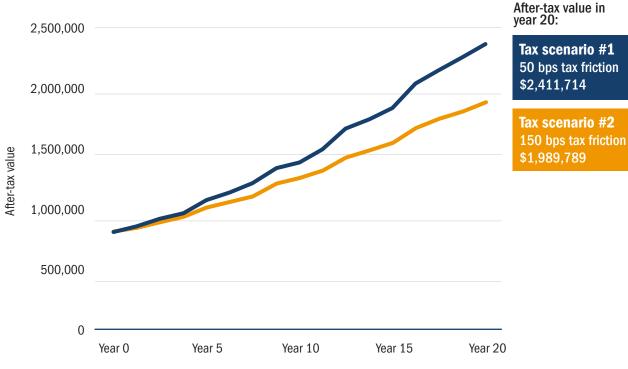
## Chart on the Go Latest Insights

Learn more on our blog »



## Tax friction erodes wealth over time

Hypothetical \$1 million investment that returns 5% annually before taxes



Tax friction refers to the amount of annual return that is lost to taxes. Investors can seek to mitigate this wealth erosion through tax-aware investing, including:

- Asset location. Think about the type of account holding your assets. Investments with large potential tax footprints may be best held in qualified, tax-advantaged accounts (e.g., IRA).
- Asset allocation. Some asset classes are inherently more tax-efficient than others (e.g., municipal bonds, equity strategies with low turnover).
- Investment vehicle. Tax-friendly investment vehicles such as separately managed accounts (SMAs) and exchange-traded funds (ETFs) may offer clients greater control over their tax experience.

Consult with your financial advisor to identify the steps you can take today to help build your wealth in the years to come.

This illustration is not reflective of the performance of any specific investment, nor is it reflective of any particular time frame.

© 2024 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. Columbia Management Investment Advisers, LLC is an investment adviser registered with the U.S. Securities and Exchange Commission. Advisory services provided by Columbia Management Investment Advisers, LLC. Columbia Threadneedle Investments (Columbia Threadneedle group of companies. Columbia Threadneedle Investments and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

Source: Columbia Threadneedle Investments.