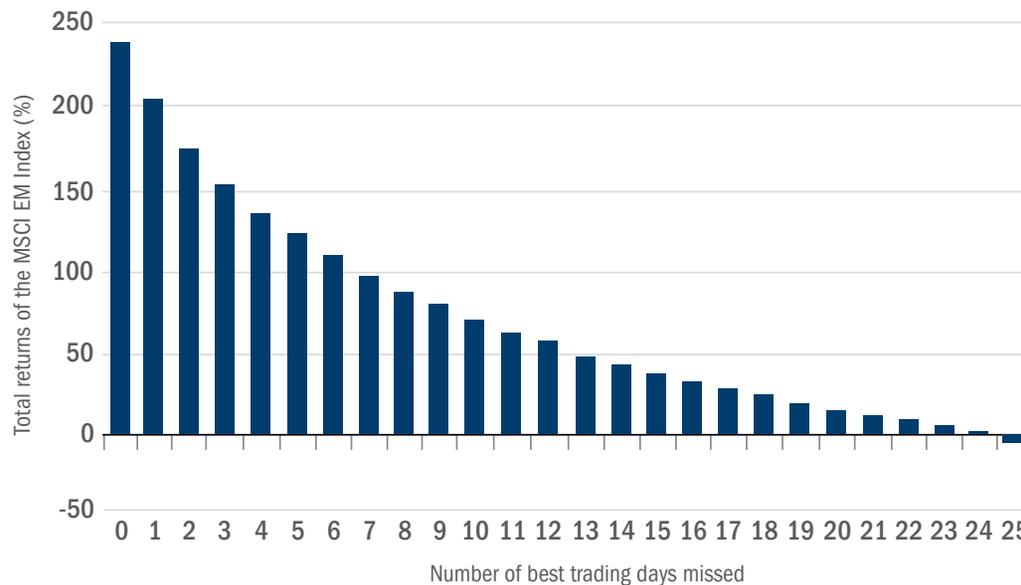


▶ The perils of trying to time emerging markets



Source: Bloomberg, MSCI, data 01/03/00-01/31/19. Results are for hypothetical purposes only. Past performance does not guarantee future results.

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Emerging markets can offer superior growth, but high volatility. Emerging markets' GDP is now the largest portion of global GDP, and it's growing rapidly — more than 2.5x the growth rate in developed markets (excluding the U.S.).¹ But with this high growth comes high stock market volatility.

Volatility may cause investors to try to “time” investments in emerging markets. But missing just a few of the best performing trading days can be costly. From January 2000 through January 2019, the total return for the MSCI EM Index was 235%.² If you miss just the five best trading days in that period (out of 4,980 total trading days), the total return is almost halved to 122%. Miss the 24 best days, and the total return drops below zero.

¹ Source: IMF as of 10/18, developed markets (excluding U.S.) reflect those countries classified as “advanced economies” by the IMF, minus the United States; emerging markets reflect those countries classified as emerging market and developing economies. ²The loss is not only missing out on that day's gain, but also losing out on compounding of the amount of that day's gain over the ensuing years. MSCI Emerging Markets is an unmanaged index that is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. It is not possible to invest directly in an index. Investment products offered through Columbia Management Investment Distributors, Inc., member FINRA. Advisory services provided by Columbia Management Investment Advisers, LLC. Columbia Threadneedle Investments (Columbia Threadneedle) is the global brand name of the Columbia and Threadneedle group of companies. © 2019 Columbia Management Investment Advisers, LLC. All rights reserved. The views expressed are as of the date given, may change as market or other conditions change and may differ from views expressed by other Columbia Management Investment Advisers, LLC (CMIA) associates or affiliates. This information is not intended to provide investment advice and does not take into consideration individual investor circumstances. Since economic and market conditions change frequently, there can be no assurance that the trends described here will continue or that any forecasts are accurate. Investing involves risk including the risk of loss of principal.