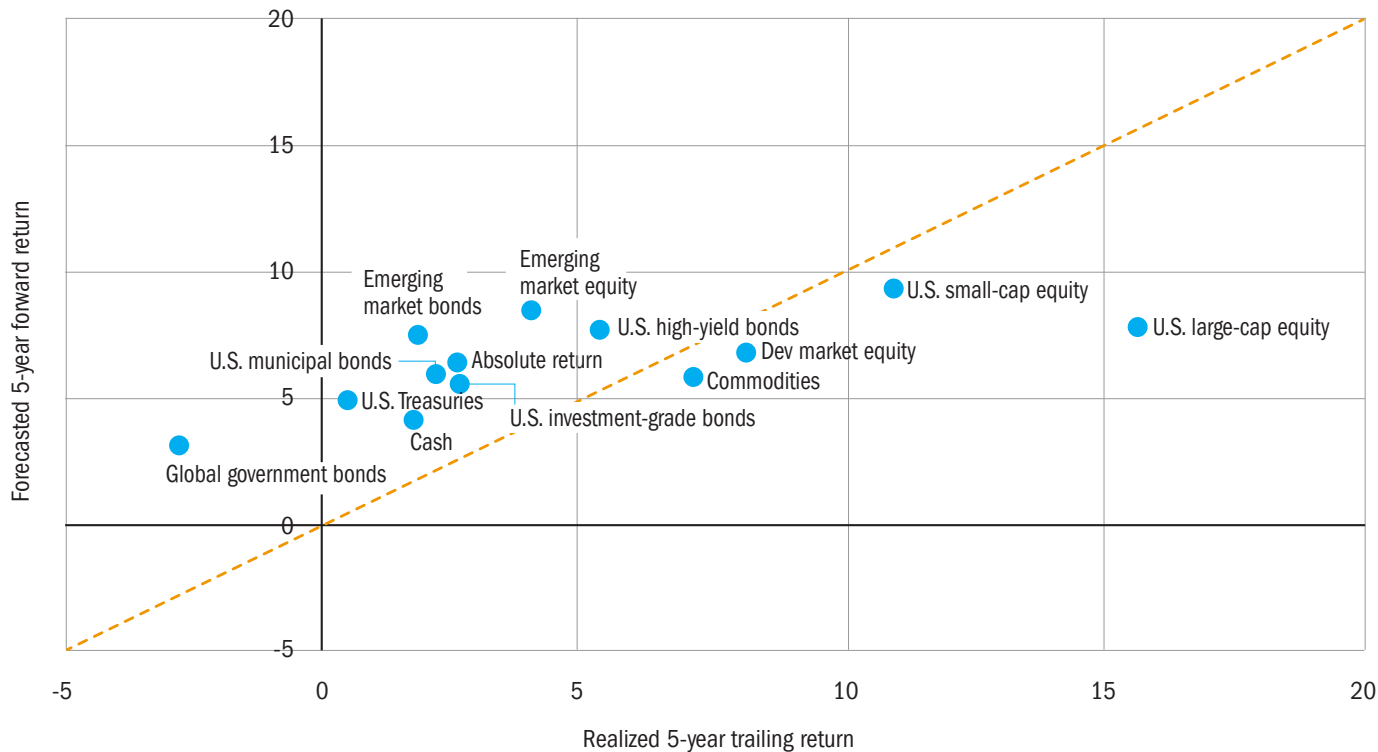


Learn more on our blog »

Where are the opportunities and risks in asset allocation?

Trailing 5-year returns vs forward 5-year forecasts (%)



Asset allocation decisions can be based on many factors, including the recent and expected performance of assets.

Based on our analysis, assets like high yield or investment grade may see stronger returns relative to their recent history, but for U.S. large-cap equity, the next five years — while positive — may be more challenging.

This highlights the need for active management and selectivity. For asset classes where returns may be harder to come by, research and issuer selection can matter more. A financial advisor can help you navigate the changing picture for asset classes.

Source: Columbia Threadneedle Investments, based on Bloomberg data. Returns are based monthly data. To assess prospective returns, we consider growth and inflation and their expected impact on companies and their equity and bonds, including dividend or bond yield, changes in cash flow, and valuation. The major asset classes are based on the following indices: U.S. large-cap stocks (S&P 500 Index), U.S. small-cap stocks (Russell 2000 Index), Developed market stocks USD (MSCI EAFE Index), Emerging market stocks USD (MSCI EM Index), Cash (FTSE U.S. Domestic 3-Month T-Bill Index), U.S. Treasuries (Bloomberg U.S. Treasury Index), Municipal Bonds (Bloomberg Municipal Bond Index), Global sovereign bonds USD (Bloomberg Global Treasury Index (excl. U.S.)), Investment-grade corporate bonds (Bloomberg U.S. Aggregate Credit Index), High-yield corporate bonds (Bloomberg Corporate High Yield Index), Emerging market debt USD (JPMorgan EMBI Global Diversified Index), Absolute return (FTSE U.S. Domestic 3-Month T-Bill Index), Commodities (Bloomberg Commodity Index). Information on our five-year forecasts is available [here](#). Asset allocation and diversification do not assure a profit or protect against loss. **Past performance is not a guarantee of future results.** An investment cannot be made in an index. Index descriptions are available [here](#).

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) is the global brand name of the Columbia and Threadneedle group of companies. © 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.