Before the Bell
Morning Market Brief

April 23, 2020

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MORNING MARKET COMMENTARY:  Anthony M. Saglimbene, Global Market Strategist

- **Quick Take**: U.S. futures are pointing to a flattish open; European markets are trading mixed; Asia ended mostly flat overnight; West Texas Intermediate (WTI) oil trading at $16.40; 10-year U.S. Treasury yield at 0.62%.

- **Google COVID-19 Trends (Update)**: Earlier this month, we highlighted Google's efforts around tracking COVID-19 related searches as well as its mobility reports. Google search trends can be a fascinating way to look into the psyche of America as well as quickly see what's top of mind for the world. And as we mentioned in our last write-up on the subject, while the world continues to search for the popular, mundane, and everything else under the sun, unfortunately, our world has dramatically shifted this year. More critical information related to COVID-19 is dominating the world's mindshare, so much so, Coronavirus Search Trends is a featured link in Google Trends. Currently, some of the top trending questions related to COVID-19 asked within Google include:
  - When will Boris Johnson return to work?
  - Best charities to donate for COVID-19?
  - Which countries are flattening the curve?

- As we also noted last time, more of the country is trying to figure out how to navigate unemployment benefits in their states. **As one would expect with more than 26 million new claims for unemployment insurance over the last five weeks, the top economic-related COVID-19 Google searches continue to relate to unemployment information.** Interestingly, as U.S. stock prices have moved higher off their March 23rd lows, interest in the stock market (at least based on search results) has waned, particularly against unemployment-related searches.

- As we noted last time, Google recently launched COVID-19 Community Mobility Reports. The information is designed to use the same aggregated, anonymized insights from Google Maps to help understand and provide insights into social distancing measures. The information contained in its new mobility reports tracks movement trends over time by geography and across a variety of places/categories.

- Through the end of March, retail and recreation activity in the U.S. was down 47% compared to the baseline. As of April 11th, activity in this metric slightly improved but was still down 45%. Obviously, with 90% of the country in lockdown mode, we wouldn't expect much improvement in this metric until more of the country experiences a relaxation in social distancing policies.

- Through the end of March, grocery and pharmacy activity in the U.S. was down 22%, while transit stations in America saw traffic decline by 51%. Through April 11th, grocery and pharmacy activity was down just 7% in the U.S. Last week's March retail sales report showed strong grocery trends, which makes sense since that's one of the few activities consumers can freely engage in, and pantry stocking activity was prioritized over other types of spending. However, transit activity had remained roughly flat through April 11th, and given approximately 90% of the country remains under a stay at home or shelter in place order. Workplace traffic also remained unchanged at down 38% compared to the baseline.

- **Tomorrow, Georgia is scheduled to be one of the first and most aggressive states in moving towards materially reopening its state for business.** Gyms, fitness centers, bowling alleys, barbers, and other high-contact businesses will open their doors under still strict social distancing and sanitation guidelines. Restaurants

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and theaters will be allowed to reopen on April 27th. Considering the state has not met specific CDC/White House health guidelines for reopening, President Trump said on Wednesday, he believes it is too early for Georgia Governor Brian Kemp to reopen the state. In our view, Georgia could become a critical test case for the rest of the country and quickly provide a window into the do's, and don'ts for other states on how to reopen their economies.

- **How consumers and companies in Georgia ultimately respond to the state's reopening can be quickly tracked through Google's mobility reports at the state level, and followed through by more traditional regional reports from the Atlanta Federal Reserve.** From our perspective, it will be interesting to monitor how quickly people's traffic patterns shift from a stay at home crouch to a position that moves toward more normal retail and recreation behavior.

- **Will consumers in Georgia be hesitant about going out and gathering in larger venues?** How quickly will consumers return toward more normal spending patterns? After China began to reopen its economy, its consumers continued to self-quarantine, and economic activity was slow to restart. **Google's high-level tracking of people's traffic patterns could provide our quickest look at how consumers are reacting to the economic restart and lend critical insight into consumer behavior.**

- **In combination with the high-frequency Google data, The Atlanta Fed's beige book will help provide a more traditional look at the state/regional reopening strategy over time.** Summaries of economic activity, employment, consumer spending, tourism trends, manufacturing activity, as well as construction and banking trends could all help round out how the state/region is performing as it reopens.

- **As America gets a firmer handle on its health crisis, and more states slowly reopen for business, the mobility results provided by Google will evolve and shed light on consumer trends.** In addition to the standard economic and corporate profit reports we routinely watch, search activity and mobility reports add another layer of context in understanding the health crisis and monitoring our country's progress back toward recovery.

- **Asia-Pacific:** Asian equities finished flat on Thursday. According to FactSet, the U.S. Pentagon believes North Korean Leader Kim Jong Un remains in full control of the government. Additionally, the U.S. military has no indication Kim has been incapacitated or lost control of the military. Over recent days, conflicting reports have highlighted Kim's health in a grimmer state following potential cardiovascular surgery.

- **South Korea Q1 GDP contracted 1.4% q/q, generally in line with estimates, and lower than the +1.3% growth in Q4.** The contraction in South Korea's growth was the first since Q1'08. While services and manufacturing activity was weak as activity slowed due to the coronavirus, the focus has quickly shifted to Q2. South Korea could face additional headwinds in the current quarter as the pandemic grips the rest of the world and saps external demand.

- **On a similar note, GDP in China's Hubei province (the original COVID-19 epicenter) declined nearly 40% y/y in Q1, according to FactSet.** The collapse in activity marked, by far, the most significant economic contraction of China's 31 provinces in the prior quarter. **Per the South China Morning Post, China will scrap its original +6.0% growth target for 2020, and instead, focus on a much lower goal, which may never be released publicly.**

- **Europe:** Markets across the region are trading mixed at mid-day. European Union (EU) leaders will meet today (through a video conference) to approve a €540 billion recovery package that would target the most affected sectors and countries hit by the coronavirus. Also, the European Central Bank (ECB) said yesterday, the body would continue to buy marketable securities of countries that were investment-grade as of April 7th. Some European countries could soon face a downgrade to junk status, which would impact the transmission of monetary policy in affected regions. **Italy faces an S&P rating review on Friday and borrowing costs for the country have risen on expectations the country will be downgraded to junk status.**

- **U.S.:** Equity futures are pointing to a flattish open. Here's a quick news rundown to start your morning:
  - **U.S. weekly jobless claims rose 4.4 million in the week ending April 18th.** Coming into today's report, initial jobless claims were expected to increase by 4.2 to 4.5 million. Continuing claims, which offer a better window into the unemployment rate, rose to nearly 16.0 million. Thus far, jobless claims have totaled roughly 26 million over our health crisis.
  - **The stage is being set for Congress to negotiate an aid package that could rival the $2.2 trillion CARES Act.** On Tuesday, the Senate passed a $448 billion interim coronavirus bill that replenishes the small business loan program and provides additional aid to hospitals/testing. The bill now heads to the House of Representatives for a vote, and President Trump said he would sign the bill. Democratic leaders, however, are pushing for hundreds of billions in further assistance to state and local governments, and potentially looking to address infrastructure and election security funding as well. President Trump tweeted yesterday, that legislators should begin discussions on such topics. **Per FactSet, Senate Majority Leader Mitch McConnell said it was time to hit the pause button, discussing his concerns about rising debt levels. As The
**Hill** noted, the four relief bills Congress has passed in less than two months totaled $2.8 trillion, or the equivalent of all government discretionary spending for fiscal years 2019 and 2020. Mr. McConnell also said a Phase 4 plan would not be considered until after May 4th.

**Earnings Quick Hit:** Roughly 21% of the S&P 500 have reported first quarter earnings. As a result, the blended earnings per share (EPS) growth rate has contracted 15.2% y/y on sales growth of +0.2%. Looking ahead, second quarter EPS estimates have collapsed this month, and given more S&P 500 companies are pulling official company profit guidance. Coming into April, analysts expected Q2’20 S&P 500 EPS to decline by 9.6% y/y. Today, analysts expect Q2 EPS to fall nearly 31%. Only Utilities are expected to post a modest gain in Q2.

### World Capital Markets

**As of:** 8:30 AM ET

<table>
<thead>
<tr>
<th>Region</th>
<th>% Chg.</th>
<th>% YTD Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>-2.7%</td>
<td>2,789.4</td>
</tr>
<tr>
<td>Dow Jones</td>
<td>1.59%</td>
<td>31,447.8</td>
</tr>
<tr>
<td>NASDAQ Composite</td>
<td>2.81%</td>
<td>8,495.4</td>
</tr>
<tr>
<td>Russell 2000</td>
<td>-3.97%</td>
<td>1,901.5</td>
</tr>
<tr>
<td>Brazil Bolsa</td>
<td>2.17%</td>
<td>80,687.5</td>
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<tr>
<td>S&amp;P/TSX Comp. (Canada)</td>
<td>2.50%</td>
<td>14,288.2</td>
</tr>
<tr>
<td>Mexico IPC</td>
<td>0.98%</td>
<td>34,223.9</td>
</tr>
<tr>
<td>Europe (Intra-day)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>-2.29%</td>
<td>2,799.3</td>
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<tr>
<td>NASDAQ Composite</td>
<td>-2.38%</td>
<td>10,391.4</td>
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<tr>
<td>FTSE 100 (UK.)</td>
<td>-0.03%</td>
<td>9,769.2</td>
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<tr>
<td>DAX Index (Germany)</td>
<td>-0.23%</td>
<td>21,577.9</td>
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<tr>
<td>CAC 40 (France)</td>
<td>0.26%</td>
<td>4,423.1</td>
</tr>
<tr>
<td>FTSE 100 (Italy)</td>
<td>0.54%</td>
<td>16,855.4</td>
</tr>
<tr>
<td>IBEX 35 (Spain)</td>
<td>0.26%</td>
<td>6,737.5</td>
</tr>
<tr>
<td>MOEX Index (Russia)</td>
<td>0.72%</td>
<td>2,591.9</td>
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<tr>
<td>Asia/Pacific (Last Night)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hang Seng (Hong Kong)</td>
<td>0.35%</td>
<td>23,977.3</td>
</tr>
<tr>
<td>Korea Kospi 200</td>
<td>0.98%</td>
<td>1,914.7</td>
</tr>
<tr>
<td>Singapore STI</td>
<td>-0.30%</td>
<td>2,542.4</td>
</tr>
<tr>
<td>Shanghai Comp. (China)</td>
<td>-0.19%</td>
<td>2,838.5</td>
</tr>
<tr>
<td>Bombay Sensex (India)</td>
<td>1.54%</td>
<td>31,863.1</td>
</tr>
<tr>
<td>S&amp;P/ASX 200 (Australia)</td>
<td>-0.08%</td>
<td>5,217.1</td>
</tr>
</tbody>
</table>

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

### Ameriprise Global Asset Allocation Committee

#### U.S. Equity Sector - Tactical View

<table>
<thead>
<tr>
<th>Sector</th>
<th>S&amp;P 500 Index</th>
<th>GAAC</th>
<th>Tactical</th>
<th>Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Communications</td>
<td>10.7%</td>
<td>Underweight</td>
<td>-2.0%</td>
<td>8.7%</td>
</tr>
<tr>
<td>2) Consumer Discretionary</td>
<td>9.9%</td>
<td>Overweight</td>
<td>+2.0%</td>
<td>11.9%</td>
</tr>
<tr>
<td>3) Consumer Staples</td>
<td>7.6%</td>
<td>Equalweight</td>
<td>-</td>
<td>7.6%</td>
</tr>
<tr>
<td>4) Energy</td>
<td>2.7%</td>
<td>Overweight</td>
<td>-</td>
<td>2.7%</td>
</tr>
<tr>
<td>5) Financials</td>
<td>11.2%</td>
<td>Underweight</td>
<td>-3.0%</td>
<td>8.2%</td>
</tr>
<tr>
<td>6) Health Care</td>
<td>14.9%</td>
<td>Overweight</td>
<td>+3.0%</td>
<td>17.9%</td>
</tr>
<tr>
<td>7) Industrials</td>
<td>8.4%</td>
<td>Equalweight</td>
<td>-</td>
<td>8.4%</td>
</tr>
<tr>
<td>8) Information Technology</td>
<td>25.7%</td>
<td>Equalweight</td>
<td>-</td>
<td>25.7%</td>
</tr>
<tr>
<td>9) Materials</td>
<td>2.4%</td>
<td>Equalweight</td>
<td>-</td>
<td>2.4%</td>
</tr>
<tr>
<td>10) Real Estate</td>
<td>3.0%</td>
<td>Overweight</td>
<td>+1.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>11) Utilities</td>
<td>3.5%</td>
<td>Underweight</td>
<td>-1.0%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

As of: March 31, 2020

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**ECONOMIC NEWS OUT TODAY:**


<table>
<thead>
<tr>
<th>Time</th>
<th>Period</th>
<th>Release</th>
<th>Consensus Est.</th>
<th>Actual</th>
<th>Prior</th>
<th>Revised to</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 AM</td>
<td>Apr. 18</td>
<td>Initial Jobless Claims</td>
<td>4500k</td>
<td>4427k</td>
<td>5245k</td>
<td>5237k</td>
</tr>
<tr>
<td>8:30 AM</td>
<td>Apr. 11</td>
<td>Continuing Claims</td>
<td>16800k</td>
<td>15976k</td>
<td>11976k</td>
<td>11912k</td>
</tr>
<tr>
<td>10:00 AM</td>
<td>MAR</td>
<td>New Home Sales (annualized)</td>
<td>644k</td>
<td>765k</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10:00 AM</td>
<td>MAR</td>
<td>New Home Sales (mo/mo)</td>
<td>-15.8%</td>
<td>-4.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Economic Perspective: **Russell T. Price, CFA - Chief Economist**

- **With today’s release, the five-week total for new unemployment claims now stands at 26.5 million** (note: today's report reflects new claims through last Saturday, April 18). The number represents an amazing 16.7% of total U.S. employment based on February employment levels as reported by the Labor Department.

- As seen in the table at right (data depicted in the table is sourced from the Labor Department), new claims are experiencing a modest deceleration and we expect further deceleration in the weeks ahead. State unemployment systems appear to be processing new filings more efficiently and the bulk of immediate layoffs that followed mandated shutdowns has likely entered the system at this stage. Indeed, several states have been noting lower volumes.

- The federal support legislation passed at the end of March (the CARES Act) provided for significant added unemployment resources which should provide strong support to those effected over this period. The terms of unemployment insurance programs are determined at the state level with state pay-out rates ranging from about $275 per week, to just over $500. The CARES Act provided an additional $600 per week for unemployment recipients until July 31st. Combined, near-term unemployment benefits rise to a level that exceeds median weekly earnings in 41 states, based on data from the Labor Department.
Separately, New Home Sales for the month of March are due to be reported by the Commerce Department at 10 AM ET. Sales are expected to see a sharp decline given that many states began instituting movement restrictions around mid-month. Sales will be expected to see a very low number when reported for April given the now widespread shutdown of economic activity across the country. We note that new home sales are recorded at the time of contract signing (in some cases even before the home is built), so the data is typically very timely in its reflection of changing conditions.

As can be seen in the chart at left (as sourced from FactSet), new home sales (and the housing market overall) were doing very well prior to the onset of the coronavirus outbreak. Sales in January and February of this year averaged a year-over-year gain of 19% amid low interest rates, strong economic conditions and high consumer confidence.

Despite the near-term issues, we believe the housing market, particularly the new home market, should come back solidly in the second-half of the year. So long as activity ramps back up at the generally strong pace we currently envision, we believe potential buyers should return – not immediately to where sales were – but building solidly from month-to-month.

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

Municipals Caught-up in Congressional Partisan Divide

Senator Mitch McConnell (R) fired a shot across the bow for municipal markets saying that he would support allowing state bankruptcies rather than to provide further aid to municipalities. The divide in congress flared Wednesday after several days of debate over the structure of a new round of federal spending with House Speaker Nancy Pelosi (D) seeking further federal aid for state and local municipalities. McConnell’s comment likely aimed to close out hope for municipal funding to be added to the Senate’s version of legislation expected to pass the House today, adding a fourth round of federal support.

The latest package, aimed at protecting the economy from damage wrought by the pandemic and efforts to reduce its spread, totaled $484 billion. The bulk of which aims to bolster the Paycheck Protection Program with an additional $320 billion targeted to keep employees on payrolls for 8 weeks. In addition, new funding supports $60 billion for the Economic Injury Disaster Loan program to which farmers are now eligible to apply, $75 billion for hospitals and $25 billion for virus testing.

In the end states may benefit from some form of incremental federal support in future legislation. However, we do not see the level of assistance sparing municipal issuers from difficult fiscal decisions and facing the realities that come with an economic contraction. The joint U.S. Treasury and Federal Reserve Municipal Liquidity Facility that aims to purchase bonds two-years and shorter to help bridge municipalities through the near-term provides a shining example of support with a narrow scope. Certainly, the program supports reasonable funding costs to bridge short-term financial gaps but stops short of providing a solution for the local strains of an economic downturn. We would anticipate that future federal assistance to come with tight strings attached.

Not your father’s muni market anymore: Importantly, we highlight how municipal investing evolved from buying a AAA insured market in the 2000s to a more stratified credit context in the 2010s that included city debt restructurings and defaults across issuers in Puerto Rico. Today, we anticipate the broad impact to both revenues and spending caused by a sharp 2020 contraction likely expands differences between issuers from financially solid to substantially constrained. Look for legacy issues such as pensions and weak spending restraint to resurface.

The municipal market will look much more like the corporate market in the decade ahead with a wider spread in ratings, increased financial challenges, and higher defaults. We recommend investors seek high ground today within municipal portfolios to retain the quality and stability investors have grown to expect in from municipal investing. We anticipate opportunities in the intermediate term should investors look to take on more credit risk.
in the municipal sector by adding selective lower investment grade exposure either through individual security selection or active management.

- We increased U.S. Municipal bonds to a tactical Overweight (6-12 month view) at the end of the first quarter. We anticipate new issuance to increase as issuers look to plug revenue gaps and to offset costs of pandemic containment measures. The added supply likely shifts the municipal market from scarcity to higher levels of supply, requiring more attractive valuation levels. Finally, we anticipate federal and state tax levels likely face upward pressure making tax-exempt municipals attractive for investors in top tax brackets investing in non-qualified accounts.

![Muni/Treasury Ratios Remain Elevated](image1)

![Municipals Look More Attractive Relative to Taxables](image2)

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**As of March 31, 2020**

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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 eliminating 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, inflation 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](http://ameriprise.com/legal/disclosures) in the Additional Ameriprise research disclosures section, or through your Ameriprise financial advisor.

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