Before the Bell

An Ameriprise Investment Research Group Publication

June 10, 2024

Starting the Day

- U.S. futures are pointing to a slightly lower open.
- European markets are trading lower at midday.
- Asian markets ended mostly lower overnight.
- Stocks log their sixth week of gains out of seven.
- CPI, PPI, and the Fed are on deck this week.
- 10-year Treasury yield at 4.46%.
- West Texas Intermediate (WTI) oil is trading at $75.73.
- Gold is trading at $2,316.80

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: The S&P 500 Index and NASDAQ Composite each logged their sixth week of gains out of the last seven and hit fresh new highs last week. Information Technology led gains, while Utilities and Energy lost ground. NVIDIA again supported Big Tech's strength, splitting 10 for 1 after Friday's close. However, concentrated leadership and narrow breadth across the rest of the market were flagged as a growing concern. Jobs data and fresh looks at economic data in the U.S. helped lift major stock averages higher. At the same time, rate cuts from the Bank of Canada and the European Central Bank last week could set the stage for easier monetary policies in the second half.

Last Week in Review:

- The S&P 500 hit its 25th closing high of the year, gaining +1.3% on the week. The Dow Jones Industrials Average (+0.3%) and NASDAQ (+2.3%) closed the week higher as well, while the Russell 2000 Index slumped lower by over +2.0%. A higher-for-longer rate environment continues to challenge small-cap stocks.
- Information Technology moved higher by +3.8% last week and is higher by over +21.0% in 2024.
- NVIDIA crossed the $3 trillion market capitalization level for the first time, joining Apple and Microsoft as the largest companies on the planet.
- The Bank of Canada and European Central Bank each cut their policy rates by 25 basis points and are the first G7 central banks to ease monetary policies in this cycle.
- Nonfarm payrolls jumped +272,000 in May, higher than the +180,000 jobs expected and more than the downwardly revised +165,000 jobs created in April. The unemployment rate ticked higher to 4.0% last month from 3.9% in April.
- U.S. Treasury prices were volatile on the week as investors attempted to read the tea leaves across incoming economic data for clues about potential rate cuts from the Federal Reserve later this year. Following the hotter-than-expected nonfarm payrolls report, odds of a 25 basis point fed funds rate cut in September currently stands near 50/50.
- Gold slid lower on the week.
- West Texas Intermediate (WTI) crude lost nearly 2.0%.
- The U.S. Dollar Index was slightly stronger versus a basket of developed country currencies.

With NVIDIA's run to a $3 trillion market capitalization last week, Apple, Microsoft, and NVIDIA now have combined market caps slightly above <u>all</u> the companies trading across China's entire stock market. As China's economy struggled through the pandemic and post-pandemic recovery, continues to grapple with a slowly deflating property bubble, and sees ongoing trade/political headwinds with the U.S., the size of its stock market has shrunk over recent years.

Conversely, as a pandemic-led technology refresh cycle and artificial intelligence boom has boosted the profitability of Apple, Microsoft, and NVIDIA, the size of these three companies has grown tremendously over the last few years. In fact, these three tech giants combined now account for roughly 20% of the S&P 500. Bottom line: The influence of these mega-cap stocks on the direction of U.S. markets currently sits in some pretty rare air.

On the U.S. economic front last week, updated looks at activity and employment show that the U.S. economy is on a continued, yet uneven, trend toward normalization. The April Job Openings and Labor Turnover Survey (JOLTS) showed open roles coming in lower than expected. Simply, fewer open roles and less job switching could help keep a lid on upward wage pressures over time. In addition, May ADP private payrolls came in weaker than expected, with April figures revised lower. Notably, May updates on economic activity, including ISM Manufacturing and Services reports, show a more sanguine inflationary environment. While ISM Services moved into expansion more aggressively than expected last month and after unexpectedly falling into contraction in April, respondent commentary in the survey was mostly downbeat, mentioning steady but slowing conditions. ISM manufacturing activity remained firmly in contraction last month. Prices paid (a measure of inflation) fell in both reports last month. And while the May nonfarm payrolls report pushed back on rate cut expectations somewhat, including hotter-than-expected wage pressures, we don't believe last week's reports change the Fed's policy calculous much.

Overseas, the European Central Bank lowered its target rate by 25 basis points to 3.75%, its first rate cut since September 2019 and following nine consecutive months of steady rate policy. Yet, much of investor's focus following the expected rate cut was on the ECB's outlook. However, the ECB's policy statement made no commitment to future rate cuts, with ECB President Christine Lagarde stressing the central bank's "data-dependent" approach. In an interesting twist, the ECB "raised" its 2024 inflation outlook. Intuitively, the ECB raising its inflation outlook while cutting interest rates may seem at odds.

However, Lagarde addressed this mismatch by saying the rationale for cutting rates was driven by the committee's concerns that monetary policy may become too restrictive to support growth over time, given its rising confidence in its medium-term inflation projections. Meaning, that the committee now has greater confidence that inflation will gradually move to its targets over time, and supporting growth in the economy today has become an increasingly important driver of policy decisions.

This is a very important change in ECB policy tone and one the Federal Reserve may soon have to face. Bottom line: Navigating a soft landing for the economy requires some policy nuance around understanding when rates may become too restrictive for growth and if the last mile of inflation really just needs time to normalize back to target. The ECB's move last week suggests that some policymakers may sympathize with this view, hence a willingness to cut rates slightly to prevent growth from slowing more aggressively even though inflation isn't fully back to target.

The Week Ahead:

Key updates on inflation and a Fed policy meeting this week could set the tone for markets as the second quarter begins to wind down. Given the current bias for stocks to melt higher at the moment, fresh looks at consumer and producer price inflation that show even slight tilts lower could be greeted positively by investors.

Expect the Federal Reserve to hold rates steady on Wednesday. We expect Fed Chair Powell and company to maintain a position that stresses potential rate cuts remain contingent on the committee seeing further progress made on bringing down price pressures. Outside of how this week's inflation updates come in, trends across consumer and producer prices over recent months have shown mixed progress, thus keeping Fed officials comfortable on the sidelines.

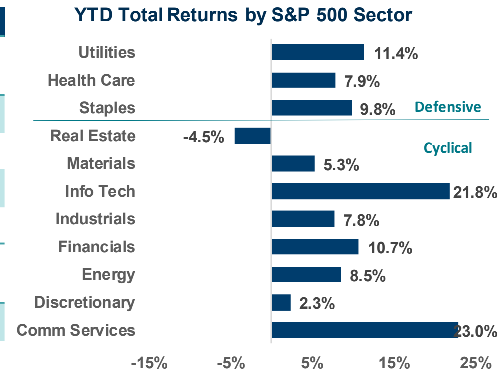
- On Wednesday, the May core Consumer Price Index (CPI) is expected to hold steady on a month-over-month basis at +0.3% versus April levels and fall to +3.5% year-over-year from +3.6% previously. In addition, May headline CPI is expected to drop to +0.1% month-over-month from +0.3% in April and remain at +3.4% year-over-year. Lower gasoline prices last month should help ease headline consumer inflation in May.
- Much of the Fed focus this week will fall on the updated Summary of Economic Projections. Several Fed watchers expect the updated "dot plot" to show policymakers, in aggregate, now forecast just one or two rate cuts in 2024, down from three cuts forecast in March. Bottom line: We expect the Fed to remain guarded this week on rate cut messaging and continue to highlight a strong economy and elevated inflation as reasons to leave rates higher for longer.
- The Producer Price Index on Thursday and a preliminary look at June Michigan Sentiment on Friday round out the week.

Stock Market Recap							
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,347	1.4%	1.4%	12.8%	25.7	22.1	1.3	1.6
Dow Jones Industrial Average: 38,799	0.3%	0.3%	3.9%	23.2	19.9	1.9	2.0
Russell 2000 Index: 5,036	-2.1%	-2.1%	0.6%	50.1	37.5	1.3	1.3
NASDAQ Composite: 17,133	2.4%	2.4%	14.5%	39.6	35.9	0.7	0.8
Best Performing Sector (weekly): Info Tech	3.8%	3.8%	21.8%	39.4	30.8	0.6	0.9
Worst Performing Sector (weekly): Utilities	-3.8%	-3.8%	11.4%	20.2	21.4	3.1	3.2

Source: Factset. Data as of 06/07/2024

Bond/Commodity/Currency Recap			
Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	0.4%	0.4%	-0.8%
West Texas Intermediate (WTI) Oil: $75.53	-1.9%	-1.9%	5.1%
Spot Gold: $2,294.02	-1.4%	-1.4%	11.2%
U.S. Dollar Index: 104.89	0.2%	0.2%	3.5%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 4.88%	2 bps chg	2 bps chg	63 bps chg
10-year U.S. Treasury Yield: 4.43%	-5 bps chg	-5 bps chg	54 bps chg

Source: Factset. Data as of 06/07/2024. bps = basis points



Source: S&P Global, Factset. Data as of 06/07/2024

These figures are shown for illustrative purposes only and are not guaranteed. They do not reflect taxes or investment/product fees or expenses, which would reduce the figures shown here. An index is a statistical composite that is not managed. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

U.S. Premarket Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **Premarket activity points to a lower open.** Ahead of key inflation reports this week and a Fed meeting, stocks are trading slightly lower this morning in the premarket. Apple kicks off its annual Worldwide Developers Conference today. Apple CEO Tim Cook will provide the kickoff keynote at 1 pm EST. Markets are looking for the tech giant to unveil more details about its artificial intelligence strategy and are expected to lay out features in what the company dubs “Apple Intelligence.”

Europe:

An unexpected surge in support for Marine Le Pen’s Rassemblement National Party in the European Union Parliament elections over the weekend has European equities down at midday. Le Pen’s party picked up 30 seats of France’s 81 seats in Parliament and has prompted French President Emmanuel Macron to call snap elections in France. France’s unexpected snap election could introduce significant political uncertainty into the region over the near term. As a result, the euro is weaker against the U.S. dollar today, French banks are selling off, and spreads on French government bonds are widening against German bunds.

Asia-Pacific:

The Bank of Japan (BOJ) meets on Thursday and Friday this week. Most expect the BOJ to remain on hold after hiking rates at the March meeting and as policymakers look to normalize policy gradually. However, the BOJ could provide more color on potential actions that would slow the pace of government bond purchases. Importantly, policymakers have said they would not surprise markets, and any shift would be gradual and well-telegraphed.

WORLD CAPITAL MARKETS

6/10/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.1%	12.8%	5,347.0
Dow Jones	-0.2%	3.9%	38,799.0
NASDAQ Composite	-0.2%	14.5%	17,133.1
Russell 2000	-1.1%	0.6%	2,026.6
Brazil Bovespa	-1.7%	-10.0%	120,767
S&P/TSX Comp. (Canada)	-1.0%	6.4%	22,007.0
Russell 3000	-0.2%	11.2%	3,037.9

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-1.4%	13.1%	4,982.8
FTSE 100 (U.K.)	-0.4%	8.3%	8,213.6
DAX Index (Germany)	-0.8%	9.9%	18,406.1
CAC 40 (France)	-2.0%	6.7%	7,840.1
FTSE MIB (Italy)	-1.0%	13.0%	34,309.7
IBEX 35 (Spain)	-0.8%	14.4%	11,314.0
MOEX Index (Russia)	-0.1%	6.5%	3,231.1

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.9%	17.5%	39,038.2
Hang Seng (Hong Kong)	-0.6%	9.5%	18,367.0
Korea Kospi 100	-0.8%	2.5%	2,701.2
Singapore STI	-0.3%	5.3%	3,322.1
Shanghai Comp. (China)	0.1%	2.6%	3,051.3
Bombay Sensex (India)	-0.3%	6.6%	76,490.1
S&P/ASX 200 (Australia)	0.5%	5.9%	7,860.0

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.2%	10.1%	792.6

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.7%	7.4%	2,352.7

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-0.4%	5.5%	1,068.9

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	-0.8%	23.0%	301.3
Consumer Discretionary	-0.4%	2.3%	1,445.3
Consumer Staples	-0.6%	9.8%	828.0
Energy	-0.5%	8.5%	683.4
Financials	0.3%	10.7%	688.1
Health Care	0.1%	7.9%	1,703.4
Industrials	0.1%	7.8%	1,032.7
Materials	-1.0%	5.3%	563.6
Real Estate	-0.9%	-4.5%	237.5
Technology	0.2%	21.8%	4,124.4
Utilities	-1.1%	11.4%	353.0

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-0.2%	9.6%	278.7
FTSE NAREIT Comp. TR	-0.9%	-4.5%	22,857.0
DJ US Select Dividend	-0.4%	5.1%	3,154.4
DJ Global Select Dividend	-0.8%	5.0%	226.0
S&P Div. Aristocrats	-0.3%	2.8%	4,392.8

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.8%	-1.2%	2,135.9
Barclays HY Bond	-0.2%	2.1%	2,531.0

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.8%	1.3%	550.6
NYMEX WTI Crude (p/bbl.)	0.1%	5.6%	75.6
ICE Brent Crude (p/bbl.)	0.2%	3.5%	79.8
NYMEX Nat Gas (mmBtu)	2.6%	19.1%	3.0
Spot Gold (troy oz.)	0.1%	11.3%	2,296.8
Spot Silver (troy oz.)	1.8%	24.7%	29.7
LME Copper (per ton)	-4.0%	13.9%	9,638.4
LME Aluminum (per ton)	-2.8%	7.5%	2,520.6
CBOT Corn (cents p/bushel)	0.5%	-8.7%	451.0
CBOT Wheat (cents p/bushel)	-0.6%	-3.4%	624.0

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.6%	-2.8%	1.07
British Pound (£/$)	-0.2%	-0.3%	1.27
Japanese Yen ($/¥)	-0.1%	-10.1%	156.88
Australian Dollar (A$/$)	0.1%	-3.3%	0.66
Canadian Dollar ($/C$)	-0.1%	-3.9%	1.38
Swiss Franc ($/CHF)	0.0%	-6.2%	0.90

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
Consumer Staples	5.9%	Overweight	2.0%	7.9%
Information Technology	30.0%	Equalweight	-	30.0%
Health Care	12.3%	Equalweight	-	12.3%
Financials	13.1%	Equalweight	-	13.1%
Industrials	8.8%	Equalweight	-	8.8%
Communication Services	8.9%	Equalweight	-	8.9%
Energy	3.9%	Equalweight	-	3.9%
Utilities	2.1%	Equalweight	-	2.1%
Materials	2.3%	Equalweight	-	2.3%
Real Estate	2.3%	Equalweight	-	2.3%
Consumer Discretionary	10.4%	Underweight	-2.0%	8.4%

As of: March 29, 2024

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 3/21/2024. 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	62.4%	Overweight	2.1%	64.5%
Europe ex U.K.	13.5%	Overweight	2.0%	15.5%
Japan	5.6%	Overweight	1.0%	6.6%
United Kingdom	3.2%	Equalweight	-	3.2%
Latin America	1.0%	Equalweight	-	1.0%
Asia-Pacific ex Japan	10.3%	Underweight	-3.0%	7.3%
Canada	2.9%	Underweight	-1.0%	1.9%
Middle East / Africa	1.1%	Underweight	-1.1%	0.0%

as of: March 29, 2024

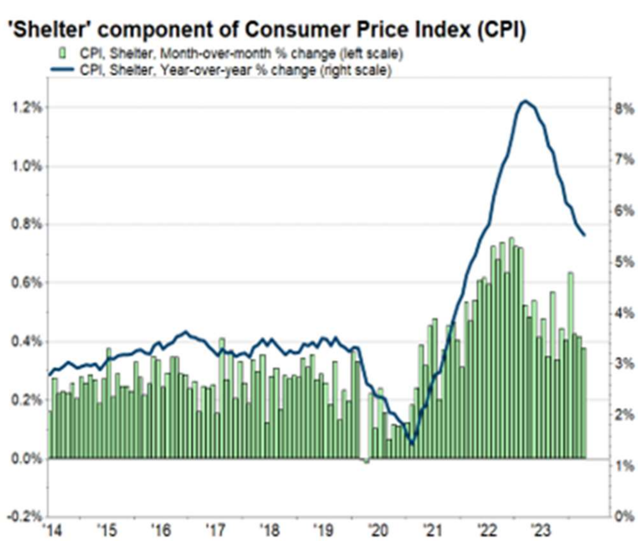
Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 03/21/2024. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the 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.

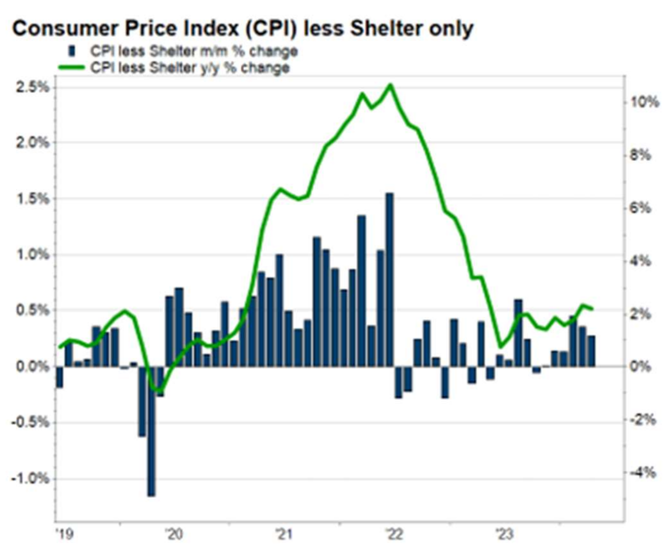
The Week Ahead:

Russell T. Price, CFA, Chief Economist

Unless otherwise noted, all economic estimates are sourced from Bloomberg and all corporate earnings measures are sourced from FactSet.

- **The Economic Calendar:** Inflation dominates the economic calendar this week with the Labor Department's three major measures on the docket: the Consumer Price Index, the Producer Price Index and the Import Price Index. Though the inflation results will be very influential, Wednesday's FOMC decision and subsequent guidance will likely dominate the market discussion once again.
- **FOMC Rate Decision:** The Fed's Federal Open Market Committee (FOMC) will release its latest monetary policy decision Wednesday afternoon at 2 PM ET followed by a media press conference with Fed Chair Powell. This week's decision will also offer an updated Summary of Economic Projections (SEP) report. The quarterly release offers a look at the individual leanings and economic expectations, including for the fed funds rate, of individual FOMC committee members.
- No change in monetary policy is expected out of this week's FOMC meeting. Ahead of the meeting, fed fund futures as traded on the CME currently give 42% odds of a 25 basis-point cut in the fed funds target rate at the mid-September meeting. The odds of a cut at the November 7th meeting then fall to 28% before rising to 68% odds of a cut at the December meeting.
- **April Consumer Price Index (CPI):** The Labor Department will release the results of its latest measure of consumer prices on Wednesday morning. Forecasters as surveyed by Bloomberg expect a "cool" headline number showing a +0.1% month-over-month (m/m) increase.
- Lower energy prices are thought to have had a constraining influence on headline inflation in the month. According to data from the Energy Information Administration (EIA) gasoline prices were basically flat in May, a month in which they typically see a seasonal increase of about 3.6%. Combine this with the fact that motor fuel is about 3.4% of the overall CPI and we estimate gasoline to have a 0.21 percentage point downward influence on the headline number.
- Meanwhile, the Core rate (which excludes the volatile food and energy components) is expected to see a solid 0.3% m/m increase. Here, absent the downward pressure from energy prices, shelter prices (which are 42% of the core rate) should once again dominate the performance. We estimate the shelter component alone to offer approximately 0.15 points of "lift" to the m/m core rate.
- We believe there could be some downside potential (relative to estimates) to this week's release. Over the last few months, CPI results have been partially supported by temporary influences such as the recent jump in insurance rates. In April, auto insurance costs were a remarkable 22.6% higher y/y. This trend is very unlikely to continue for much longer.
- Should the m/m CPI rates come-in as expected, it would leave headline CPI +3.4% higher year-over-year (y/y), versus +3.5% in March. The core rate would be about 3.6% higher versus a 3.8% gain in March. *The charts below are sourced form FactSet.*





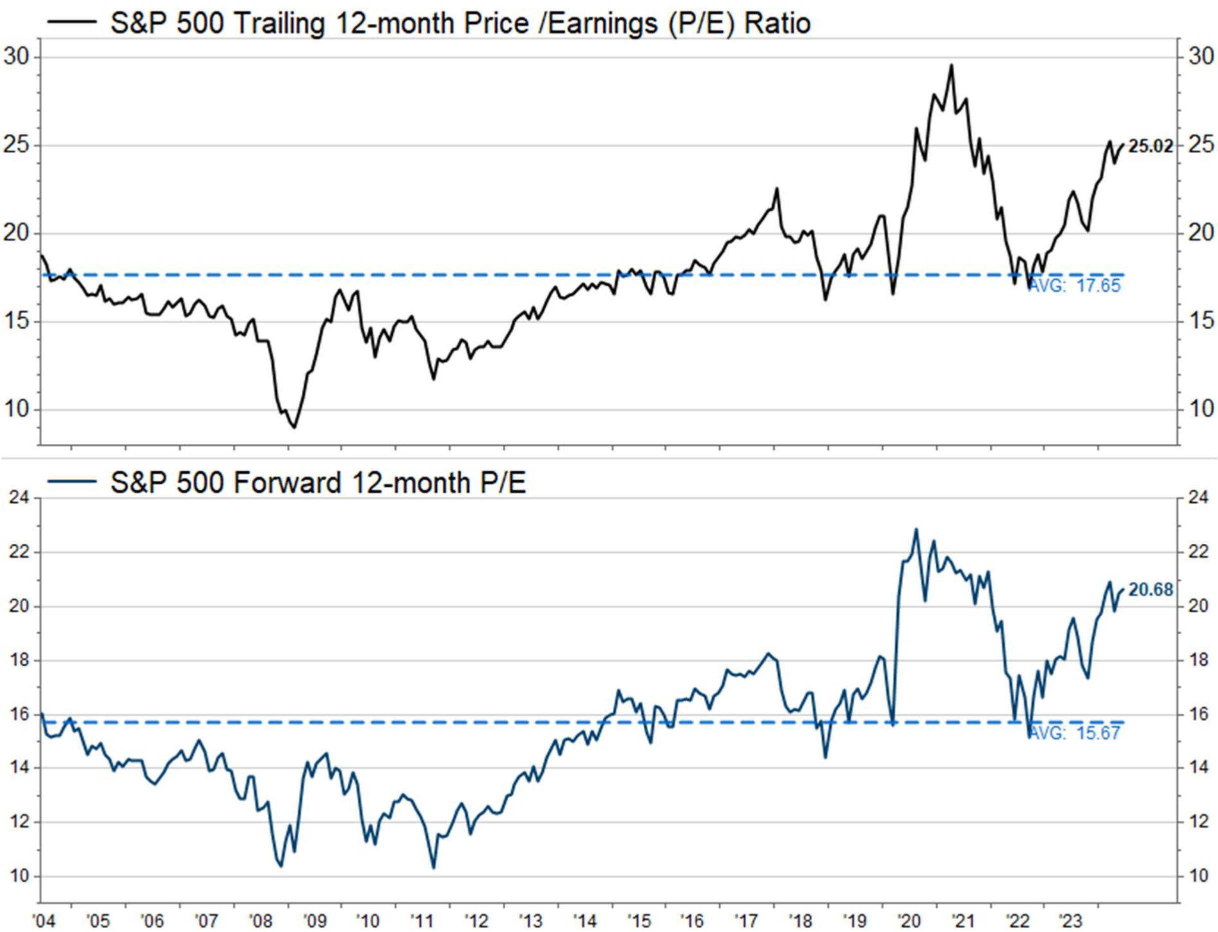
The calendar below is sourced from American Enterprise Investment Services Inc.

June 10	11	12	13	14
Bank Lending - China	**NFIB Small Business Index**	**Consumer Price Index**	**Initial Jobless Claims**	**UofM Consumer Sentiment**
	Employment - S. Korea	**FOMC Rate Decision**	**Producer Price Index**	**Import Price Index**
	Inflation - China	*Foreign Investment - China*	*Monetary Policy - Japan*	*Industrial Production - Japan*
		Inflation - India	*Industrial Production - Eurozone*	*Bank Lending - India*
		Industrial Production - India		*Trade - Eurozone*

Where Market Fundamentals Stand Heading into The Week:

S&P 500 Trailing and Forward P/E valuations: *Source: FactSet*

Please note: Although we try to maintain consistency as much as possible, Price to Earnings (P/E) ratios may differ from one source to another. Most notably, P/E numbers can often show their most notable differences during an earnings release season as some sources may still use the last full 'actual' earnings number while others use earnings per share that are updated via a combination of actual and estimated earnings per share. The calculation of earnings (operating earnings versus 'as reported' or GAAP) also often differ modestly from one data source to another due to the proprietary use of calculation methodologies.



Consensus Earnings Estimates: *Source: FactSet*

Please note: The consensus earnings estimates shown below should viewed cautiously. The business environment remains very dynamic, thus leaving current estimates with greater uncertainty than usual, in our view. The table below is sourced from American Enterprise Investment Management Inc and is based on data from FactSet.

S&P 500 Earnings Estimates	2019	2020	2021	2022				2023				2024				2025
6/10/2024	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
Quarterly $$ amount				$54.05	$56.65	$55.61	$53.43	$53.34	$54.52	$58.91	$55.56	$56.49	$59.35	$63.54	$65.24	
change over last week												$0.00	-$0.07	$0.01	$0.00	$0.22
yr/yr				10.2%	7.3%	3.2%	-3.5%	-1.3%	-3.8%	5.0%	4.0%	5.9%	8.9%	7.9%	17.4%	
qtr/qtr				-2.4%	4.8%	-1.8%	-3.9%	-0.2%	2.2%	8.1%	-5.7%	1.7%	5.1%	7.1%	2.7%	
Trailing 4 quarters $$	$163.13	$140.46	$210.86	$216.10	$219.95	$221.69	$219.74	$219.03	$216.90	$220.20	$222.33	$225.48	$230.31	$234.94	$244.62	$279.11
yr/yr % change	1.0%	-13.9%	50.1%				4.2%				1.2%				10.0%	14.1%
Implied P/E based on a S&P 500 level of: **5347**												23.7	23.2	22.8	21.9	19.2

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday June 10, 2024 **All times Eastern. Consensus estimates via Bloomberg**

None Scheduled

Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual **2022**	Actual **2023**	**Est. 2024**	**Est. 2025**	Actual Q2-2023	Actual Q3-2023	Actual Q4-2023	Actual Q1-2024	Est. Q2-2024	Est. Q3-2024	Est. Q4-2024
Real GDP (annualized)	1.9%	2.5%	2.2%	1.8%	2.1%	4.9%	3.4%	1.3%	2.6%	1.9%	1.6%
Unemployment Rate	3.6%	3.7%	4.2%	4.2%	3.6%	3.8%	3.7%	3.8%	4.0%	4.1%	4.2%
CPI (YoY)	8.0%	3.4%	2.3%	2.0%	3.0%	3.7%	3.4%	3.5%	3.3%	2.6%	2.3%
Core PCE (YoY)	5.2%	2.9%	2.1%	1.9%	4.3%	3.6%	2.9%	2.8%	2.5%	2.2%	2.1%

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: May 30, 2024**

Ameriprise Global Asset Allocation Committee Targets and Views

Targets

2024 Year-end Targets:	**Favorable Scenario**	**Base-Case Scenario**	**Adverse Scenario**
S&P 500 Index:	5,400	5,200	4,500
10-Year U.S. Treasury Yield:	4.00%	3.50%	3.00%
Fed Funds Target Range:	4.25% to 4.50%	4.75% to 5.00%	3.75% to 4.00%

Estimates (Est.) via American Enterprise Investment Services Inc.

Please see latest *Quarterly Capital Market Digest* for more information. **Last Updated: April 24, 2024**

Global Asset Allocation Committee Views

AMERIPRISE GLOBAL ASSET ALLOCATION COMMITTEE TACTICAL ASSET CLASS VIEWS

2024 Year-end S&P 500 Target: 5,200
2024 Year-End 10-year Treasury Target: 3.50%

as of 03/27/2024

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

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	**Q1'24**	**1-year**	**3-years**	**5-years**
Russell 3000® Index (U.S. Equity)	10.02%	29.29%	9.78%	14.34%
MSCI ACWI Ex USA Index – net (Foreign Equity)	4.69%	13.26%	1.94%	5.97%
Bloomberg U.S. Universal Bond Index (Fixed Income)	-0.47%	2.67%	-2.11%	0.69%
Wilshire Liquid Alternative Index (Alternatives)	3.16%	8.25%	1.95%	2.92%
FTSE Three-Month Treasury Bill Index (Cash)	1.37%	5.52%	2.70%	2.07%

Past performance is not a guarantee of future performance. Performance calculations use FactSet data and are as of March 29, 2024

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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 insight into 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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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.

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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.

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