

Before the Bell

An Ameriprise Investment Research Group Publication

October 9, 2024

Starting the Day

- U.S. equity futures point to slightly lower open.
- European markets trading higher at midday.
- Asian markets ended decidedly mixed.
- Japan's Nikkei up 0.9% /China's CSI 300 down 6.6%
- Oil prices back-off but 10-y T yield holds higher levels.
- 10-year Treasury yield at 4.04%.
- West Texas Intermediate (WTI) oil is trading at \$73.59.
- Gold is trading at \$2,640.40

Market Perspectives

Mark Phelps, CFA Senior Director, Multi-Asset Solutions

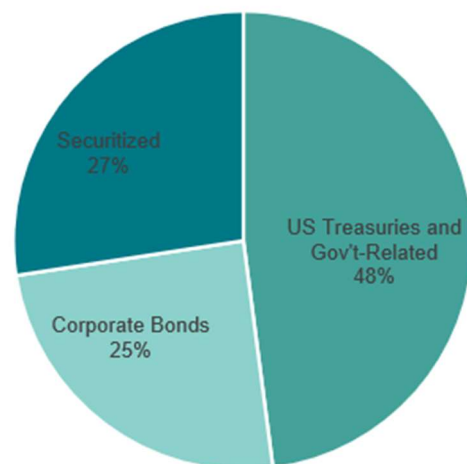
In addition to comments related to overnight activity and pre-market conditions, each Wednesday, we feature commentary from members of the Ameriprise Global Asset Allocation Committee discussing investment considerations targeting their specific area of expertise. The comments are intended to provide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

The Value of Mortgage Fund Rankings. Did you know there's a large group of traditional assets for which Morningstar does not have a dedicated category, and millions of Ameriprise clients are invested in these assets, including via IRG Model Portfolios, which have distinct allocations to these assets? We're referring to residential mortgage-backed securities and other assets that comprise "securitized assets." As of yesterday, the value of securitized assets included in the Bloomberg US Aggregate Bond Index was \$8.6 trillion and 54 actively managed mutual funds include a securitized- or mortgage-related index as its primary or secondary prospectus benchmark. Yet there is no dedicated category for funds focused on these investments.

As shown in the chart at right, the Bloomberg US Aggregate Bond Index ("The Agg") is broadly composed of U.S. Treasuries and other government-related securities, corporate bonds, and securitized assets, which include residential mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS). Securitized assets comprised 27% of The Agg as of 10/8/24. More than 90% of the securitized assets included in The Agg are MBS.

Morningstar has multiple government and corporate credit fixed income categories, but with no dedicated securitized or mortgage categories, where must an investor look to find fund's focused in these assets? Well, as it turns out, they can be found in several fixed income categories. While most are found in the Intermediate Government category, you can find these funds in six different categories as listed below.

Bloomberg US Aggregate Bond Index by Sector
As of 10/8/24



Source: Barclays Live, Ameriprise as of 10/8/24.

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

Number of Mortgage- and Securitized-Related Funds Per Morningstar Category (As of 10/7/2024)

Morningstar Category	# Mortgage/Securitized Funds
Intermediate Core Bond	7
Intermediate Core-Plus Bond	8
Intermediate Government	29
Multi-Sector Bond	5
Nontraditional Bond	4
Short Government	1

Source: Morningstar Direct, Ameriprise as of 10/8/24.

Not only has Morningstar made it difficult for investors to find securitized- and mortgage-related mutual funds and exchange-traded funds (ETFs), but since these funds are found in a variety of categories and are often grouped with funds that have materially different mandates, Morningstar has rendered category performance rankings of securitized-focused funds virtually useless. It's hard to find *and* compare these funds.

The Investment Research Group (IRG) is here to help Ameriprise advisors with a wide range of investment recommendations, ideas, and questions, including how and how much to allocate to securitized assets. Indeed, there are two actively managed mutual funds and one passively managed ETF focused on residential mortgages included on our Starting Point Recommended List.

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

United States:

Here is a quick news rundown to start your morning:

- **All eyes on Hurricane Milton** over the near-term as it approaches the West Coast of Florida as a Category 4 storm. Forecasters, however, indicate that it could once again become a Category 5 by the time it makes its full landfall sometime this afternoon or evening.
- **FOMC Minutes.** Meeting minutes from the September 18th meeting of the Federal Open Market Committee will be released at 2 pm ET today. These minutes will cover the Committee's decision to raise its fed funds target rate by 50 basis points – double the 25 basis points expected.
- **Google.** The Department of Justice announced late Tuesday recommendations for Google's search engine business following an August ruling that Google holds a monopoly in this area. The DOJ said it was, "considering behavioral and structural remedies that would prevent Google from using products such as Chrome, Play, and Android to advantage Google search."

Europe:

European equities are broadly positive after some morning weakness. Defensive sectors are leading the way, including Healthcare and Utility stocks. Utilities benefitted after a high-ranking European Central Bank (ECB) official called for faster central bank rate cuts as inflation in the region attains officials target rate.

Asia-Pacific:

The Shanghai Composite Index was off -6.6%, its worst showing since February 2020. Other markets in the region were higher, helping the MSCI AC Asia Pacific Index into positive territory. The sharp move in China related shares reflected continued volatility in the country's financial markets as investors try to gauge the exact measure of pending government stimulus actions. Strong measures implied by some officials have not yet panned out into details of equal influence, thus disappointing many. In Japan, the country's key manufacturing sentiment measure (the Tankan Survey) improved with a slightly better than expected reading.

WORLD CAPITAL MARKETS

10/9/2024

As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	1.0%	21.9%	5,751.1
Dow Jones	0.3%	13.3%	42,080.4
NASDAQ Composite	1.4%	21.8%	18,182.9
Russell 2000	0.1%	9.4%	2,195.0
Brazil Bovespa	-0.4%	-2.0%	131,512
S&P/TSX Comp. (Canada)	-0.1%	17.6%	24,072.5
Russell 3000	0.9%	20.3%	3,272.4

Europe (Intra-day)	% chg.	%YTD	Value
DJUSTOX 50 (Europe)	0.1%	12.9%	4,955.9
FTSE 100 (U.K.)	0.3%	9.5%	8,215.1
DAX Index (Germany)	0.3%	14.1%	19,119.6
CAC 40 (France)	0.3%	3.0%	7,546.1
FTSE MIB (Italy)	0.0%	11.1%	33,733.6
IBEX 35 (Spain)	-0.2%	20.2%	11,714.0
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.9%	19.2%	39,278.0
Hang Seng (Hong Kong)	-1.4%	26.2%	20,637.2
Korea Kospi 100	-0.6%	-1.3%	2,594.4
Singapore STI	0.6%	16.4%	3,595.7
Shanghai Comp. (China)	-6.6%	9.5%	3,258.9
Bombay Sensex (India)	-0.2%	14.0%	81,467.1
S&P/ASX 200 (Australia)	0.1%	12.3%	8,187.4

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.1%	18.1%	844.8

Developed International	% chg.	%YTD	Value
MSCI EAFE	-1.0%	10.6%	2,404.9

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-2.3%	15.7%	1,156.2

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	1.1%	29.4%	316.1
Consumer Discretionary	1.0%	11.8%	1,575.6
Consumer Staples	0.7%	16.3%	869.3
Energy	-2.6%	12.4%	701.5
Financials	0.6%	22.0%	754.5
Health Care	0.5%	12.7%	1,770.0
Industrials	0.2%	20.0%	1,145.4
Materials	-0.4%	12.0%	596.1
Real Estate	0.3%	10.8%	271.9
Technology	2.1%	31.5%	4,443.1
Utilities	0.1%	28.6%	403.7

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-1.1%	12.6%	286.3
FTSE NAREIT Comp. TR	0.0%	10.7%	26,482.0
DJ US Select Dividend	-0.1%	16.8%	3,505.7
DJ Global Select Dividend	0.0%	11.6%	235.4
S&P Div. Aristocrats	0.1%	12.3%	4,798.3

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.1%	3.2%	2,231.6
Barclays HY Bond	-0.1%	7.5%	2,665.9

Commodities	% chg.	% YTD	Value
CRB Raw Industrials	-0.8%	2.3%	556.2
NYMEX WTI Crude (p/bbl.)	-0.2%	2.5%	73.4
ICE Brent Crude (p/bbl.)	-0.2%	0.0%	77.1
NYMEX Nat Gas (mmBtu)	-1.6%	7.0%	2.7
Spot Gold (troy oz.)	0.0%	27.1%	2,622.1
Spot Silver (troy oz.)	0.1%	29.0%	30.7
LME Copper (per ton)	-1.9%	13.4%	9,594.6
LME Aluminum (per ton)	-3.4%	8.9%	2,554.8
CBOT Corn (cents p/bushel)	0.5%	-16.0%	423.0
CBOT Wheat (cents p/bushel)	1.4%	-9.8%	603.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/€)	-0.2%	-0.8%	1.10
British Pound (£/£)	-0.2%	2.8%	1.31

	% chg.	% YTD	Value
Japanese Yen (\$/¥)	-0.4%	-5.2%	148.78
Australian Dollar (A\$/S)	-0.2%	-1.2%	0.67

	% chg.	% YTD	Value
Canadian Dollar (\$/C\$)	-0.2%	-3.2%	1.37
Swiss Franc (\$/CHF)	0.0%	-1.9%	0.86

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	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
Consumer Staples	Overweight	2.0%	7.8%	Industrials	Equalweight	-	8.1%
Information Technology	Equalweight	-	32.5%	Energy	Equalweight	-	3.6%
Financials	Equalweight	-	12.3%	Utilities	Equalweight	-	2.3%
Health Care	Equalweight	-	11.7%	Materials	Equalweight	-	2.2%
Communication Services	Equalweight	-	9.4%	Real Estate	Equalweight	-	2.1%
				Consumer Discretionary	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	MSCI All-Country World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
United States	Overweight	2.1%	65.7%	Latin America	Equalweight	-	0.8%
Europe ex U.K.	Overweight	2.0%	14.8%	Asia-Pacific ex Japan	Underweight	-3.0%	7.6%
Japan	Overweight	1.0%	6.1%	Canada	Underweight	-1.0%	1.7%
United Kingdom	Equalweight	-	3.3%	Middle East / Africa	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.

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Wednesday October 9, 2024

All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:30 AM	AUG	Wholesale Inventories	+0.2%		+0.2%	
2:00 AM	NA	Sept. 18 FOMC Meeting Minutes	na		na	

Ameriprise Economic Projections

Forecast:	Full-year				Quarterly							
	Actual 2022	Actual 2023	Est. 2024	Est. 2025	Actual Q4-2023	Actual Q1-2024	Actual Q2-2024	Est. Q3-2024	Est. Q4-2024	Est. Q1-2025	Est. Q2-2025	
Real GDP (annualized)	2.5%	2.9%	2.6%	1.8%	3.2%	1.6%	3.0%	2.5%	1.9%	1.8%	2.0%	
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.7%	3.8%	4.1%	4.2%	4.4%	4.4%	4.4%	
CPI (YoY)	8.0%	3.4%	2.4%	2.0%	3.4%	3.5%	3.0%	2.5%	2.4%	2.1%	2.1%	
Core PCE (YoY)	5.2%	2.9%	2.4%	2.0%	2.9%	2.8%	2.6%	2.4%	2.3%	2.2%	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: October 2, 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	<ul style="list-style-type: none"> U.S. Large Cap Growth Developed Foreign Equity 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Emerging Foreign Equity
S&P 500 Sectors	<ul style="list-style-type: none"> Consumer Staples 	<ul style="list-style-type: none"> Communication Services Energy Financials Health Care Industrials Information Technology Materials Real Estate Utilities 	<ul style="list-style-type: none"> Consumer Discretionary
Global Equity Regions	<ul style="list-style-type: none"> Europe ex U.K. Japan United States 	<ul style="list-style-type: none"> Latin America United Kingdom 	<ul style="list-style-type: none"> Asia-Pacific ex Japan Canada Middle East / Africa
Fixed Income	<ul style="list-style-type: none"> U.S. Government U.S. Inv. Grd Corporate 	<ul style="list-style-type: none"> Developed Foreign Bond 	<ul style="list-style-type: none"> Emerging Foreign Bond High Yield Bond
Alternatives		<ul style="list-style-type: none"> Real Assets 	<ul style="list-style-type: none"> Alternative Strategies
Cash		<ul style="list-style-type: none"> 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

Major Market Indices	Rolling Returns			
	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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As of September 30, 2024

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

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