Before the Bell

Morning Market Brief

October 16, 2019

FOR IMPORTANT DISCLOSURES, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT

MORNING MARKET COMMENTARY: *Jon Kyle Cartwright, Senior Director, High-Yield and Corporate Credit*

In addition to comments related to overnight activity and pre-market conditions, each Wednesday we feature commentary from members of the Ameriprise Global Asset Allocation Committee discussing investment considerations targeting their specific area of expertise. The comments are intended to provide additional insight into Committee allocation recommendations.

- ***Quick Take***: U.S. futures pointing to a lower open, Europe is trading mixed; markets in Asia closed mostly higher overnight. WTI oil trading at $52.95 per barrel; 10-year U.S. Treasury yield at 1.74%.

Ample supply should keep Natural Gas prices well contained this winter season. Natural gas prices are a function of economic growth, demand from domestic and export customers, storage inventories, supply/production, and weather. Within this framework, we expect U.S. natural gas supply and demand are likely to be at record highs this winter-heating-season (November to March), but average natural gas prices could sputter and remain low at least through 2020.

From our perspective, it could be difficult for markets to match last winter-heating-season's average price of $3.33 per million British thermal units (MMBtu). And with NYMEX natural gas trading closer to $2.25 per MMBtu in mid-October, it's our view that the U.S. Energy Information Agency's (EIA) average natural gas price forecast of $3.20 MMBtu for this winter and $2.77 per MMBtu for calendar 2020, may turn out to be optimistic (i.e., high).

NYMEX natural gas prices may have to reach a one-day high closer to $5.00 per MMBtu to achieve the EIA's 2019/20 average-winter forecast. We believe that means U.S. gas storage levels would have to fall meaningfully. That kind of withdrawal may need U.S. natural gas production to slow, the economy to be strong enough to grow both domestic and export demand, and for winter temperatures to be so cold that heating demand further reduces gas in storage.

Winter Season Customer Demand Period-to-period change	Last Winter 2018/19 ACTUAL	This Winter 2019/20 FORECAST
Domestic Demand		
Residential/Commercial	39.6 Bcf/d	36.1 Bcf/d
Industrial	24.7 Bcf/d	24.8 Bcf/d
Electric Generation	25.7 Bcf/d	27.0 Bcf/d
Subtotal	90.0 Bcf/d	87.9 Bcf/d
Export Demand		
Pipeline exports - Mexico	4.8 Bcf/d	5.8 Bcf/d
LNG exports (net)	4.5 Bcf/d	8.3 Bcf/d
Subtotal	9.3 Bcf/d	14.1 Bcf/d
Total U.S. Natural Gas Demand*	**106.2 Bcf/d**	**109.3 Bcf/d**
Growth by sector	LNG Exports +50% Electric +5%	LNG Exports +84%

Data Source: Energy Ventures Analysis.
Data includes "Lease, Plant and Pipeline Fuel". Bcf/d = Billion of cubic feet per day.

Notations:

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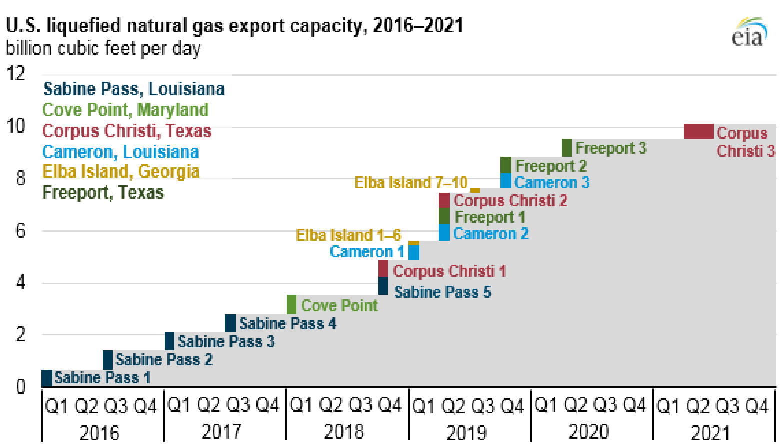
Unfortunately, instead of projecting shortages, the EIA is forecasting 2019/20 average winter production of 91.6 billion cubic feet per day (Bcf/d) or 10% over last season's all-time average-winter high. Adding Canadian imports and autumn domestic storage to the EIA's winter production estimates should bring winter-natural-gas supplies in line with this year's U.S. 109 Bcf/d winter-natural-gas demand forecast (see the table on page one). Supply & demand could be in relative equilibrium through 2020, despite rising demand, leaving little room for annual average natural gas prices to appreciate.

Historically, natural gas demand forecasts were a function of the demand from economically sensitive sectors, including; retail/commercial, industrial, and electric generation (e.g., electric utilities and independent power producers). We expect demand from these economically sensitive markets to remain fairly slow, as the broader pace of U.S. economic expansion has moderated and is likely to remain somewhat slow.

Retail/Commercial demand is expected to rise and fall with the domestic economy. Growth rates in the retail sector reflect demand from construction and remodeling markets that historically create natural gas demand by purchasing new gas-fired heating systems and appliances. In commercial markets (i.e., non-manufacturing businesses), natural gas deliveries are near a 21-year high. Unfortunately, demand growth rates have slowed along with new construction of restaurants, offices, and warehouse space, as well as the constraint of pipeline restrictions in some areas.

Industrial manufacturing businesses are also reporting lukewarm growth rates. While demand growth in this sector primarily reflects economically sensitive production rates, it also is dependent on the number of downstream manufacturing facilities (that use natural gas as a feedstock). We currently expect the market to add at least two Bcf/d of demand from new petrochemical, fertilizer, and steel plants coming online before the end of 2023.



The amount of natural gas demanded from electric utilities and power producers have been a function of how many natural gas-fired turbines are on the national electric grid. Gas-fired electric generation showed explosive growth between 1997 and 2017, which helped NYMEX gas prices to very briefly reach nearly $16.00 per MMBtu in 2005. But in recent years, the number of natural gas-fired turbines added annually has been shrinking as wind & solar electric generation gained acceptance. But for now, the net number of domestic gas-fired plants and the amount of gas-demanded from utilities is still growing, albeit at a slower pace.

Export markets have become dependent on America's growing LNG (Liquefied Natural Gas) export capacity, could become the new driver for domestic natural gas demand over the next few decades. After breaking the 1973 monthly export record in July of 2019, we now expect new monthly highs to become a regular thing as new seaborn liquefied natural gas (LNG) export units (also called trains) become operational. The EIA projects domestic LNG export capacity to reach 8.9 Bcf/d this year making the U.S. the world's third-largest LNG exporter (behind Australia and Qatar). In less than a decade, domestic LNG exports could grow from negligible levels in 2015 until the U.S. becomes the world's largest LNG exporter.

Weather remains a short-term wild card in every natural gas forecast or pricing model. Because predicting its impact depends not only on what kind of weather it is, but where it is. For example, weather in area that doesn't use natural gas for heat has minimal impact, while hurricanes, torrential rains, or flooding in natural gas fields can temporarily disrupt supplies. The Natural Gas Supply Association (NGSA) believes the U.S. will enter the 2019/20 winter-heating-season with 15% more gas in storage than last winter. Elevated storage levels are due to above-average temps in August, September, and the first two weeks of October that resulted in below-average home heating demand and leaving supplies higher than expected.

It's also important to understand that forecasters tend to use 30-year average temperatures to build natural gas home-heating demand models. As a result, Last year's winter-natural-gas demand got a boost from harsher than average weather that took NYMEX natural gas prices to a November high of nearly $5.00 per MMBtu. On average, the U.S. winter of 2018/19 was only 2% colder than the 30-year average, which was in line with global trends of shorter and harsher winter climates.

Forecasting average global winter temperatures (climate) is relatively easy, consistently forecasting local weather in any given neighborhood for more than 72-hours is mathematically impossible. Regional weather predictions like those published in the "Farmer's Almanac" are as good as any, and correctly predicted last year's long and snowy winter. The "2019 Farmer's Almanac" is expecting a "polar coaster," bringing frigid temperatures and hefty snowfalls to the majority of the country. If the Farmer's Almanac is correct, we could see stronger than expected winter-natural-gas demand.

Conversely, a warmer than average winter could cause U.S. natural gas consumption to decline over the next five wintery months compared to the same period last winter. With domestic winter-natural-gas supply and demand in near equilibrium, the weather could play an outsized part in setting natural gas prices over the short-run while having little to no impact on next year's natural gas demand or average-annual price.

Overall, we don't expect average-annual natural gas prices to move high enough in 2019 or 2020 to change the fortunes of struggling high-yield natural gas exploration and production companies. As a result, we expect smaller and financially-weaker natural gas producers are likely to consolidate or shut-down over the intermediate-term. At the same time, better-financed international oils are playing the long game and are expected to fill the growing export demand with their product in an effort to control export markets as we approach 2023. Therefore, we continue to recommend that high yield investors continue to avoid domestic natural gas exploration and production company debt.

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WORLD CAPITAL MARKETS *(all data as of approximately 8:00 AM ET)*

Americas	% chg.	% YTD	Value
S&P 500	1.00%	21.42%	2,995.7
Dow Jones	0.89%	18.05%	27,024.8
NASDAQ	1.24%	23.86%	8,148.7
Russell 2000	1.19%	14.19%	1,523.3
Brazil Bovespa	0.18%	18.89%	104,489.6
S&P/TSX Comp. (Canada)	0.02%	17.43%	16,418.4
Mexico IPC	-0.13%	6.14%	43,244.6

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.18%	24.20%	3,605.1
FTSE 100 (U.K.)	-0.06%	11.31%	7,207.1
DAX Index (Germany)	0.31%	19.99%	12,669.2
CAC 40 (France)	-0.01%	24.21%	5,701.4
FTSE MIB (Italy)	0.45%	22.60%	22,465.4
IBEX 35 (Spain)	0.05%	12.95%	9,360.4
Russia TI	0.87%	21.76%	4,768.0

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	1.20%	14.41%	22,472.9
HK Hang Seng (H. Kong)	0.61%	6.75%	26,664.3
Korea Kospi 100	0.71%	2.50%	2,082.8
Singapore STI	0.59%	5.82%	3,134.7
Shanghai Comp. (China)	-0.41%	22.34%	2,978.7
Bombay Sensex (India)	0.24%	8.10%	38,599.0
S&P/ASX 200 (Australia)	1.27%	24.82%	6,736.5

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.89%	17.83%	525.2

Developed International	% chg.	%YTD	Value
MSCI EAFE	1.04%	14.75%	1,910.9

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.18%	8.15%	1,019.2

Note: International market returns shown on a local currency basis. ***Equity index data is total return, inclusive of dividends.***

S&P 500 Sectors	% chg.	% YTD	Value
Consumer Discretionary	0.96%	23.47%	955.0
Consumer Staples	-0.40%	21.35%	619.3
Energy	0.39%	4.08%	429.2
Financials	1.33%	19.86%	466.0
Real Estate	0.12%	29.59%	243.3
Health Care	1.76%	7.26%	1,058.5
Industrials	0.79%	21.95%	651.3
Materials	0.68%	15.37%	359.2
Technology	1.10%	34.52%	1,446.5
Communication Services	1.62%	24.56%	170.6
Utilities	-0.30%	22.65%	321.3

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.47%	-0.07%	22.2
FTSE NAREIT Comp.	0.12%	28.42%	21,312.1
DJ US Select Dividend	0.57%	16.63%	2,169.7
DJ Global Select Dividend	-0.09%	6.55%	220.3
S&P Div. Aristocrats	0.60%	19.73%	2,869.9

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.02%	8.20%	2,214.5
Barclays HY Bond	0.22%	11.45%	2,128.0

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.09%	-8.83%	438.0
NYMEX WTI Crude (p/bbl.)	0.30%	16.65%	53.0
ICE Brent Crude (p/bbl.)	-0.03%	9.14%	58.7
NYMEX Nat Gas (mmBtu)	0.90%	-19.73%	2.4
Spot Gold (troy oz.)	-0.01%	15.47%	1,480.8
Spot Silver (troy oz.)	-1.08%	11.16%	17.2
LME Copper (per ton)	-0.80%	-3.52%	5,739.8
LME Aluminum (per ton)	0.48%	-7.80%	1,717.5
CBOT Corn (cents p/bushel)	-0.83%	-1.89%	390.0
CBOT Wheat (cents p/bushel)	-0.25%	-6.77%	505.8

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.1%	-3.8%	1.10
British Pound (£/$)	-0.3%	-0.1%	1.27
Japanese Yen ($/¥)	0.11%	0.87%	108.74
Australian Dollar (A$/$)	-0.39%	-4.57%	0.67
Canadian Dollar ($/C$)	-0.1%	3.2%	1.32
Swiss Franc ($/CHF)	0.1%	-1.5%	1.00

Data/Price Source: Bloomberg; Equity Index data is total return, inclusive of dividends where applicable.

Ameriprise Global Asset Allocation Committee

U.S. Equity Sector - Tactical View

	Sector	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
1)	Communication Services	10.5%	Underweight	- 2.0%	8.5%
2)	Consumer Discretionary	10.0%	Overweight	+2.0%	12.0%
3)	Consumer Staples	7.4%	Equalweight	-	7.4%
4)	Energy	4.6%	Equalweight	-	4.6%
5)	Financials	13.1%	Underweight	- 2.0%	11.1%
6)	Health Care	13.9%	Equalweight	-	13.9%
7)	Industrials	9.3%	Equalweight	-	9.3%
8)	Information Technology	21.8%	Overweight	+2.0%	23.8%
9)	Materials	2.7%	Equalweight	-	2.7%
10)	Real Estate	3.2%	Overweight	+1.0%	4.2%
11)	Utilities	3.5%	Underweight	- 1.0%	2.5%

Index weighting represents relative weightings based on the regional market capitalization balance of the MSCI All-Country World Index; may not add due to rounding. The GAAC Tactical Overlay, as well as Recommended Tactical Weights, is derived from the Ameriprise Global Asset Allocation Committee (GAAC).Views are expressed relative to the Index and are provided to represent investment conviction in each region. Tactical Allocations are designed to augment Index returns over a 6-12 month time horizon. Index weights as of 9/20/19. Numbers may not add due to rounding.

Ameriprise Global Asset Allocation Committee

Global Equity Region - Tactical View

	Region	MSCI All-Country World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
1)	United States	55.6%	Overweight	+7.3%	62.9%
2)	Canada	3.1%	Equalweight	-	3.1%
3)	United Kingdom	4.8%	Underweight	- 2.0%	2.8%
4)	Europe ex U.K.	14.5%	Underweight	- 2.0%	12.5%
5)	Latin America	1.4%	Equalweight	-	1.4%
6)	Asia-Pacific ex Japan	12.0%	Equalweight	-	12.0%
7)	Japan	7.3%	Underweight	- 2.0%	5.3%
8)	Middle East / Africa	1.3%	Underweight	- 1.3%	-

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BY THE NUMBERS: ECONOMIC ACTUALS AND FORECAST:

Current Projections:

	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Quarterly Actual	Actual	Est.	Est.
	2014	2015	2016	2017	2018	2019	2020	Q1-2019	Q2-2019	Q3-2019	Q4-2019
Real GDP (YOY)	2.5%	2.9%	1.6%	2.4%	2.9%	2.2%	2.1%	3.1%	2.0%	1.8%	2.2%
Unemployment Rate	5.6%	5.0%	4.7%	4.1%	3.9%	3.6%	3.5%	3.8%	3.7%	3.5%	3.6%
CPI (YoY)	1.6%	0.1%	1.3%	2.1%	2.4%	1.8%	2.1%	1.6%	1.8%	1.8%	1.9%
Core PCE (YoY)	1.6%	1.3%	1.7%	1.6%	1.9%	1.8%	1.9%	1.6%	1.5%	1.7%	1.8%

Sources: Historical data via FactSet. Estimates (Est.) via American Enterprise Investment Services, Inc.

YoY = Year-over-year, Unemployment numbers are period ending. GDP: Gross Domestic Product; CPI: Consumer Price Index

PCE: Personal Consumption Expenditures Price Index. Core excludes food and energy Last Updated: October 7, 2019

ECONOMIC NEWS OUT TODAY:

Economic Releases for Wednesday, October 16, 2019. All times Eastern. Consensus estimates via Bloomberg.

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
8:30 AM	SEP	Retail Sales (MoM)	+0.3%	-0.3%	+0.4%	+0.6%
8:30 AM	SEP	Retail Sales–Ex Autos (MoM)	+0.2%	-0.1%	0.0%	+0.2%
8:30 AM	SEP	Retail Sales-Ex-Autos & Gas (MOM)	+0.3%	0.0%	+0.1%	+0.4%
10:00 AM	OCT	NAHB Housing Market Index	67		68	

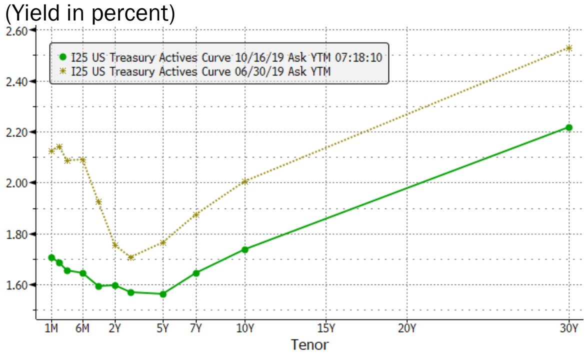
FIXED INCOME NEWS & VIEWS: *Brian M. Erickson, CFA, Fixed Income Research & Strategy*

Treasury

- Treasury prices drifted higher and yields lower this month ahead of the open to U.S. equity markets. Credit spreads pressed tighter for a fourth straight trading session Tuesday and appear poised to extend the trend to a fifth straight session this morning.

U.S. Treasury Yield Curves – June 30 and Today

(Yield in percent)



Treasury Yields – 3-month, 10-year, and 30-year

Source: Bloomberg L.P.

Treasuries Found Their Range – Can Yields Go Lower?

- Since the end of June, the Treasury curve shifted lower and flatter. On the front end, two quarter-point rate cuts sent yields lower on the front end (see chart above left). Over the past two years, the Treasury curve flattened with short-term yields rising through 2018, and then with long-term yields falling year to date (see chart above right).
- **Surprisingly, fed futures markets now price in fewer rate cuts than seen at the end of June**.
- Three-month T-bills: Focusing on the end of the curve directly impacted by Fed rate policy. From late 2015 and the Fed's first rate hike, 3-month T-bill yields were on the rise. Even after what turned out to be a final increase in December 3-month yields drifted higher in anticipation that the Fed's continued hikes. Beginning in May and June

of this year, markets began pricing in the Fed's pivot from rate hikes to rate cuts, with 3-month T-bill yields dropping along with a quarter-point cut at the end of July and again in September.

- Ten-year Treasury yields: After breaching 1.50% and then failing to re-test the level again in October, 10-year yields settled into a 1.50-1.90% trading range. In addition, while the spread between 10-year and 30-year yields narrowed in 2018, it has widened out this year suggesting relative steepness in the long-end of the curve. The drop in 10-year Treasury yields from 3% a year ago to 1.75% this morning decimated the ability for income investors to generate the type of yield they had access to last year.
- Thirty-year Treasury yields: Long-bond yields dropped returned below 3% in March, 2.50% in August, and 2.00% later that month before establishing a 1.96-2.37% trading range over the past 60 days. A one percentage point move is less consequential when yields are at 8% than when they are at 3%. By shaving off a percent, yield offered by 30-year Treasuries fell by a third, and high-quality municipals and corporate yield generally fell by a quarter. When income investors grieve the loss of high-quality income opportunities, we see the long-bond as the final hold-out fading away.
- Conclusion: Treasury markets appear to be consolidating, waiting for data and policy influences to provide a new direction. We believe data needs to sour, extending beyond the manufacturing sector in the U.S. for 10-year Treasuries to sustainably move into a 1.00-1.50% range. Momentum may be supportive of this outcome as global growth slows and trade frictions persist. Conversely, for Treasury yields to move higher, markets would need to gain confidence that central bank policy moves were truly enough for global growth to stabilize and sustain at a new slower pace. Further, a complete roll-back of trade tensions, which we see as out of the picture at the moment could spark renewed business activity held back while trade terms are up in the air.

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As of September 30, 2019

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Investments in a narrowly focused sector may exhibit higher volatility than investments with broader objectives and is subject to market risk and economic risk.

Income Risk: We note that dividends are declared solely at the discretion of the companies' boards of directors. Dividend cuts or eliminations will likely negatively impact underlying company valuations. Published dividend yields are calculated before fees and taxes. Dividends paid by foreign companies to ADR holders may be subject to a withholding tax which could adversely affect the realized dividend yield. In certain circumstances, investors in ADR shares have the option to receive dividends in the form of cash payments, rights shares or ADR shares. Each form of dividend payment will have different tax consequences and therefore generate a different yield. In some instances, ADR holders are eligible to reclaim a portion of the withholding tax.

International investing involves increased risk and volatility due to political and economic instability, currency fluctuations, and differences in financial reporting and accounting standards and oversight. Risks are particularly significant in emerging markets.

Market Risk: Equity markets in general could sustain significant volatility due to several factors. As we have seen recently, both economic and geopolitical issues could have a material impact on this model portfolio and the equity market as a whole.

Quantitative Strategy Risk: Stock selection and portfolio maintenance strategies based on quantitative analytics carry a unique set of risks. Quantitative strategies rely on comprehensive, accurate and thorough historical data. The Ameriprise Investment Research Group utilizes current and historical data provided by third-party data vendors. Material errors in database construction and maintenance could have an adverse effect on quantitative research and the resulting stock selection strategies.

PRODUCT RISK DISCLOSURES

Exchange Traded Funds (ETF) trade like stocks, are subject to investment risk and will fluctuate in market value.

For additional information on individual ETFs, see available third-party research which provides additional investment highlights. SEC filings may be viewed at sec.gov

All fixed income securities are subject to a series of **risks** which may include, but are not limited to: interest rate risk, call risk, refunding risk, default risk, inflations risk, liquidity risk and event risk. Please review these risks with your financial advisor to better understand how these risks may affect your investment choices. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer-term securities. This means you may lose money if you sell a bond prior to maturity as a result of interest rate or other market movement.

Any information relating to the income or capital gains tax treatment of financial instruments or strategies discussed herein is not intended to provide specific tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

A real estate investment trust or **REIT** is a company that owns and operates income-producing real estate. In addition, some **REITs** participate in the financing of real estate. To qualify as a **REIT**, a company must: I) invest at least 75% of its total assets in real estate assets, II) generate at least 75% of its gross income from real property or interest, and III) pay at least 90% of its taxable income to shareholders in the form of distributions. A company that qualifies as a **REIT** is permitted to deduct the distributions paid to shareholders from its corporate taxes. Consequently, many **REITs** target to payout at least 100% of taxable income, resulting in virtually no corporate taxes.

An investment in a REIT is subject to many of the same risks as a direct investment in real estate including, but not limited to: Illiquidity and valuation complexities, redemption restrictions, distribution and diversification limits, tax consequences, fees, defaults by borrowers or tenants, market saturation, balloon payments, refinancing, bankruptcy, decreases in market rates for rents and other economic, political, or regulatory occurrences affecting the real estate industry.

Ratings are provided by Moody's Investors Services and Standard & Poor's.

Non-Investment grade securities, commonly known as "high-yield" or "junk" bonds, are historically subject to greater risk of default, including the loss of principal and interest, than higher-rated bonds, which may result in greater price volatility than experienced with a higher-rated issue.

Securities offered through AFSI may not be suitable for all investors. Consult with your financial advisor for more information regarding the suitability of a particular investment.

For further information on fixed income securities please refer to FINRA's Smart Bond Investing at FINRA.org, MSRB's Electronic Municipal Market Access at emma.msrb.org, or Investing in Bonds at investinginbonds.com.

DEFINITIONS OF TERMS

Agency – Agency bonds are issued by Government Sponsored Enterprises (GSE), but are NOT direct obligations of the U.S. government. Common GSE's are the Federal Home Loan Mortgage Corp. (Freddie Mac) Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Bank (FHLB).

Beta: A measure of the risk arising from exposure to general market movements as opposed to company-specific factors. Betas in this report, unless otherwise noted, use the S&P 500 as the market benchmark and result from calculations over historic periods. A beta below 1.0, for example, can suggest the equity has tended to move with lower volatility than the broader market or, due to company-specific factors, has had higher volatility but generally low correlations with the overall market.

Corporate Bonds – Are debt instruments issued by a private corporation. Non-Investment grade securities, commonly known as "high-yield" or "junk" bonds, are historically subject to greater risk of default, including the loss of principal and interest, than higher-rated bonds, which may result in greater price volatility than experienced with a higher-rated issue.

Mortgage Backed Securities – Bonds are subject to prepayment risk. Yield and average lives shown consider prepayment assumptions that may not be met. Changes in payments may significantly affect yield and average life. Please contact your financial advisor for information on CMOs and how they react to different market conditions.

Municipal Bonds – Interest income may be subject to state and/or local income taxes and/or the alternative minimum tax (AMT). Municipal securities subject to AMT assume a "nontaxable" status for yield calculations. Certain municipal bond income may be subject to federal income tax and are identified as "taxable". Gains on sales/redemptions of municipal bonds may be taxed as capital gains. If the bonds are insured, the insurance pertains to the timely payment of principal (at maturity) and interest by the insurer of the underlying securities and not to the price of the bond, which will fluctuate prior to maturity. The guarantees are backed by the claims-paying ability of the listed insurance company.

Treasury Securities – There is no guarantee as to the market value of these securities if they are sold prior to maturity or redemption.

Price/Book: A financial ratio used to compare a company's market share price, as of a certain date, to its book value per share. Book value relates to the accounting value of assets and liabilities in a company's balance sheet. It is generally not a direct reflection of future earnings prospects or hard to value intangibles, such as brand, that could help generate those earnings.

Price/Earnings: An equity valuation multiple calculated by dividing the market share price, as of a certain date, by earnings per share. Trailing P/E uses the share price divided by the past four-quarters' earnings per share. Forward P/E uses the share price as of a certain date divided by the consensus estimate of the future four-quarters' EPS.

Price/Sales: An equity valuation multiple calculated by dividing the market share price, as of a certain date, by the company's sales per share over the most recent year.

INDEX DEFINITIONS

An index is a statistical composite that is not managed. It is not possible to invest directly in an index.

Definitions of individual indices mentioned in this report are available on our website at ameriprise.com/legal/disclosures in the **Additional Ameriprise research disclosures** section, or through your Ameriprise financial advisor.

DISCLAIMER SECTION

Except for the historical information contained herein, certain matters in this report are forward-looking statements or projections that are dependent upon certain risks and uncertainties, including but not limited to, such factors and considerations as general market volatility, global economic and geopolitical impacts, fiscal and monetary policy, liquidity, the level of interest rates, historical sector performance relationships as they relate to the business and economic cycle, consumer preferences, foreign currency exchange rates, litigation risk, competitive positioning, the ability to successfully integrate acquisitions, the ability to develop and commercialize new products and services, legislative risks, the pricing environment for products and services, and compliance with various local, state, and federal health care laws. See latest third-party research reports and updates for risks pertaining to a particular security.

This summary is based upon financial information and statistical data obtained from sources deemed reliable, but in no way is warranted by Ameriprise Financial, Inc. as to accuracy or completeness. This is not a solicitation by Ameriprise Financial Services, Inc. of any order to buy or sell securities. This summary is based exclusively on an analysis of general current market conditions, rather than the suitability of a specific proposed securities transaction. We will not advise you as to any change in figures or our views.

Past performance is not a guarantee of future results.

Investment products are not federally or FDIC-insured, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

AFSI and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

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