Before the Bell

An Ameriprise Investment Research Group Publication

October 31, 2024

Starting the Day

- U.S. futures are pointing to a lower open.
- European markets are trading lower at midday.
- Asian markets ended mixed.
- QCMD and QCMM updates now available.
- Big Tech earnings solid, though market reactions mixed.
- 10-year Treasury yield at 4.29%.
- West Texas Intermediate (WTI) oil is trading at $69.00.
- Gold is trading at $2,788.30

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

QCMD and QCMM Updates. A first look at third quarter U.S. GDP showed the economy grew by a healthy +2.8%, driven by increased consumer spending across both goods and services. Inflation continues to track lower, U.S. employment trends remain healthy, and consumer/investor confidence has brightened as these two dynamics have helped fuel a trajectory toward economic normalization. Additionally, S&P 500 profits continue to grow above expectations, with the outlook pointing to positive earnings growth for an increasing number of companies and sectors over the coming quarters. In our view, stocks could grind a little higher into year-end given these strong-to-stable fundamental conditions and positive seasonal tailwinds.

As a result, we have modestly bumped up our 2024 year-end S&P 500 base-case target from 5,750 (set in July) to 6,000. That said, unexpected U.S. election outcomes and/or amplified instability in the Middle East are risks that may weigh on stock prices and could challenge our year-end S&P 500 base and favorable targets. In our view, potential market disruptions caused by the likes of temporary election volatility or short-term geopolitical frictions may be an opportunity for long-term investors to put excess cash to work in equities.

Importantly, where the S&P 500 exactly finishes the year versus our target is unimportant to longer-term investors, given its two-month shelf life. Bottom line: Macroeconomic fundamentals continue to favor healthy allocations to high-quality stocks, keeping in mind that current valuations already reflect quite a bit of optimism about the outlook heading into 2025.

Ameriprise Global Asset Allocation Committee Targets and Views

Targets

2024 Year-end Targets:	Favorable Scenario	Base-Case Scenario	Adverse Scenario
S&P 500 Index:	6,100	**6,000**	5,300
10-Year U.S. Treasury Yield:	4.00%	**3.75%**	3.00%
Fed Funds Target Range:	4.25% to 4.50%	**4.50%to 4.75%**	4.00% to 4.25%

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

Please see latest *Quarterly Capital Market Digest* for more information. **Last Updated: October 30, 2024**

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

Below is a snapshot view of the tactical highlights through year-end:

- **The Macro Environment:** Solid labor conditions, falling inflation, growing profits, and Big Tech/artificial intelligence tailwinds helped fuel the S&P 500 Index to its strongest nine-month start to a year since 1997. With roughly two months to go until the page turns to 2025, a U.S. election, Middle East tensions, two Federal Reserve meetings, and key economic updates will color the environment.
- **The Fundamentals:** Stock valuations are stretched, though on measures of free cash flow and debt appear less aggressive. A healthy economy could lead to broader profit growth over the coming quarters, which may help the stock rally continue to broaden to areas outside of Technology.
- **The Portfolio:** Continue to implement a diversified investment approach of high-quality assets that hew toward the U.S.

For a deeper dive into our market outlook and asset allocation views, please refer to the latest edition of the Quarterly Capital Market Digest (QCMD) report. Also, please refer to the recently updated Quarterly Capital Market Monitor (QCMM) deck for a quick-hitting visual walkthrough of current market/economic trends.

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

United States:

Here is a quick news rundown to start your morning:

- **Stocks are looking at a flat-to-lower open.** The barrage of earnings reports and economic updates this week, with election night right around the corner, continues to keep investors busy and anxiety elevated. Market reactions to Big Tech earnings, which have been largely positive, have been mixed. However, with expectations high coming into this week's key reports, some lackluster trading post-reports (outside of Alphabet) shouldn't be entirely surprising. Personal income/spending/PCE inflation, as well as weekly jobless claims, are all on deck this morning.
- **Earnings Update:** With roughly 59% of S&P 500 third quarter reports complete, blended earnings per share (EPS) growth is higher by +6.0% year-over-year on revenue growth of +4.9%. Strong results from Alphabet, Microsoft, and Meta Platforms this week have helped lift overall Q3 S&P 500 EPS and sales results. On Wednesday, Microsoft reported Azure growth of +34% y/y in the prior quarter, which was driven, in part, by a strong increase in artificial intelligence. Growth in Azure is expected to slow to 31% - 32% y/y in the current quarter due to ongoing supply constraints. However, the company remained upbeat about continued growth/prospects in AI, noting positive Microsoft 365 Copilot adoption trends. Additionally, Meta Platforms surpassed analyst expectations for EPS and revenue in the prior quarter and guided current quarter revenue estimates above consensus estimates at the midpoint. Positive trends in AI, enhanced user engagement, and increased ad relevance were positive highlights from the previous quarter. That said, fiscal year 2024 capex spending was guided slightly higher to $38 - $40 billion, with significant capex growth expected for 2025. After markets close today, Apple, Amazon, and Intel will be out with their reports.

Europe:

European markets have taken on a defensive tone at midday, following lukewarm reactions to recent earnings, the upcoming U.S. election, and expectations that the European Central Bank needs to cut rates more aggressively to support European growth. A preliminary look at October Eurozone headline consumer inflation showed a +2.0% y/y increase, in line with the ECB's target. That's a jump from the +1.7% rate in September, with October inflation seeing a smaller decline in energy cost, though core inflation this month held steady at +2.7% y/y.

Asia-Pacific:

The Bank of Japan left interest rate policy unchanged, as expected. The BOJ reaffirmed that policy adjustments moving forward would continue if its outlook is met. BOJ economic projections showed little change. Separately, official China manufacturing PMI moved into expansion this month for the first time since April. October nonmanufacturing PMI remained in expansion, lifted by the Golden Week holiday, but came in slightly below expectations.

WORLD CAPITAL MARKETS

10/31/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.3%	23.3%	5,813.7
Dow Jones	-0.2%	13.5%	42,141.5
NASDAQ Composite	-0.6%	24.7%	18,607.9
Russell 2000	-0.2%	11.4%	2,233.0
Brazil Bovespa	-0.1%	-2.6%	130,639
S&P/TSX Comp. (Canada)	-0.2%	19.9%	24,507.8
Russell 3000	-0.3%	21.9%	3,314.4

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.8%	10.5%	4,845.5
FTSE 100 (U.K.)	-0.8%	8.0%	8,097.8
DAX Index (Germany)	-0.6%	14.3%	19,148.8
CAC 40 (France)	-1.0%	0.4%	7,355.4
FTSE MIB (Italy)	-0.5%	13.1%	34,335.3
IBEX 35 (Spain)	-0.2%	20.6%	11,692.9
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-0.5%	18.6%	39,081.3
Hang Seng (Hong Kong)	-0.3%	24.2%	20,317.3
Korea Kospi 100	-1.5%	-2.6%	2,556.2
Singapore STI	0.0%	15.3%	3,558.9
Shanghai Comp. (China)	0.4%	10.2%	3,279.8
Bombay Sensex (India)	-0.7%	11.3%	79,389.1
S&P/ASX 200 (Australia)	-0.2%	12.0%	8,160.0

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.4%	18.2%	844.9

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.3%	8.4%	2,353.8

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-0.9%	12.8%	1,126.5

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	1.0%	33.5%	325.6
Consumer Discretionary	0.0%	14.2%	1,609.4
Consumer Staples	-0.3%	15.6%	862.9
Energy	0.0%	8.5%	676.8
Financials	0.4%	26.7%	783.0
Health Care	-0.2%	10.0%	1,725.5
Industrials	-0.2%	19.9%	1,144.0
Materials	0.4%	11.9%	595.2
Real Estate	0.4%	12.5%	275.7
Technology	-1.3%	33.8%	4,520.9
Utilities	-0.2%	27.9%	401.7

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.0%	11.3%	282.9
FTSE NAREIT Comp. TR	0.4%	12.1%	26,817.1
DJ US Select Dividend	0.7%	18.1%	3,546.8
DJ Global Select Dividend	-0.3%	10.5%	232.6
S&P Div. Aristocrats	-0.1%	11.7%	4,770.0

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.1%	1.9%	2,203.3
Barclays HY Bond	0.0%	7.6%	2,668.1

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.1%	1.2%	550.0
NYMEX WTI Crude (p/bbl.)	0.7%	-3.5%	69.1
ICE Brent Crude (p/bbl.)	0.6%	-5.2%	73.0
NYMEX Nat Gas (mmBtu)	-1.9%	11.1%	2.8
Spot Gold (troy oz.)	-0.3%	34.7%	2,779.6
Spot Silver (troy oz.)	-0.6%	41.1%	33.6
LME Copper (per ton)	0.1%	11.0%	9,398.0
LME Aluminum (per ton)	-1.6%	10.2%	2,584.3
CBOT Corn (cents p/bushel)	-0.2%	-18.5%	410.5
CBOT Wheat (cents p/bushel)	-0.7%	-14.9%	569.5

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.1%	-1.5%	1.09
British Pound (£/$)	0.1%	2.0%	1.30
Japanese Yen ($/¥)	0.4%	-7.7%	152.77
Australian Dollar (A$/$)	0.0%	-3.6%	0.66
Canadian Dollar ($/C$)	-0.1%	-4.8%	1.39
Swiss Franc ($/CHF)	0.1%	-2.8%	0.87

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
Financials	12.9%	Overweight	2.0%	14.9%
Consumer Staples	5.9%	Overweight	2.0%	32.5%
Information Technology	31.9%	Equalweight	-	31.9%
Health Care	11.5%	Equalweight	-	11.5%
Communication Services	8.8%	Equalweight	-	8.8%
Energy	3.2%	Equalweight	-	3.2%
Utilities	2.5%	Equalweight	-	2.5%
Materials	2.3%	Equalweight	-	2.3%
Real Estate	2.3%	Equalweight	-	2.3%
Consumer Discretionary	10.2%	Underweight	-2.0%	8.2%
Industrials	8.5%	Underweight	-2.0%	6.5%

As of: September 30, 2024

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 9/26/2024. 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	62.8%	Overweight	2.2%	65.0%
Europe ex U.K.	12.9%	Equalweight	-	12.9%
Asia-Pacific ex Japan	11.0%	Equalweight	-	11.0%
Japan	5.2%	Equalweight	-	5.2%
United Kingdom	3.2%	Equalweight	-	3.2%
Latin America	0.9%	Equalweight	-	0.9%
Canada	2.8%	Underweight	1.0%	1.8%
Middle East / Africa	1.2%	Underweight	-1.2%	0.0%

as of: September 30, 2024

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 09/26/2024. 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:

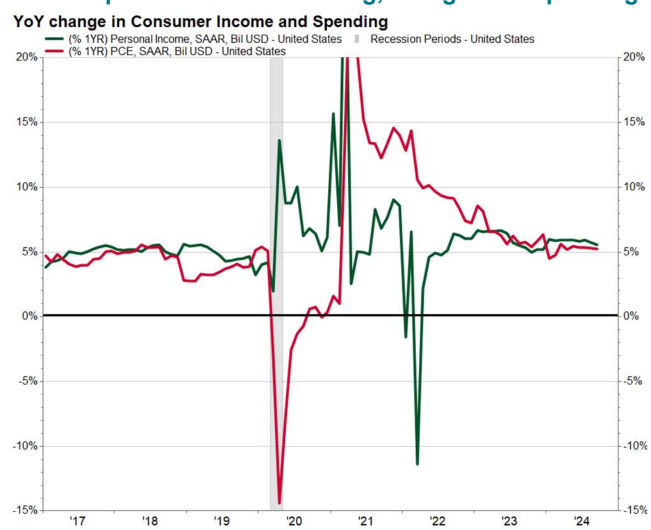
Russell T. Price, CFA – Chief Economist

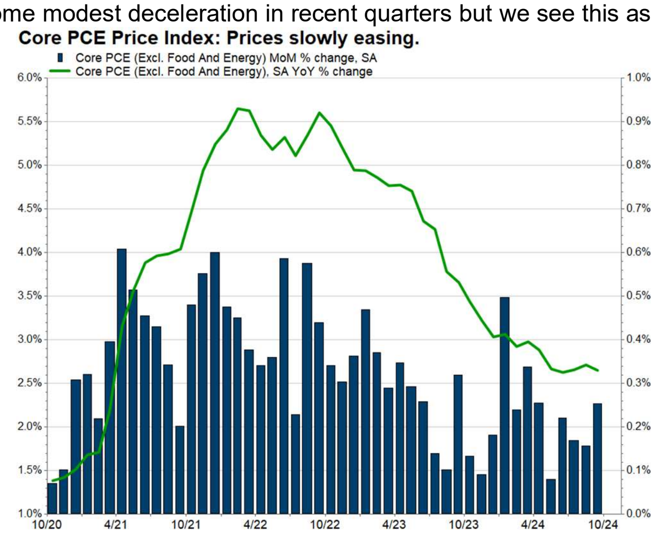
Releases for Thursday October 31, 2024 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:30 AM	Oct. 26	Initial Jobless Claims	230k	**216k**	227k	228k
8:30 AM	Oct. 19	Continuing Claims	1880k	**1867k**	1897k	1888k
8:30 AM	SEP	Personal Income	+0.3%	**+0.3%**	+0.2%	
8:30 AM	SEP	Personal Spending	+0.4%	**+0.5%**	+0.2%	+0.3%
8:30 AM	SEP	PCE Deflator (MoM)	+0.2%	**+0.2%**	+0.1%	
8:30 AM	SEP	Core PCE Deflator (MoM)	+0.3%	**+0.3%**	+0.1%	+0.2%
8:30 AM	SEP	PCE Deflator (YoY)	+2.1%	**+2.1%**	+2.2%	+2.3%
8:30 AM	SEP	Core PCE Deflator (YoY)	+2.6%	**+2.7%**	+2.7%	
9:45 AM	OCT	Chicago Purch. Managers Index	47.0		46.6	

Commentary:

- **Personal income and spending were both generally in-line with expectations this morning, though with spending a tenth higher due to rounding.**
- The inflation metrics associated with this morning's reports were also generally inline with expectations. The Core PCE rate, however, was also a tenth higher than forecasts, again due to rounding.
- Overall, we see the reports as likely to be supportive of near-term investor sentiment.
- **Personal income:** Total personal income was a solid 5.5% higher y/y and the most important category of income, wages and salaries, grew 0.5% month-over-month (m/m) and the category was a strong 6.4% higher on a y/y basis.
- **Personal spending**, meanwhile, remained strong with a 5.3% increase over year-ago levels.
- Overall, we continue to see consumers as being in good financial shape and thus in good position to support economic growth over the intermediate-term via solid spending levels.
- Most metrics of consumer outlays, however, have shown some modest deceleration in recent quarters but we see this as a healthy development that should slowly bring income and spending growth rates into balance at solid yet sustainable levels.
- *The charts at right are sourced from FactSet and HAVE been updated to reflect today's releases.*





Ameriprise Economic Projections											
Forecast:	**Full-year**				**Quarterly**						
	Actual	Actual	**Est.**	**Est.**	Actual	Actual	Actual	Actual	Est.	Est.	Est.
	2022	**2023**	**2024**	**2025**	Q4-2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025
Real GDP (annualized)	2.5%	2.9%	2.7%	1.8%	3.2%	1.6%	3.0%	2.8%	1.9%	1.8%	2.0%
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.7%	3.8%	4.1%	4.1%	4.2%	4.1%	4.0%
CPI (YoY)	8.0%	3.4%	2.4%	2.0%	3.4%	3.5%	3.0%	2.4%	2.3%	2.0%	2.0%
Core PCE (YoY)	5.2%	2.9%	2.4%	2.0%	2.9%	2.8%	2.6%	2.7%	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 31, 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:	6,100	**6,000**	5,300
10-Year U.S. Treasury Yield:	4.00%	**3.75%**	3.00%
Fed Funds Target Range:	4.25% to 4.50%	**4.50% to 4.75%**	4.00% to 4.25%

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

Please see latest *Quarterly Capital Market Digest* for more information. **Last Updated: October 30, 2024**

This space intentionally left blank.

Global Asset Allocation Committee Views

AMERIPRISE GLOBAL ASSET ALLOCATION COMMITTEE TACTICAL ASSET CLASS VIEWS

2024 Year-end S&P 500 Target: 5,750
2024 Year-End 10-year Treasury Target: 3.75% *as of 09/27/2024*

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

As of September 30, 2024	Rolling Returns			
Major Market Indices	**Q3'24**	**1-year**	**3-years**	**5-years**
Russell 3000® Index (U.S. Equity)	6.23%	35.19%	10.29%	15.26%
MSCI ACWI Ex USA Index – net (Foreign Equity)	8.06%	25.35%	4.14%	7.59%
Bloomberg U.S. Universal Bond Index (Fixed Income)	5.20%	12.08%	-1.05%	0.70%
Wilshire Liquid Alternative Index (Alternatives)	2.56%	10.18%	2.35%	3.18%
FTSE Three-Month Treasury Bill Index (Cash)	1.37%	5.63%	3.63%	2.38%

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.