Before the Bell

An Ameriprise Investment Research Group Publication

September 23, 2024

Starting the Day

- U.S. futures are pointing to a higher open.
- European markets are trading mixed at midday.
- Asian markets ended mixed overnight.
- S&P 500 advances for the fifth week in six.
- The economic slate is heavy this week.
- 10-year Treasury yield at 3.75%.
- West Texas Intermediate (WTI) oil is trading at $71.28.
- Gold is trading at $2,649.80.

Market Perspectives

Anthony M. Saglimbene, Chief Market Strategist

Weekly Market Perspectives: The S&P 500 Index set a fresh new all-time high last week, following a somewhat unexpected "jumbo-sized" Federal Reserve rate cut that kept the soft-landing narrative alive and well. While technology stocks performed well during the week, other cyclical areas took the lead, as prospects for lower rates brightened the outlook for areas like Energy and Financials. Generally positive economic reports, including better-than-expected retail sales and weekly initial jobless claims, also helped boost investor confidence.

Last Week in Review:

- The S&P 500 rose +1.4%, logging its 39th all-time closing high of the year and its second consecutive weekly gain. The Index is higher in five of the last six weeks.
- The NASDAQ Composite rose +1.5%, logging its second consecutive week of gains. Over the last two weeks, the tech-heavy index is higher by +7.5%, its largest two-week gain since November 2023.
- The Russell 2000 Index led major averages, rising by +2.1%. Before a modest pullback on Friday, the small-cap stock barometer had traded higher for seven consecutive trading days.
- The Dow Jones Industrials Average rose +1.7%, crossing 42,000 for the first time and posting its 29th record close of the year.
- The Federal Reserve lowered its fed funds target range by an outsized 50 basis points to 4.75% - 5.00%. Importantly, the committee noted an increased focus on supporting the *maximum employment* side of its dual mandate now that policymakers see better control on the *price stability* side. The Fed now projects lower rates over the coming quarters, stable growth/employment trends, and near-trend inflation by the end of 2025. In our view, the soft-landing scenario (i.e., normalizing inflation without materially increasing unemployment) is fully baked into Fed projections.
- With the big bounce in stocks last week, investor sentiment and equity fund flows also jumped higher. The latest *American Association of Individual Investors (AAII)* saw its bull-bear spread jump +15.6 percentage points to 24.4% in the week ending September 19th. That's the biggest weekly jump since November. In addition, the *BofA Flow Show* report showed that U.S. equity funds attracted nearly $34 billion in the week ending September 18th, the largest inflow in nine weeks and the third-largest weekly haul of the year.
- Headline August retail sales came in slightly positive, beating expectations for a decline. Favorable weather trends and a solid back-to-school shopping season drove the better-than-expected results.
- New York and Philadelphia Federal Reserve manufacturing activity unexpectedly moved into expansion from contraction.
- Jobless claims posted their lowest weekly reading since May, and August housing starts/permits beat expectations.

- U.S. Treasury yields were mostly weaker, with the 2-year/10-year spread ending 15 basis points in "positive" territory.
- Gold notched another new record high, West Texas Intermediate (WTI) rose, and the U.S. Dollar Index moved lower.

The "soft-landing" scenario looks largely baked into stock prices. What now?

Heading into last week's Fed decision, some Fed watchers stated that an upcoming presidential election or concern about what message a 50-basis point rate cut would potentially signal about the state of the economy would prevent the committee from making such an outsized cut at the start of the easing cycle. At the end of the day, the Fed themselves were not very concerned about either of those factors. We believe it was a great reminder to the market of their independence.

Moving rates lower close to an election (which the Fed has done in the past) would likely draw some criticism whether they went 25 or 50 basis points last week. Further, if most of the Fed sees rates lower by 100 basis points at the end of the year anyway (which implies 50 basis points more in cuts by yearend), why not move faster to help keep the economy on track? Notably, the Fed manages policy to the economy and where they believe rates should be on their outlook for growth/inflation. In our view, their move last week sent a very clear message to the market and investors that the only priority the Fed has is to steer policy in a direction that best suits the current and future state of the economy. Doing anything else could inject doubt into their credibility and independence.

That said, expectations for further rate cuts over the next few quarters are well-entrenched into both market and Fed officials' expectations. Any incoming economic data that suggests the Fed could delay further cuts because of lingering inflation or have to move more aggressively due to a sudden deterioration in employment could cause stock volatility to rise. On a related note, with the S&P 500 ending last week above 5,700, the Index is well within striking distance of our year-end target of 5,750. As much as we'd like to brush off our hands, call mission accomplished, and head to the beach for the rest of the year, there's still an entire quarter left to go in 2024. The third quarter earnings season is approaching, as is the pending outcome of the U.S. election. Thus, the market and investors still have much to contend with as the year winds down. Did we mention that the U.S. government is facing yet another potential shutdown at the end of the month?

As we have noted previously, the economy is on firm ground, rates are now easing, and corporate profits are growing. Overall, that's a positive tailwind for asset prices. Notably, lower rates favor stocks when the economy isn't in a recession. *Goldman Sachs* recently put some data behind that statement. During the last five cutting cycles since 1984, where the U.S. economy did not quickly enter a recession, the S&P 500 on average returned +6.0% during the three months, +9.0% during the six months, and +17% during the next year following the first Fed rate cut. *Goldman* also noted that earnings drove most of the gains, with price-to-earnings multiples expanding in three of the five episodes. *FactSet* analyst S&P 500 earnings per share (EPS) estimates forecast profits rising by +3.8% y/y in Q3 and by +15.1% y/y in Q4. Full-year 2025 S&P 500 EPS is seen rising by an impressive +15.0% over 2024 levels, which implies a 20 P/E multiple based on current Index levels. That said, we believe much of the good news is now mostly priced into stocks.

Moving forward, stock prices will likely move based on how much <u>better</u> or <u>worse</u> results come in around already somewhat elevated expectations for economic/profit growth and easing rate policy. Uncertainties about the pace of growth heading into next year, as well as the fiscal policy path post-election, given some of the "extreme" fiscal proposals from both presidential candidates, may temper how much stocks can keep riding higher through yearend.

For now, we remain comfortable with our yearend S&P 500 targets, recognizing that stocks may drift higher or lower from current levels through yearend. Yet the S&P 500 is also unlikely to move enough away from our base (5,750) and favorable (5,900) targets to necessitate large changes in our target forecast that would inform a material shift in how investors should allocate their portfolios through yearend.

The Week Ahead:

The U.S. economic calendar is full this week, which could keep stocks volatile as investors continue to digest last week's aggressive Fed actions.

- Preliminary looks at September manufacturing and services activity as well as August PCE, personal income, consumption, and durable orders, should provide updated views on the current state of the economy. A final look at Q2 GDP is expected to hold at +3.0%.

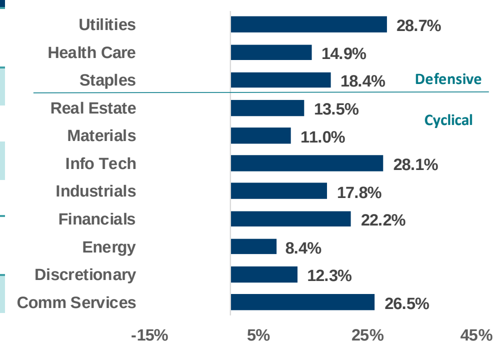
Stock Market Recap							
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,703	1.4%	1.1%	20.8%	26.6	22.7	1.2	1.5
Dow Jones Industrial Average: 42,063	1.7%	1.3%	13.2%	24.0	20.3	1.7	2.0
Russell 2000 Index: 5,537	2.1%	0.5%	11.0%	60.2	38.4	1.3	1.3
NASDAQ Composite: 17,948	1.5%	1.4%	20.2%	39.7	37.1	0.7	0.8
Best Performing Sector (weekly): Energy	3.8%	-2.7%	8.4%	13.0	11.0	3.3	3.9
Worst Performing Sector (weekly): Consumer Staples	-1.2%	0.6%	18.4%	23.1	22.6	2.4	2.5

Source: Factset. Data as of 09/20/2024

Bond/Commodity/Currency Recap			
Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-0.1%	1.6%	5.1%
West Texas Intermediate (WTI) Oil: $71.91	3.3%	-3.5%	0.0%
Spot Gold: $2,622.24	1.7%	4.7%	27.1%
U.S. Dollar Index: 100.72	-0.4%	-1.0%	-0.6%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 3.60%	0 bps chg	-34 bps chg	-66 bps chg
10-year U.S. Treasury Yield: 3.73%	7 bps chg	-19 bps chg	-15 bps chg

Source: Factset. Data as of 09/20/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 09/20/2024

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 higher open.** Stocks will have a lot of economic data to pour through this week, starting with preliminary looks at September S&P Global manufacturing and services PMI out this morning.

Europe:

Fresh updates on German PMI and Ifo business confidence this week are likely to show that Europe's number one economy and Europe as a whole continue to slow. Notably, weakening manufacturing and services activity in Germany is expected to dampen sentiment in Europe further.

Asia-Pacific:

Markets in Japan were closed on Monday for the fall equinox. With the Bank of Japan remaining sidelined last week, Governor Ueda indicated there is no rush to hike rates after the BOJ tightened rats in March and July. This week, preliminary September PMI reports for Japan, as well as department store sales and Tokyo CPI, are on the docket.

WORLD CAPITAL MARKETS

9/23/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.2%	20.8%	5,702.6
Dow Jones	0.1%	13.2%	42,063.4
NASDAQ Composite	-0.4%	20.2%	17,948.3
Russell 2000	-1.1%	11.0%	2,227.9
Brazil Bovespa	-1.5%	-2.3%	131,065
S&P/TSX Comp. (Canada)	0.0%	16.4%	23,867.4
Russell 3000	-0.3%	19.5%	3,250.5

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.1%	11.0%	4,875.9
FTSE 100 (U.K.)	-0.1%	9.6%	8,225.6
DAX Index (Germany)	0.4%	12.2%	18,797.8
CAC 40 (France)	-0.3%	1.9%	7,474.5
FTSE MIB (Italy)	-0.3%	10.9%	33,664.1
IBEX 35 (Spain)	0.0%	20.2%	11,753.2

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	1.5%	13.8%	37,723.9
Hang Seng (Hong Kong)	-0.1%	11.6%	18,247.1
Korea Kospi 100	0.3%	-1.0%	2,602.0
Singapore STI	0.4%	17.8%	3,638.5
Shanghai Comp. (China)	0.4%	-7.6%	2,748.9
Bombay Sensex (India)	0.5%	18.9%	84,928.6
S&P/ASX 200 (Australia)	-0.7%	11.8%	8,153.0

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.1%	17.1%	837.9

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.1%	11.3%	2,424.4

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.3%	11.0%	1,109.5

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%	26.5%	309.0
Consumer Discretionary	0.0%	12.3%	1,582.2
Consumer Staples	0.4%	18.4%	886.2
Energy	-0.3%	8.4%	676.5
Financials	-0.3%	22.1%	755.8
Health Care	-0.3%	14.9%	1,805.9
Industrials	-0.7%	17.8%	1,124.1
Materials	-0.6%	11.0%	591.4
Real Estate	-0.2%	13.5%	278.9
Technology	-0.5%	28.1%	4,329.4
Utilities	2.7%	28.7%	404.4

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-0.2%	12.4%	285.8
FTSE NAREIT Comp. TR	-0.3%	13.7%	27,189.5
DJ US Select Dividend	-0.1%	17.6%	3,531.5
DJ Global Select Dividend	-0.3%	12.4%	237.9
S&P Div. Aristocrats	-0.3%	12.3%	4,795.7

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.1%	4.7%	2,263.7
Barclays HY Bond	0.0%	7.8%	2,674.5

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.1%	1.6%	552.1
NYMEX WTI Crude (p/bbl.)	0.3%	-0.6%	71.2
ICE Brent Crude (p/bbl.)	0.2%	-3.1%	74.7
NYMEX Nat Gas (mmBtu)	1.4%	-1.8%	2.5
Spot Gold (troy oz.)	0.0%	27.1%	2,622.5
Spot Silver (troy oz.)	-1.7%	28.8%	30.7
LME Copper (per ton)	-0.4%	10.4%	9,346.5
LME Aluminum (per ton)	-2.6%	5.0%	2,463.7
CBOT Corn (cents p/bushel)	1.3%	-19.2%	407.0
CBOT Wheat (cents p/bushel)	1.6%	-13.7%	577.5

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.4%	0.7%	1.11
British Pound (£/$)	-0.2%	4.5%	1.33
Japanese Yen ($/¥)	0.3%	-1.7%	143.43
Australian Dollar (A$/$)	0.2%	0.2%	0.68
Canadian Dollar ($/C$)	0.1%	-2.3%	1.36
Swiss Franc ($/CHF)	0.0%	-1.0%	0.85

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	5.8%	Overweight	2.0%	7.8%
Information Technology	32.5%	Equalweight	-	32.5%
Financials	12.3%	Equalweight	-	12.3%
Health Care	11.7%	Equalweight	-	11.7%
Communication Services	9.4%	Equalweight	-	9.4%
Industrials	8.1%	Equalweight	-	8.1%
Energy	3.6%	Equalweight	-	3.6%
Utilities	2.3%	Equalweight	-	2.3%
Materials	2.2%	Equalweight	-	2.2%
Real Estate	2.1%	Equalweight	-	2.1%
Consumer Discretionary	10.0%	Underweight	-2.0%	8.4%

As of: June 30, 2024

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 6/30/2024. 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	63.6%	Overweight	2.1%	65.7%
Europe ex U.K.	12.8%	Overweight	2.0%	14.8%
Japan	5.1%	Overweight	1.0%	6.1%
United Kingdom	3.3%	Equalweight	-	3.3%
Latin America	0.8%	Equalweight	-	0.8%
Asia-Pacific ex Japan	10.6%	Underweight	-3.0%	7.6%
Canada	2.7%	Underweight	-1.0%	1.7%
Middle East / Africa	1.1%	Underweight	-1.1%	0.0%

as of: June 30, 2024

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 06/30/2024. 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.

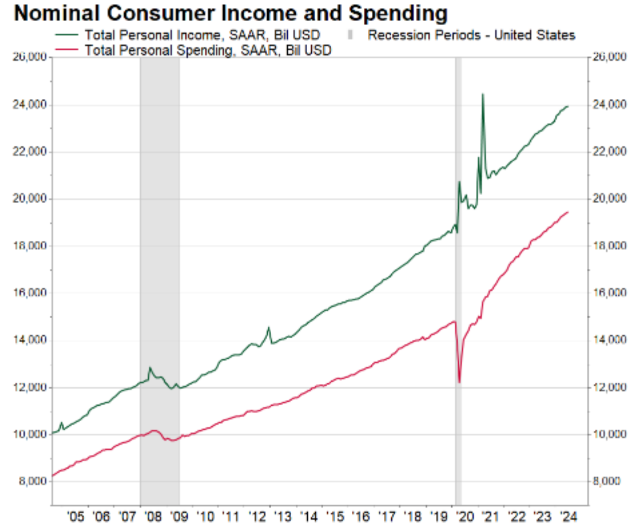
The Week Ahead:

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:** Personal income and spending likely carry the most weight in this week's economic calendar, but investors will also see Consumer Confidence, New Home sales, New Orders for Durable Goods, and the Commerce Department's third estimate of Q2 real GDP.
- **August New Home Sales:** After jumping nearly 11% month-over-month (m/m) in July, new home sales are expected to have moderated in August. Forecasters, as surveyed by Bloomberg, expect sales to be down about 7% m/m. Although down for the month, the predicted sales rate of 693,000 units (annualized) would represent a year-over-year increase of about 6%. Much like the existing home market, potential buyers may have waited to sign their purchase agreements until after the Fed's decision on interest rates. We note, however, that the new home market has been less affected by the sharply higher mortgage rates of the last few years, as many builders have offered mortgage rate buydowns or other incentives to keep sales running more smoothly.
- New Orders for Durable Goods: New orders for durable goods are expected to have dropped notably last month, mostly due to a sharp surge in July. July new orders were nearly 10% higher (relative to June levels) based on a sharp increase in civilian aircraft orders. A normalization of such orders in August has forecasters looking for an approximate 3% m/m decline. Such a decline would leave durable goods demand about flat with year ago levels.
- **August Personal Income and Spending:** Personal income is forecast to have grown by 0.4% in August – a tenth better than July's +0.3%. If so, it would put income as up about 4.5% versus year-ago levels. To put this into perspective, personal income grew at an average rate of 4.4% from 2015 through 2019.
- Personal Spending, meanwhile, is forecast to have grown by 0.3% in the month (we believe the rate could be modestly higher and are for foresting a rate of +0.4%).
- Sales related to about a third of spending – spending on hard goods via the retail sales report - were already reported to have been a modest 0.1% higher m/m. The weakness was primarily due to lower gasoline prices and a weaker month for automobile sales. Overall, if the m/m rate proves correct, consumer spending will have been about 4.8% higher relative to August 2023. *The chart at right is sourced from FactSet.*

Nominal Consumer Income and Spending



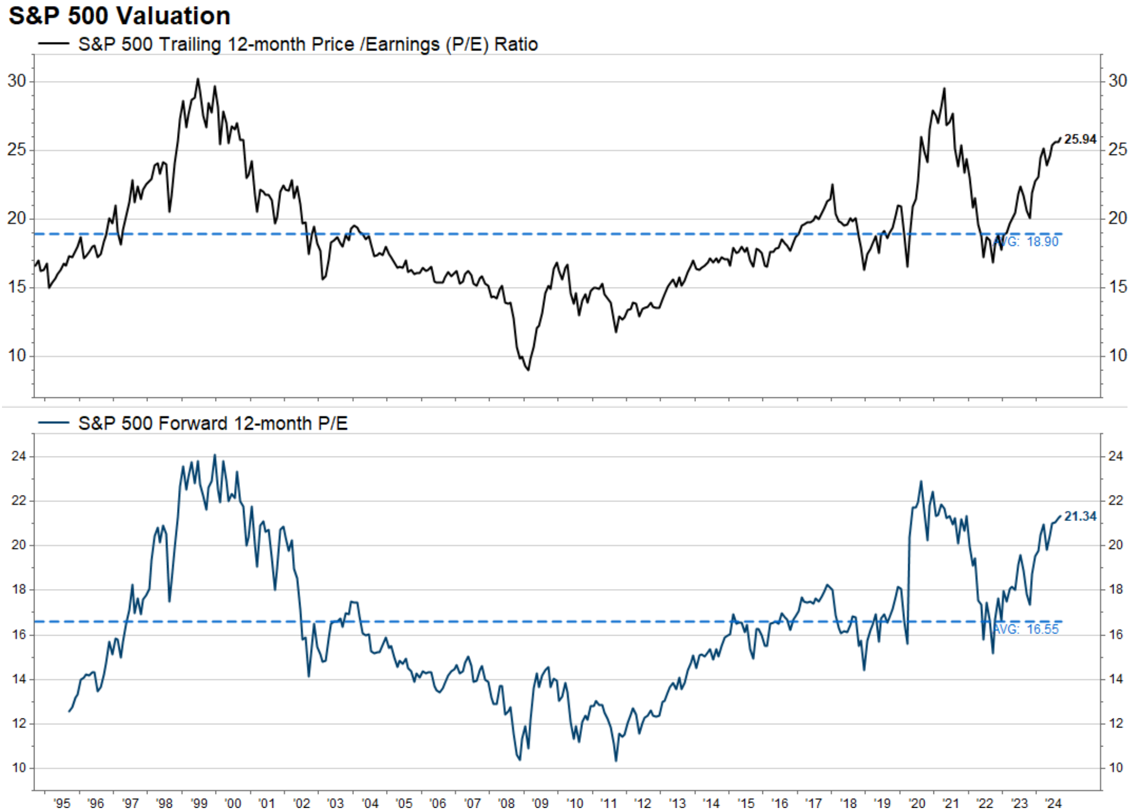
The calendar below is sourced from American Enterprise Investment Services Inc.

September 23	24	25	26	27
Markit Prelim. Mfg. Index	**Richmond Fed Index**	**New Home Sales**	**Initial Jobless Claims**	**Personal Income**
Manufacturing PMI - Japan	**Consumer Confidence**	*Retail Sales - Japan*	**Pending Home Sales**	**Personal Spending**
Manufacturing PMI - Eurozone	**S&P /CaseShiller Home $$$**		**Durable Goods Orders**	**Advance Trade - Goods**
	Consumer Sentiment - S. Korea		**Q2 Real GDP - 3rd**	**UofM Consumer Sentiment**
			Inflation - Japan	*Economic Sentiment - Eurozone*
			Trade - Japan	*Consumer Sentiment - 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	2020	2021	2022	2023				2024				2025				2026
9/23/2024	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Est.	Est.
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
Quarterly $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.55	$61.11	$63.94	$64.60	$68.67	$71.17	$73.35	
change over last week										-$0.17	-$0.25	-$0.26	-$0.22	-$0.32	-$0.31	-$0.57
yr/yr				-1.4%	-3.8%	5.8%	3.9%	5.8%	11.1%	5.0%	15.1%	14.4%	13.4%	16.5%	14.7%	
qtr/qtr				-0.2%	2.2%	8.1%	-5.7%	1.6%	7.3%	0.9%	4.6%	1.0%	6.3%	3.6%	3.1%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$219.17	$216.99	$220.24	$222.33	$225.44	$231.47	$233.67	$242.05	$250.20	$258.32	$268.38	$277.79	$312.66
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				8.9%				14.8%	12.6%
Implied P/E based on																
a S&P 500 level of: **5703**										24.4	23.6	22.8	22.1	21.2	20.5	18.2

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday September 23, 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 Q3-2023	Actual Q4-2023	Actual Q1-2024	Actual Q2-2024	Est. Q3-2024	Est. Q4-2024	Est. Q1-2025
Real GDP (annualized)	1.9%	2.5%	2.6%	1.7%	4.9%	3.4%	1.4%	3.0%	2.4%	1.5%	1.8%
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.8%	3.7%	3.8%	4.1%	4.3%	4.4%	4.4%
CPI (YoY)	8.0%	3.4%	2.4%	2.0%	3.7%	3.4%	3.5%	3.0%	2.5%	2.4%	2.1%
Core PCE (YoY)	5.2%	2.9%	2.4%	2.0%	3.6%	2.9%	2.8%	2.6%	2.5%	2.3%	2.2%

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: August 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:	5,900	5,750	5,000
10-Year U.S. Treasury Yield:	4.00%	3.75%	3.00%
Fed Funds Target Range:	4.50% to 4.75%	4.75% to 5.00%	4.25% to 4.50%

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

Please see latest *Quarterly Capital Market Digest* for more information.

Last Updated: July 8, 2024

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Ameriprise Global Asset Allocation Committee Tactical Asset Class Views

As of 6/30/24

	Overweight	Equalweight	Underweight
Equity	• U.S. Large Cap Growth • Developed Foreign Equity	• U.S. Large Cap Value • 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	• Europe ex U.K. • Japan • United States	• Latin America • United Kingdom	• Asia-Pacific ex Japan • Canada • Middle East / Africa
Fixed Income	• U.S. Government • U.S. Inv. Grd Corporate	• Developed Foreign Bond	• Emerging Foreign Bond • High Yield Bond
Alternatives		• Real Assets	• Alternative Strategies
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.

As of June 30, 2024	Rolling Returns			
Major Market Indices	Q2'24	1-year	3-years	5-years
Russell 3000® Index (U.S. Equity)	3.22%	23.13%	8.05%	14.14%
MSCI ACWI Ex USA Index – net (Foreign Equity)	0.96%	11.62%	0.46%	5.55%
Bloomberg U.S. Universal Bond Index (Fixed Income)	0.19%	3.47%	-2.68%	0.11%
Wilshire Liquid Alternative Index (Alternatives)	0.49%	7.30%	1.37%	2.75%
FTSE Three-Month Treasury Bill Index (Cash)	1.37%	5.64%	3.17%	2.22%

Past performance is not a guarantee of future performance. Performance calculations use FactSet data and are as of Date.

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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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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.

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.

Investing in **derivatives** is a specialized activity that involves special risks that subject the fund to significant loss potential, including when used as leverage, and may result in greater fluctuation in fund value.

Diversification and **Asset Allocation** do not assure a profit or protect against loss.

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.

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.

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.

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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.

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.

The **mutual funds** and **ETFs** included in this report are subject to specific risk factors, generally the same as those of the underlying securities and may result in a loss of the principal amount invested.

Non-investment-grade (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities.

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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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