Before the Bell

An Ameriprise Investment Research Group Publication

October 2, 2024

Starting the Day

- U.S. equity index futures see a modestly lower open.
- European markets are mostly lower at midday.
- Asian markets ended mixed.
- Markets in China were closed for a holiday.
- Israel /Iran conflict (see page 4).
- 10-year Treasury yield at 3.78%.
- West Texas Intermediate (WTI) oil is trading at $71.93.
- Gold is trading at $2,670.10

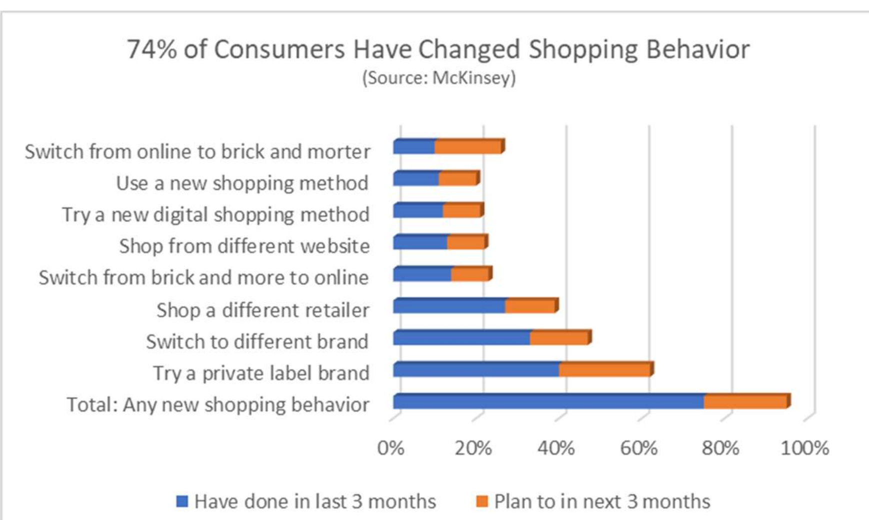
Market Perspectives

Patrick Diedrickson, CFA, Director – Consumer Goods and Services Analyst

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

How to Put Lipstick On A Pig. The Lipstick Effect and Consumer Spending. Overall consumer spending has been resilient, in our view, despite showing signs of weakness from macro pressures such as inflationary costs and higher interest rates. Consumers have been trading down to lower-priced products in certain categories and become more selective with their spending choices, particularly with bigger ticket purchases. Despite becoming increasingly selective, household spending has been durable. Households are changing their spending behavior and shifting their expenditure patterns in the face of higher costs. We believe these changes in consumer behavior may be creating an opportunity for some businesses and are a threat to others.

Consumer Spending Patterns:



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

According to a survey by McKinsey, 74% of consumers traded down in some form during the third quarter of 2024, and 20% plan to trade down during the fourth quarter. Younger consumers are particularly price-sensitive, according to McKinsey. The third quarter survey indicates 86% of Gen Zers and millennials have changed their spending behavior due to inflationary cost pressure by changing the quantity or type of purchases made for better value and lower prices. Gen Xers reported in the survey that they are trading down at a lower rate than Gen Zers and millennials. It's not surprising to see that lower-income respondents reported trading down more frequently than higher-income consumers.

Lipstick Effect

We believe one explanation of resilient consumer spending in recent quarters could be a theory called the Lipstick Effect. The Lipstick Effect was popularized following the 2001 economic downturn by Leonard Lauder, the chairman of **Estee Lauder (NYSE; EL; $97.24),** who noticed that lipstick sales often increased during challenging macro-economic conditions. The theory suggests that consumers still want to indulge themselves despite being strapped for cash. Sales of small luxury items can still experience solid sales growth during economic recessions.

The Lipstick Effect may be a reason why casual restaurants and movie theaters often outperform during economic recessions. Cash-strapped consumers may not be able to afford a trip to Europe, but they can settle for a fairly inexpensive dinner and a movie.

Despite increased economic uncertainty caused by inflationary pressures and higher interest rates, consumers can still purchase non-essential items to preserve a sense of indulgence. As such, we believe categories that are positioned to benefit from a potential Lipstick Effect period include health & wellness, beauty products, entertainment and casual restaurants. Warehouse retailers and off-price retailers may also be positioned to outperform from higher income consumers trading down for non-essential discretionary spending, in our view. We believe dollar stores and businesses that target lower income households as well businesses that target younger consumers may lag in the current environment because their core consumers are planning to be more frugal than Gen Xers and higher income households.

Consumer Outlook

In our view, consumer spending could continue to hold up relatively well unless there is a significant deterioration in the labor market. We believe middle-income and higher-income households can absorb inflationary and interest rate pressure. That said, lower-income households may experience a consumer spending headwind over the next few quarters, resulting from macro challenges. We are taking a more defensive stance on consumer businesses that target lower-income households.

The Global Asset Allocation Committee is the underweight Consumer Discretionary sector and overweight the Consumer Staples Sector.

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

United States:

Here is a quick news rundown to start your morning:

- **Futures lower this morning.** U.S. stock futures are lower this morning after news that Iran fired ballistic missiles on Isreal (see page 4 of this dociument for more). The Nasdaq Composite lost 1.5% yesterday and the S&P 500 fell 0.9%.
- **ADP report on deck.** In economic news investors will be waiting for a ADP's Employment Survey to gain insight on the labor market before Friday's nonfarm payroll report.

Europe:

European markets were mixed at midday as investors assessed the Middle East conflict. France's CAC 40 index is up 0.1%, and Germany's DAX 30 is 0.3% lower, while in London the FTSE 100 was up 0.2%.

Asia-Pacific:

Shares in the Asia-Pacific were mixed on Wednesday. The Hang Seng Index in Hong Kong finished up 6.2%, hitting a 22-month high for a sixth straight day of gains due to optimistic sentiment regarding Beijing's recent stimulus policies. The Nikkei 225 closed 2.2% lower. In Australia, the S&P/ASX 200 declined 0.1%. South Korea's KOSPI index was fell 1.2%. Markets in mainland Chine were closed Wednesday due to the Golden Week holiday.

WORLD CAPITAL MARKETS

10/2/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.9%	20.9%	5,708.8
Dow Jones	-0.4%	13.5%	42,157.0
NASDAQ Composite	-1.5%	20.0%	17,910.4
Russell 2000	-1.5%	9.5%	2,197.0
Brazil Bovespa	0.5%	-1.3%	132,495
S&P/TSX Comp. (Canada)	0.1%	17.4%	24,034.0
Russell 3000	-0.9%	19.5%	3,250.5

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.3%	12.5%	4,940.1
FTSE 100 (U.K.)	0.1%	10.4%	8,281.7
DAX Index (Germany)	-0.7%	13.9%	19,083.6
CAC 40 (France)	-0.2%	3.1%	7,558.3
FTSE MIB (Italy)	-0.5%	10.7%	33,592.8
IBEX 35 (Spain)	-0.6%	18.8%	11,604.4
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-2.2%	14.7%	37,808.8
Hang Seng (Hong Kong)	6.2%	37.2%	22,443.7
Korea Kospi 100	-1.2%	-2.5%	2,561.7
Singapore STI	0.1%	16.1%	3,584.7
Shanghai Comp. (China)	8.1%	12.2%	3,336.5
Bombay Sensex (India)	0.0%	17.9%	84,266.3
S&P/ASX 200 (Australia)	-0.1%	12.5%	8,198.2

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.7%	18.3%	845.9

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.6%	12.9%	2,454.8

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.1%	17.3%	1,172.6

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	0.4%	29.3%	315.9
Consumer Discretionary	-0.5%	13.3%	1,597.3
Consumer Staples	-0.3%	18.4%	885.4
Energy	2.2%	10.8%	691.6
Financials	-0.5%	21.2%	750.0
Health Care	-0.5%	13.8%	1,787.4
Industrials	0.0%	20.2%	1,146.9
Materials	-0.3%	13.8%	605.8
Real Estate	-0.7%	13.6%	278.6
Technology	-2.7%	26.8%	4,286.7
Utilities	0.8%	31.7%	413.6

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.7%	13.1%	287.7
FTSE NAREIT Comp. TR	-0.7%	13.5%	27,141.8
DJ US Select Dividend	-0.4%	18.3%	3,553.0
DJ Global Select Dividend	0.0%	14.0%	240.6
S&P Div. Aristocrats	-0.2%	14.0%	4,870.4

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.3%	4.8%	2,264.9
Barclays HY Bond	0.0%	8.0%	2,678.6

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.1%	3.0%	559.9
NYMEX WTI Crude (p/bbl.)	3.1%	0.5%	72.0
ICE Brent Crude (p/bbl.)	2.7%	-1.9%	75.6
NYMEX Nat Gas (mmBtu)	2.4%	17.9%	3.0
Spot Gold (troy oz.)	-0.5%	28.4%	2,649.4
Spot Silver (troy oz.)	0.0%	32.1%	31.4
LME Copper (per ton)	1.5%	16.3%	9,840.2
LME Aluminum (per ton)	1.2%	12.5%	2,639.7
CBOT Corn (cents p/bushel)	0.9%	-14.0%	433.0
CBOT Wheat (cents p/bushel)	1.5%	-9.2%	607.8

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.0%	0.3%	1.11
British Pound (£/$)	0.1%	4.4%	1.33
Japanese Yen ($/¥)	-0.8%	-2.6%	144.76
Australian Dollar (A$/$)	0.2%	1.3%	0.69
Canadian Dollar ($/C$)	0.0%	-1.8%	1.35
Swiss Franc ($/CHF)	-0.2%	-0.8%	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.

Geopolitical Perspectives

William Foley, ASIP Director Energy and Utilities Sector

An Escalation in Middle East Tensions Could Produce a Spike in Oil Prices: On Tuesday, Iran launched a significant missile attack against Israel, firing over 180 ballistic missiles, including hypersonic Fattah missiles, in retaliation for Israel's recent actions against Tehran's Hezbollah allies in Lebanon. The Iranian Revolutionary Guard Corps (IRGC) claimed that 90% of the missiles successfully hit their targets in Israel. Notably, Iran provided advance notice of the attack, and as a result, there were minimal casualties, with no injuries reported in Israel and one death in the occupied West Bank. Both Israel and the United States intercepted most of the missiles, with Israeli air defenses activated and U.S. Navy warships firing about a dozen interceptors. The IRGC stated that the assault was in response to the killings of militant leaders and aggression in Lebanon and Gaza, warning that if Israel retaliates, Tehran's response would be "more crushing and ruinous." Israel vowed to respond "wherever, whenever and however" they choose, with the U.S. expressing full support and promising severe consequences for Iran's actions.

The escalation in Lebanon has been particularly severe in recent weeks, with nearly 1,900 people killed and more than 9,000 wounded in nearly a year of cross-border fighting, most of which occurred in the past two weeks, according to Lebanese government statistics. Israel's recent strikes in Beirut killed the commander of the Imam Hussein division, a Hezbollah-linked group based in Syria. Furthermore, Israeli troops have launched ground raids into Lebanon for the first time in 18 years, though they described the forays as limited. The prospect of a ground campaign pitting Israeli soldiers against Hezbollah, Iran's best-armed proxy force in the Middle East, raises concerns about a major regional escalation.

This attack is reminiscent of the events in April when both Iran and Israel launched missiles at each other with minimal casualties, seemingly designed to save face without escalating the conflict. However, given the recent escalation in Lebanon, the margin for error appears smaller this time. From an oil market perspective, the most significant concern is a wider Middle East war that could disrupt or shut down oil shipments through the Straits of Hormuz (SOH). Approximately ~21 million barrels per day (mmbd), or ~20% of the global oil supply flows through the SOH, making it the most important shipping channel in the world. While alternative measures exist, such as ~3.5 mmbd of pipeline capacity controlled by Saudi Arabia and the United Arab Emirates (UAE) plus the ability of import-dependent countries to temporarily tap into strategic reserves, we believe these measures fall well short of compensating for a full shutdown of the SOH. Therefore, in the event of a complete shutdown, a spike in oil prices appears likely, with potentially significant negative consequences for the global economy, in our view. The probability of a full-scale war between Israel and Iran is very difficult to estimate. However, if it happens, we believe the likelihood of a complete shutdown of the SOH rises significantly. WTI crude oil finished yesterday up 1.3% to $70.74/bbl. Our base case outlook is for WTI to trade in the $70/bbl to $80/bbl over the next 6-12 months. However, in the event of a complete shutdown of the SOH, we believe a spike in oil prices to $100/bbl or higher is possible.

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Wednesday October 2, 2024 — **All times Eastern. Consensus estimates via Bloomberg**

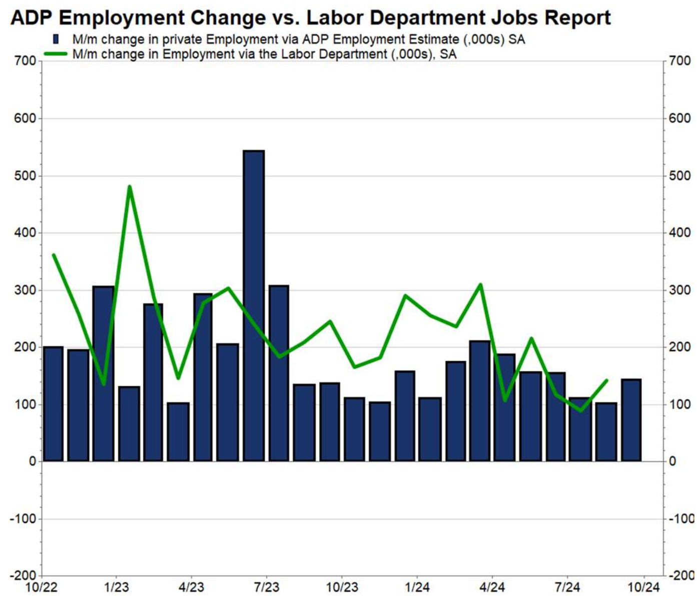
Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
8:15 AM	SEP	ADP Employment Estimate	+125k	**+143k**	+99k	+103k

Commentary:

- **ADP:** Payroll processor ADP this morning said net new job creation picked up a bit in September. The 143,000 jobs created in the private sector were the best since June, according to the report. ken last month. The report showed a sub-100,000 number for August, its weakest gain since early 2021.
- For a second straight month, however, net employment in the small business sector (businesses with 49 or fewer employees) declined, showing a loss of 9,000 jobs. Medium sized businesses (50 to 499 employees) showed a solid gain of 64,000 jobs added while Large companies (500+ employees) added 86,000.
- *Continued on next page…*

Friday's Employment Report from the Labor Department is expected to show 150,000 net new jobs to have been created in the month of September versus the 142,000 reported for July. The Unemployment Rate is expected to have remained steady at 4.2%.

- *The chart at right is sourced from FactSet and HAS been updated to reflect today's release.*



Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual	Actual	Est.	Est.	Actual	Actual	Actual	Actual	Est.	Est.	Est.
	2022	2023	2024	2025	Q3-2023	Q4-2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	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**

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.

This space intentionally left blank.

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.

Investment Research Leader

John C. Simmons, CFA
Vice President

Strategists

Chief Market Strategist
Anthony M. Saglimbene
Vice President

Thomas Crandall, CFA, CFP®, CMT, CAIA
Vice President – Asset allocation

Jun Zhu, CFA, CAIA
Sr Analyst – Quantitative, Asset allocation

Sumit Chugh, CFA
Sr Analyst

Amit Tiwari, CFA
Sr Associate I

Chief Economist
Russell T. Price, CFA
Vice President

Equity Research

Justin H. Burgin
Vice President

Patrick S. Diedrickson, CFA
Director – Consumer goods and services

William Foley, ASIP
Director – Energy and utilities

Lori Wilking-Przekop
Sr Director – Financial services and REITs

Chris Macino
Director – Health care

Frederick M. Schultz
Sr Director – Industrials and materials

Andrew R. Heaney, CFA
Director – Technology and Communication Services

Bishnu Dhar
Sr Analyst – Quantitative strategies and international

Research Support

Jillian Willis
Sr Administrative Assistant

Kimberly K. Shores
Investment Research Coordinator

Jeff Carlson, CLU®, ChFC®, RICP®
CRPC™
Business Risk Manager

Manager Research

Michael V. Jastrow, CFA
Vice President

ETFs, CEFs, UITs
Jeffrey R. Lindell, CFA
Sr Director

Alex Narum
Analyst II

Sagar Batra
Sr Associate I

Alternatives
Justin E. Bell, CFA
Vice President

Kay S. Nachampassak
Director

Quantitative Research
Kurt J. Merkle, CFA, CFP®, CAIA
Vice President

Peter W. LaFontaine
Sr Analyst

Gaurav Sawhney
Analyst II

Ryan Elvidge, CFA
Analyst II

Matt Burandt
Analyst II

Parveen Vedi
Sr Associate I

Harish Chauhan
Sr Associate I

Ankit Srivastav
Sr Associate I

Pulkit Kumar
Associate II

Sameer Asif
Associate II

Equities
Benjamin L. Becker, CFA
Sr Director – International and global equity

Cynthia Tupy, CFA
Director – Value equity and equity income

Andrew S. Murphy, CFA
Analyst II – Core equity

Teneshia Butler
Analyst II – Growth equity

Kuldeep Rawat
Sr. Associate I

Multi-Asset and Fixed Income
Mark Phelps, CFA
Sr Director – Multi-asset solutions

Josh Whitmore, CFA
Director – Fixed income

Lukas Leijon
Sr Associate II – Fixed income

Diptendu Lahiri
Sr Associate I – Fixed income

Fixed Income Research and Strategy

Brian M. Erickson, CFA
Vice President

Jon Kyle Cartwright
Sr Director – High yield and investment grade credit

Stephen Tufo
Director – High yield and investment grade credit

Retirement Research

Rohan Sharma
Vice President

Matt Morgan
Director

Will Ikola
Sr Manager

Keyur Mathur
Sr Manager

Shringarika Saxena
Business Analyst

Abhishek Anand
Principal Lead - Quality Engineering

Karan Prakash
Technical Lead - Quality Engineering

The content in this report is authored by American Enterprise Investment Services Inc. ("AEIS") and distributed by Ameriprise Financial Services, LLC ("AFS") to financial advisors and clients of AFS. AEIS and AFS are affiliates and subsidiaries of Ameriprise Financial, Inc. Both AEIS and AFS are broker-dealer member firms registered with FINRA and are subject to the objectivity safeguards and disclosure requirements relating to research analysts and the publication and distribution of research reports. The "Important Disclosures" below relate to the AEIS research analyst(s) that prepared this publication. The "Disclosures of Possible Conflicts of Interest" section, where applicable, relates to the conflicts of interest of each of AEIS and AFS, their affiliates and their research analysts, as applicable, with respect to the subject companies mentioned in the report.

Each of AEIS and AFS have implemented policies and procedures reasonably designed to ensure that its employees involved in the preparation, content and distribution of research reports, including dually registered employees, do not influence the objectivity or timing of the publication of research report content. All research policies, coverage decisions, compensation, hiring and other personnel decisions with respect to research analysts are made by AEIS, which is operationally independent of AFS.

Important Disclosures

As of September 30, 2024

The views expressed regarding the company(ies) and sector(s) featured in this publication reflect the personal views of the research analyst(s) authoring the publication. Further, no part of research analyst compensation is directly or indirectly related to the specific recommendations or views contained in this publication.

A part of a research analyst's compensation may be based upon overall firm revenue and profitability, of which investment banking, sales and trading, and principal trading are components. No part of a research analyst's compensation is based on a specific investment banking transaction, nor is it based on sales, trading, or principal trading. A research analyst may have visited the material operations of one or more of the subject companies mentioned in this research report. No payment was received for the related travel costs.

Additional information and current research disclosures on individual companies mentioned in this research report are available on our website at ameriprise.com/legal/disclosures in the **Additional Ameriprise research disclosures** section, or through your Ameriprise financial advisor. You may also submit a written request to Ameriprise Financial, Inc., 1441 West Long Lake Road, Troy MI, 48098. Independent third party research on individual companies is available to clients at ameriprise.com/research-market-insights/. SEC filings may be viewed at sec.gov.

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, LLC. Please consult with your financial advisor.

Risk Factors

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.

International investing involves certain risks and volatility due to potential political, economic currency instabilities and different financial and accounting standards. 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.

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.

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.

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.

Investments in **small- and mid-capitalization companies** involve greater risks and volatility than investments in larger, more established companies.

The products of **technology companies** may be subject to severe competition and rapid obsolescence, and their stocks may be subject to greater price fluctuations.

Value securities may be unprofitable if the market fails to recognize their intrinsic worth or the portfolio manager misgauged that worth.

Definitions of terms

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

Index definitions

An index is a statistical composite that is not managed. It is not possible to invest directly in an index. Definitions of individual indices mentioned in this report are available on our website at ameriprise.com/legal/disclosures/ in the Additional Ameriprise research disclosures section, or through your Ameriprise financial advisor

Disclaimer section

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

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

Past performance is not a guarantee of future results.

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

Third-party companies mentioned are not affiliated with Ameriprise Financial Services, LLC.

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

Securities offered by Ameriprise Financial Services, LLC. Member FINRA and SIPC.

This space intentionally left blank.