

Developed markets.



Developed markets are countries that are most progressed in terms of their economy and capital markets.

Generally, progress is defined as having a mature and sophisticated economy, high per capita income, accessibility by foreign investors, and a dependable regulatory system. Its capital markets are developed, with a high regulation and oversight, a market exchange, and good liquidity in its debt and equity markets. Developed countries have advanced technological infrastructure and as well as diverse industrial and service sectors. Their citizens typically have access to quality health care, higher education, and varied economic prospects. Developed markets governments are mature and stable; and as a result, geopolitical risk tends to be low.

With some exceptions, developed markets are generally found in North America, Western Europe, and Australasia.

Americas ¹	Europe & Middle East			Asia
Canada U.S.	Austria Belgium Denmark Finland France Germany	Ireland Israel Italy Netherlands Norway	Portugal Spain Sweden Switzerland U.K.	Australia Hong Kong Japan New Zealand Singapore

DM vs. EM

The name “developed markets” (DM) distinguishes these markets from their emerging markets (EM) counterparts, which are making progress towards, but have not yet fully achieved the aforementioned goals. From an investment perspective, the cohorts have different risk-reward profiles.

Developed market securities (equities, debt instruments, currencies) are generally less volatile, heavily traded, and have more complete data coverage. As such, developed markets are typically attractive for investors seeking stable and more predictable sources of return, at the expense of growth.

Conversely, while emerging markets are riskier (more volatile, less transparent, illiquid) they tend to have higher expected returns due to a number of factors, including, but not limited to explosive population growth, export economies, uptake of technological advancements and industrialization.

¹ The table reflects developed markets as defined by index provider, MSCI. Other index providers (FTSE, STOXX, S&P) may also classify South Korea and/or Poland as developed markets.

Important information

This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice and is intended for educational purposes only. There are risks involved with investing, including loss of principal.

International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume.

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