# Before the Bell

*An Ameriprise Investment Research Group Publication*

May 13, 2022

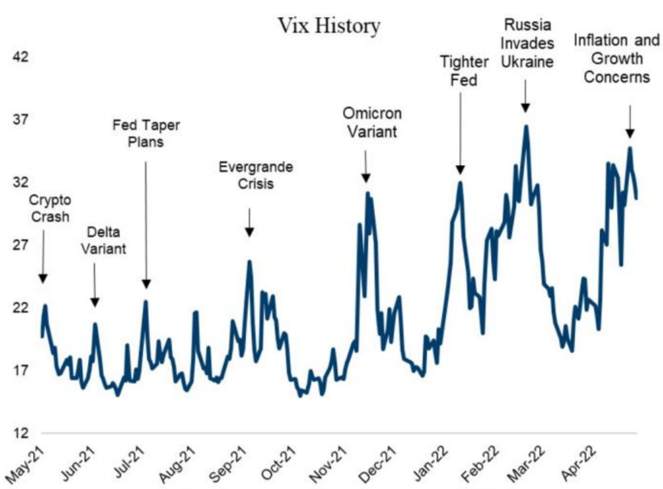
## Starting the Day

- U.S. futures pointing to a stronger open
- European markets are trading higher at mid-day
- Asian equity markets finished mostly higher
- Market technicals pointing to oversold conditions
- Fed Chair Powell can't guarantee a soft landing
- 10-year Treasury yield at 2.90%
- West Texas Intermediate (WTI) oil is trading at $107.82
- Gold is trading at $1,815.70

## Market Perspectives

**Anthony M. Saglimbene, Global Market Strategist**

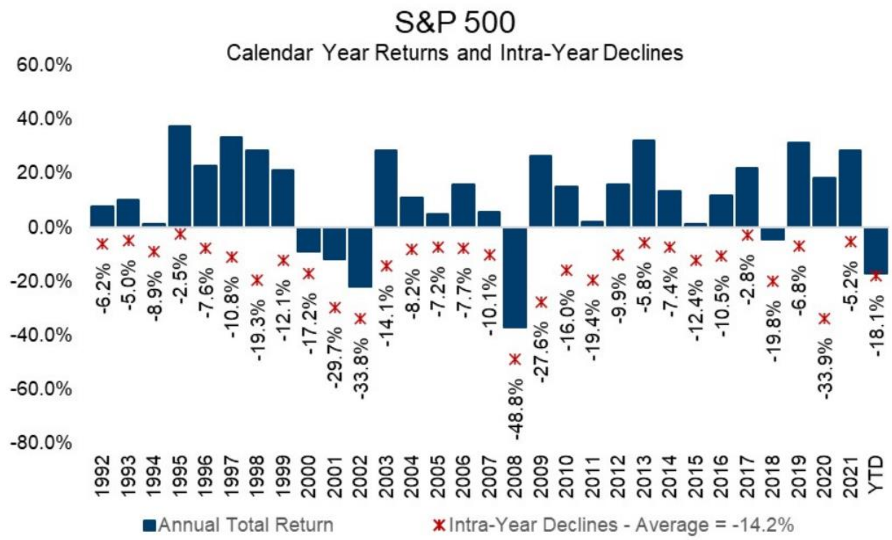
**When might the pain stop?** The S&P 500 Index again dipped further below 4,000 yesterday and is getting painfully close to approaching the 3850 or so level that would mark an official bear market for the broad-based stock benchmark, defined as a 20% or more decline from the January all-time high. But the *Ameriprise* VIX chart below suggests that stocks may not have declined enough yet, as the March VIX closing highs remain intact despite the consistent selling pressure. Based on the current environment and our expectation of a more significant washout moment for stocks, we would expect S&P 500 volatility to spike past the March highs at some point, at least temporarily. Notably, we expect to see more retail investors head for the exits based on fund flow data and if the selling pressure intensifies. While U.S. equity funds have seen roughly $20 billion in outflows over the last four weeks, according to *FactSet* (the most consecutive weeks of outflows since the pandemic), year-to-date inflows stand at roughly $80 billion. Pile on the $400 billion in U.S. equity inflows seen during 2021, and we would suggest a capitulation moment for stocks has yet to occur. To be clear, markets don't necessarily need to see a big washout moment to stabilize, and a lot of damage in the market has already occurred. Moreover, we all know attempting to call the bottom is a fool's errand. We'll simply say stocks are getting less expensive by the day. More selling pressure is within the realm of possibility. But longer-term value is finally being unlocked, in our view.



Source: Bloomberg, American Enterprise Investment Services, Inc. Data as of 05/13/2022.

NOTE: FOR IMPORTANT DISCLOSURES, INCLUDING POSSIBLE CONFLICTS, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT.

As the *Ameriprise chart* below shows, this year's intra-year drawdown has surpassed the roughly 14% average drawdown the S&P 500 typically sees going back to 1992. And while the Index can move lower from here, the current drawdown is starting to approach the steeper end of S&P 500 intra-year declines, suggesting stock momentum has become very negative relative to history. On the bright side, history also indicates that once the bottom is reached, the S&P 500 usually finishes the year higher than its intra-year low point and sometimes reverses course to finish the year positively. For example, in 1998, 2009, 2011, and 2020 the S&P 500 fell more than the intra-year average but finished the year higher.




Source: Bloomberg, S&P Dow Jones Indices, American Enterprise Investment Services Inc.
Intra-year declines, represented by the red hash marks and stated returns, are price returns only and do not include dividends. Data as of 05/13/2022.

Also, The S&P 500's relative strength index hit an oversold condition this week, with just 14% of S&P 500 stocks currently trading above their 50-day moving average. Further, only 27% of S&P 500 stocks are trading above their longer-term 200-day moving average today (well below the 10-year average of 65%), suggesting stocks are oversold over the near term.

These technicals tend to mean-revert over time. Given that they sit in extreme conditions today, it isn't a stretch to assume that a near-term stock bounce is on the horizon. That's not to say stocks can't move lower from here, but when stocks are this oversold, they tend to find some buyers at some point — even if the bounce is short-lived. While valuations are still elevated, here, too, the average S&P 500 stock has seen a significant reset in its price-to-earnings multiple. All of this is to say that while there may be more downside in store for stocks, investors have already incurred a good portion of the pain. The trick is to stick around and position your portfolio for when the medicine finally kicks in and the healing begins.

## U.S. Pre-Market Indicators / Overnight International Market Activity

### United States:

Here is a quick news rundown to start your morning:

- **The S&P 500 is fighting to remain above a bear market.** While that statement is technically correct, many stocks inside the S&P 500, as well as the NASDAQ Composite and Russell 2000 Index, fell into a bear market weeks ago. Nevertheless, S&P 500 futures are pointing higher at the open, with the Index down over 18.0% from its all-time high. Over the last five trading days, the S&P 500 is down 4.7%, while the NASDAQ is down 6.4%.
- **The Fed can't guarantee a soft landing.** That's the latest assessment from Fed Chair Jerome Powell in a Marketplace interview on Thursday. Mr. Powell noted that entrenched inflation at such high levels would be the worst scenario for the economy. The Chair added it would be "quite challenging" for the Fed to engineer a soft landing in the process, considering some dynamics (e.g., supply chain disruptions) are out of its control. He reiterated his support for 50 basis point moves over the next couple of meetings and indicated that bringing inflation back to the Fed's preferred 2% target range would cause some pain for the economy, and in our view, by extension, the market.
- **Crypto bounces higher.** After falling below $26,000 briefly during the week amid the swoon lower in Tera (a crippled stablecoin), Bitcoin is back above the psychological $30,000 level this morning.

- **Earnings Update:** With roughly 92% of S&P 500 Q1'22 earnings reports complete, the blended earnings per share (EPS) growth rate is higher by +9.1% y/y on sales growth of +13.4%.

## Europe:

Eurozone industrial production contracted in March, the month after Russia invaded Ukraine, falling 1.8% m/m. That figure represents a downward revision from the +0.7% gain previously reported. Moreover, the report showed a broad-based drop in output, with Germany seeing a 4.1% drop in March industrial production. The Ukraine war dampened industrial activity across Germany, as did COVID-19 lockdowns in China.

## Asia-Pacific:

Amid China lockdowns and its zero-tolerance COVID-19 policies, credit demand in China last month fell to its lowest levels since December 2017. The People's Bank of China (PBoC) noted the sharp slowdown in yuan loans became clear given COVID-19 impacts and a shortage of critical materials, and rising production costs. The PBoC also noted small businesses are facing even more significant challenges, with their "effective funding demand dropping sharply" in April.

### WORLD CAPITAL MARKETS

**5/13/2022** **As of: 8:30 AM ET**

| Americas | % chg. | % YTD | Value |
|---|---|---|---|
| **S&P 500** | -0.1% | -17.1% | 3,930.1 |
| **Dow Jones** | -0.3% | -12.1% | 31,730.3 |
| **NASDAQ Composite** | 0.1% | -27.1% | 11,371.0 |
| **Russell 2000** | 1.2% | -22.2% | 1,739.4 |
| **Brazil Bovespa** | 0.0% | 0.8% | 105,688 |
| **S&P/TSX Comp.** (Canada) | -0.7% | -6.3% | 19,699.1 |
| **Mexico IPC** | 0.1% | -6.7% | 49,309.3 |

| Europe (Intra-day) | % chg. | %YTD | Value |
|---|---|---|---|
| **DJSTOXX 50 (Europe)** | 1.7% | -12.6% | 3,675.5 |
| **FTSE 100** (U.K.) | 1.7% | 1.1% | 7,357.9 |
| **DAX Index** (Germany) | 1.6% | -12.1% | 13,955.0 |
| **CAC 40** (France) | 1.8% | -10.3% | 6,316.7 |
| **FTSE MIB** (Italy) | 1.4% | -12.7% | 23,885.5 |
| **IBEX 35** (Spain) | 1.2% | -3.4% | 8,296.6 |
| **MOEX Index** (Russia) | 0.4% | -38.6% | 2,306.4 |

| Asia/Pacific (Last Night) | % chg. | %YTD | Value |
|---|---|---|---|
| **Nikkei 225** (Japan) | 2.6% | -7.3% | 26,427.7 |
| **Hang Seng** (Hong Kong) | 2.7% | -14.6% | 19,898.8 |
| **Korea Kospi 100** | 2.1% | -12.4% | 2,604.2 |
| **Singapore STI** | 0.8% | 4.2% | 3,191.2 |
| **Shanghai Comp.** (China) | 1.0% | -15.3% | 3,084.3 |
| **Bombay Sensex** (India) | -0.3% | -9.1% | 52,793.6 |
| **S&P/ASX 200** (Australia) | 1.9% | -2.7% | 7,075.1 |

| Global | % chg. | % YTD | Value |
|---|---|---|---|
| **MSCI All-Country World Idx** | -0.7% | -17.8% | 615.3 |

| Developed International | % chg. | %YTD | Value |
|---|---|---|---|
| **MSCI EAFE** | -1.5% | -16.8% | 1,909.4 |

| Emerging International | % chg. | %YTD | Value |
|---|---|---|---|
| **MSCI Emerging Mkts** | -2.3% | -19.3% | 987.8 |

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

| S&P 500 Sectors | % chg. | % YTD | Value |
|---|---|---|---|
| **Communication Services** | 0.5% | -26.8% | 194.9 |
| **Consumer Discretionary** | 0.8% | -29.0% | 1,140.5 |
| **Consumer Staples** | -0.1% | -0.9% | 790.8 |
| **Energy** | 0.1% | 42.0% | 592.2 |
| **Financials** | -0.7% | -15.0% | 548.8 |
| **Health Care** | 0.9% | -9.4% | 1,481.8 |
| **Industrials** | 0.1% | -12.8% | 776.7 |
| **Materials** | -0.2% | -10.0% | 510.0 |
| **Real Estate** | 0.7% | -18.5% | 262.8 |
| **Technology** | -1.1% | -24.6% | 2,296.2 |
| **Utilities** | -1.2% | -0.6% | 357.6 |

| Equity Income Indices | % chg. | % YTD | Value |
|---|---|---|---|
| **JPM Alerian MLP Index** | -0.1% | 11.2% | 198.9 |
| **FTSE NAREIT Comp. TR** | 0.8% | -17.2% | 23,713.6 |
| **DJ US Select Dividend** | 0.1% | 1.7% | 2,941.1 |
| **DJ Global Select Dividend** | 1.0% | -6.4% | 228.8 |
| **S&P Div. Aristocrats** | 0.7% | -8.0% | 3,862.9 |

| Bond Indices | % chg. | % YTD | Value |
|---|---|---|---|
| **Barclays US Agg. Bond** | 0.2% | -9.4% | 2,134.8 |
| **Barclays HY Bond** | -0.4% | -10.5% | 2,202.9 |

| Commidities Futures & Spot (Intra-day) | % chg. | % YTD | Value |
|---|---|---|---|
| **CRB Raw Industrials** | -0.8% | 0.8% | 652.6 |
| **NYMEX WTI Crude** (p/bbl.) | 1.9% | 43.8% | 108.1 |
| **ICE Brent Crude** (p/bbl.) | 1.8% | 40.7% | 109.4 |
| **NYMEX Nat Gas** (mmBtu) | 0.7% | 108.9% | 7.8 |
| **Spot Gold** (troy oz.) | -0.5% | -0.9% | 1,813.5 |
| **Spot Silver** (troy oz.) | -0.1% | -11.4% | 20.7 |
| **LME Copper** (per ton) | -2.7% | -6.5% | 9,103.5 |
| **LME Aluminum** (per ton) | -1.3% | -3.4% | 2,710.8 |
| **CBOT Corn** (cents p/bushel) | 0.2% | 33.6% | 792.8 |
| **CBOT Wheat** (cents p/bushel) | -0.5% | 53.4% | 1,172.8 |

| Foreign Exchange (Intra-day) | % chg. | % YTD | Value |
|---|---|---|---|
| **Euro** (€/$) | 0.0% | -8.7% | 1.04 |
| **British Pound** (£/$) | -0.1% | -9.9% | 1.22 |
| **Japanese Yen** ($/¥) | -0.4% | -10.7% | 128.90 |
| **Australian Dollar** (A$/$) | 0.4% | -5.2% | 0.69 |
| **Canadian Dollar** ($/C$) | 0.3% | -2.9% | 1.30 |
| **Swiss Franc** ($/CHF) | 0.2% | -8.8% | 1.00 |

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

## Ameriprise Global Asset Allocation Committee (GAAC)

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

| | S&P 500 Index Weight | GAAC Tactical View | GAAC Tactical Overlay | GAAC Recommended Weight |
|---|---|---|---|---|
| Information Technology | 28.2% | Overweight | 2.0% | 30.2% |
| Financials | 11.2% | Overweight | 2.0% | 13.2% |
| Health Care | 13.4% | Overweight | 2.0% | 15.4% |
| Consumer Discretionary | 12.2% | Equalweight | - | 12.2% |
| Communication Services | 9.4% | Equalweight | - | 9.4% |
| Industrials | 7.8% | Equalweight | - | 7.8% |
| Energy | 3.8% | Equalweight | - | 3.8% |
| Real Estate | 2.7% | Equalweight | - | 2.7% |
| Materials | 2.6% | Equalweight | - | 2.6% |
| Consumer Staples | 6.0% | Underweight | -4.0% | 2.0% |
| Utilities | 2.7% | Underweight | -2.0% | 0.7% |

As of: March 31, 2022

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 3/29/2022. 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. Numbers may not add due to rounding.

### Global Equity Regions - Tactical Views

| | MSCI All-Country World Index Weight | GAAC Tactical View | GAAC Tactical Overlay | GAAC Recommended Weight |
|---|---|---|---|---|
| United States | 60.3% | Overweight | 6.4% | 66.7% |
| United Kingdom | 3.9% | Equalweight | - | 3.9% |
| Canada | 3.2% | Equalweight | - | 3.2% |
| Latin America | 1.1% | Equalweight | - | 1.1% |
| Europe ex U.K. | 13.1% | Underweight | -2.0% | 11.1% |
| Asia-Pacific ex Japan | 11.6% | Underweight | -2.0% | 9.6% |
| Japan | 5.4% | Underweight | -1.0% | 4.4% |
| Middle East / Africa | 1.4% | Underweight | -1.4% | 0.0% |

as of: March 31, 2022

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 3/29/2022. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are 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. Numbers may not add due to rounding.

# Economic News and Views:

**Russell T. Price, CFA – Chief Economist**

### Releases for Friday May 13, 2022

**All times Eastern. Consensus estimates via Bloomberg**

| Time | Period | Release | Consensus Est. | **Actual** | Prior | Revised to |
|---|---|---|---|---|---|---|
| 10:00 AM | May P | U. of M. Consumer Sentiment | 64.0 | | 65.2 | |

### Ameriprise Economic Projections

| Forecast: | Full-year | | | | Quarterly | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Actual 2020 | Actual 2021 | Est. 2022 | Est. 2023 | Actual Q2-2021 | Actual Q3-2021 | Actual Q4-2021 | Est. Q1-2022 | Est. Q2-2022 | Est. Q3-2022 | Est. Q4-2022 |
| Real GDP (YOY) | -3.4% | 5.7% | 2.5% | 2.6% | 6.7% | 2.3% | 6.9% | -1.4% | 2.0% | 2.4% | 3.0% |
| Unemployment Rate | 6.7% | 3.9% | 3.0% | 3.0% | 5.9% | 4.8% | 3.9% | 3.6% | 3.4% | 3.2% | 3.0% |
| CPI (YoY) | 1.4% | 7.0% | 5.5% | 2.6% | 5.4% | 5.4% | 7.0% | 8.5% | 7.0% | 6.8% | 5.5% |
| Core PCE (YoY) | 1.5% | 4.9% | 4.5% | 2.6% | 3.6% | 3.7% | 4.9% | 5.2% | 5.0% | 4.8% | 4.2% |

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.

**All estimates other than GDP are period ending.** **Last Updated: April 29, 2022**

# Ameriprise Global Asset Allocation Committee Targets and Views

## Targets

| 2022 Year-end Targets: | Favorable Scenario | Base-Case Scenario | Adverse Scenario |
|---|---|---|---|
| **S&P 500 Index:** | 5,300 | 4,700 | 4,050 |
| **10-Year U.S. Treasury Yield:** | 2.75% | 3.00% | 3.50% |
| **Fed Funds Target Range:** | 2.00% to 2.25% | 2.25% to 2.50% | 2.75% to 3.00% |

Estimates (Est.) via American Enterprise Investment Services Inc.
Please see the latest Quarterly Capital Market Digest for more information. **Last Updated: April 27, 2022**

## AMERIPRISE GLOBAL ASSET ALLOCATION COMMITTEE TACTICAL ASSET CLASS VIEWS

**2022 Year-end S&P 500 Target:** 4,700
**2022 Year-End 10-year Treasury Target:** 3.00% *as of 04/27/2022*

| | Overweight | Equalweight | Underweight |
|---|---|---|---|
| **Equity** | • U.S. Large Cap Value<br>• U.S. Mid Cap Value | • U.S. Large Cap Growth<br>• U.S. Mid Cap Growth<br>• U.S. Small Cap Growth<br>• U.S. Small Cap Value<br>• Emerging Foreign Equity | • Developed Foreign Equity |
| **S&P 500 Sectors** | • Financials<br>• Health Care<br>• Information Technology | • Communication Services<br>• Consumer Discretionary<br>• Energy<br>• Industrials<br>• Materials<br>• Real Estate | • Consumer Staples<br>• Utilities |
| **Global Equity Regions** | • United States | • Canada<br>• Latin America<br>• United Kingdom | • Asia Pacific ex-Japan<br>• Europe ex-U.K.<br>• Middle East/Africa<br>• Japan |
| **Fixed Income** | • U.S. Investment Grade Corp.<br>• Municipal Bonds | • Developed Foreign Bonds | • U.S. Government Bonds<br>• U.S. High Yield Corporate<br>• Emerging Foreign Bonds |
| **Alternatives** | • Alternative Strategies | • Real Assets | |
| **Cash** | | • Cash | |

Note: Our Tactical Allocations are designed to augment a Strategic portfolio over a 6-12-month time horizon. **Asset Allocation and diversification do not ensure or guarantee better performance and do not eliminate the risk of investment losses. Investors should note that rising interest rates could have a detrimental effect on bond prices. Please consult with your financial advisor.** Cash generally refers to assets, securities and/or products low in risk and highly liquid. For asset allocation purposes, instruments can include Treasury bills, certificates of deposit, money market funds and high-quality bonds whose maturities are less than 3 months. Outside of asset allocation purposes, cash investments can also include illiquid cash held in a mutual fund or pledged as collateral for derivatives. You can only access this cash by redeeming the fund using it, subject to fees or time constraints associated with redemptions.

| | Rolling Returns | | | |
|---|---|---|---|---|
| **Major Market Indices** | **Q1'22** | **1-year** | **3-years** | **5-years** |
| Russell 3000® Index (U.S. Equity) | -5.28% | 11.92% | 18.24% | 15.40% |
| MSCI ACWI Ex USA Index – net (Foreign Equity) | -5.44% | -1.48% | 7.51% | 6.76% |
| Bloomberg U.S. Universal Bond Index (Fixed Income) | -6.11% | -4.23% | 1.85% | 2.31% |
| Wilshire Liquid Alternative Index (Alternatives) | -1.81% | 0.60% | 3.11% | 2.34% |
| FTSE Three-Month Treasury Bill Index (Cash) | 0.03% | 0.06% | 0.76% | 1.09% |

**Past performance is not a guarantee of future performance.** Performance calculations use FactSet data and are as of 03/31/2022.

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# The Ameriprise Investment Research Group

With Ameriprise Financial, you can benefit from our dedicated team of experienced investment research and due diligence professionals. Our objective market insight, strategies and guidance are designed to provide you with investment strategies and solutions to help you feel more confident about your financial future. It's the higher level of sophistication and service you've come to expect from Ameriprise.

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**As of March 31, 2022**

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Tactical asset class recommendations mentioned in this report reflect The Ameriprise Global Asset Allocation Committee’s general view of the financial markets, as of the date of the report, based on then current conditions. Our tactical recommendations may differ materially from what is presented in a customized long-term financial plan or portfolio strategy. You should view our recommendations in conjunction with a broader long-term portfolio strategy. Not all products, services, or asset classes mentioned in this report may be available for sale at Ameriprise Financial Services, Inc. Please consult with your financial advisor.

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## Risk Factors

Dividend and interest payments are not guaranteed. The amount of dividend payment, if any, can vary over time and issuers may reduce or eliminate dividends paid on securities in the event of a recession or adverse event affecting a specific industry or issuer. Should a company be unable to pay interest on a timely basis a default may occur and interruption or reduction of interest and principal occur. 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**: Model portfolios and 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.

**Sector Risk**: The Ameriprise Global Asset Allocation Committee and managers of this model portfolio can elect to overweight or underweight (or completely avoid) certain economic sectors. This could lead to substantial underperformance versus a more diversified or balanced weighting.

**Security Recommendation Risk**: The research team may not be successful in selecting securities that collectively perform better than the benchmark. When viewing return comparisons investors should keep in mind the following information. Our model portfolio generally maintains less than 50 securities, whereas benchmark indices contain several times that amount. The benchmark index is market capitalization weighted, providing greater weight to the larger company movements, whereas our model portfolio is designed to be equally dollar weighted. Furthermore, the model portfolio may deviate significantly, at times, from the sector allocation of the benchmark due to our interpretation of economic conditions and market factors as well as our security selection process.

The benchmark index returns are taken from Bloomberg Financial Markets and reflect dividends reinvested. Additionally, there is no fee or cost assumption in the index comparison return.

### Product Risk Disclosures

**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.

**American Depository Receipts (ADR)** are securities issued by a U.S. bank that typically represent a foreign company’s equity and that trade similarly to domestic equities, and are either listed on an exchange or over-the- counter. As with any equity investment, ADRs are subject to market and company specific risks. ADRs will also be subjected to foreign market risks. These risks include possible losses due to foreign currency translation, geopolitical instability, and deviations in the market value of an ADR compared to that of the underlying common shares in its primary market. ADRs may suffer from a lack of investor protection and recourse. In the event of a liquidation of the underlying company, the holders of its ADRs are not guaranteed of being able to enforce their right of claim and therefore they may lose their entire investment. Investors of ADRs may also take on risks associated with the parties involved with the sponsoring Bank.

Alternative investments cover a broad range of strategies and structures designed to be low or non-correlated to traditional equity and fixed-income markets with a long-term expectation of illiquidity. **Alternative investments** involve substantial risks and are more volatile than traditional investments, making them more suitable for investors with an above-average tolerance for risk.

There are risks associated with **fixed-income investments**, including bond funds, such as credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer-term securities.

**Growth securities**, at times, may not perform as well as value securities or the stock market in general and may be out of favor with investors.

**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 enhanced for **emerging market** issuers.

Interest payments on **inflation-protected securities** may be more volatile than interest payments on ordinary bonds. In periods of deflation, these securities may provide no income.

### 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**

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### Disclosures of potential conflicts of interest

One or more members of the research team who prepared this research report may have a financial interest in securities mentioned in this research report through investments in a discretionary separately managed account program.

### 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.

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