# Before the Bell

*An Ameriprise Investment Research Group Publication*

November 12, 2024

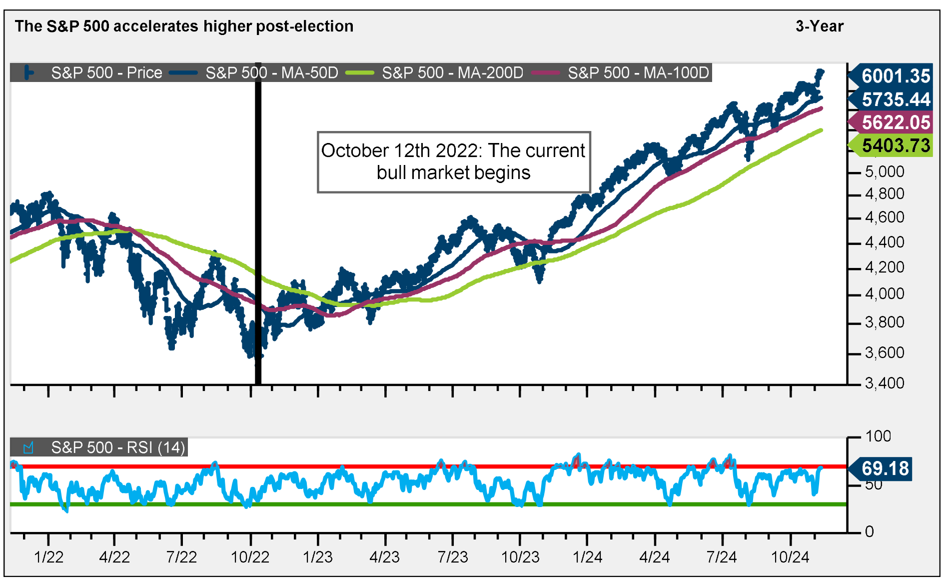
## Starting the Day

- U.S. futures are pointing to a lower open.
- European markets are trading lower at midday.
- Asian markets ended in the red.
- A quick read on the bull/bear themes driving stocks.
- S&P 500 approaches near-term overbought conditions.
- 10-year Treasury yield at 4.36%.
- West Texas Intermediate (WTI) oil is trading at $68.42.
- Gold is trading at $2,610.00

## Market Perspectives

**Anthony Saglimbene, Chief Market Strategist**

**Stocks continue to shed their pre-election anxiety.** Stocks closed higher on Monday, with the S&P 500 Index (+0.1%) closing above 6,000 and notching its 51st closing high of the year. The Dow Jones Industrials Average (+0.7%) closed above 44,000 yesterday, while the NASDAQ Composite (+0.1%) eked out a fractional gain. However, the gains in the Dow and NASDAQ were good enough to send both indexes to new all-time highs. Finally, the Russell 2000 Index was Monday's broad-based stock benchmark leader, jumping nearly +1.5% on the day. The small-cap barometer extended its strong post-election gain from last week, which saw the Russell 2000 gain more than +8.5%, notching its best week since March 2020. As the *FactSet* chart to the right shows, the S&P 500 again finds itself in uncharted waters, trading well above all its major moving day averages and starting to approach the 70 threshold in its relative strength index (RSI), indicating near-term conditions are approaching overbought territory. At some point, investors will likely take a breath, relax, and let the post-election euphoria settle down. This week's CPI and PPI update later in the week, as well as Friday's retail sales report, will allow some fundamental data to creep back into the market narrative. That said, investors have started to gameplan a second-wave Trump administration starting in January. Look for a mix of policy headlines (from the Federal Reserve and Washington), economic updates, earnings machinations (NVIDIA reports results on November 20th), and the outlook for 2025 to move stocks around through year-end. At least from what we've seen over recent days, Santa may be coming early this year.




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

Below is a quick take on the bullish and bearish themes driving markets at the moment.

**Bullish considerations:**

- A clear and decisive election outcome for President-elect Trump has helped drive an unwind in downside volatility hedging and removed one of the last items of 2024 uncertainties weighing on risk sentiment through year-end.
- A Trump victory is bolstering optimism for lower taxes and deregulation starting next year. Simply, A Red Sweep (all three branches of government under Republican control) has increased the chances that corporate taxes could be headed lower. This could boost S&P 500 earnings per share (EPS) estimates by another +4.0% - +5.0%.
- Favorable seasonality factors into year-end, along with some "Fear of Missing Out" (FOMO) trading following the election, combined with high cash levels for good measure, provide a solid backdrop for stock prices over the near term.
- Corporate buybacks and momentum into non-tech cyclical and small caps are helping support a broadening rally.
- 75% of S&P 500 companies reporting Q3'24 earnings have surpassed estimates. Hurdle rates for Q4 and full-year 2025 S&P 500 earnings have come down (making it easier for companies to surpass estimates), though profit growth is expected to remain solid through next year.

**Bearish considerations:**

- Uncertainty surrounding how/where the Trump administration plans to increase tariffs next year, as well as its undetermined plans to reduce illegal immigration and increase deportations.
- Global trade uncertainty, potential inflation impacts, and the chance that more aggressive tariffs could dent consumer spending create difficult-to-forecast outcomes for profits and, ultimately, stock price reactions.
- Potentially higher U.S. growth and/or elevated inflation next year could slow Fed rate cuts and lead to a higher fed funds terminal rate. Higher rates may lead to unexpected stress in the market.
- Stock valuations are stretched in some pockets and may become more stretched if stocks continue to rally into next year. Optimism about a growth-focused Trump administration is quickly being discounted into stock prices, leaving room for potential disappointment should outcomes fall short of campaign promises.

## 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 slightly lower open.** Following stock gains yesterday and the S&P 500 recording its 51st all-time high of the year, stock futures this morning are looking at a somewhat weaker open at the time of this writing. The U.S. Dollar Index is moving higher, while Gold is lower. Bitcoin is trading above $87,600, rising as much as +10% on Monday alone. Since election day, the cryptocurrency has gained more than +26%. During the campaign, President-elect Trump promised to make the regulatory environment smoother and more supportive of cryptocurrency and the businesses surrounding the digital asset. Government bond yields are again on the rise this morning, which may be sapping some risk appetite. However, concerns about a possibly hotter-than-expected CPI report on Wednesday, as well as overbought conditions across pockets of the stock market, may also be cooling sentiment.
- **Earnings Update:** With roughly 91% of S&P 500 third quarter reports complete, blended earnings per share (EPS) growth is higher by +5.3% year-over-year on revenue growth of +5.4%.

### Europe:

Stocks across the region are trading lower at midday. After playing some catchup from Monday's bounce in the U.S., concerns over possible trade entanglements with the U.S. and political uncertainty in Germany are weighing on sentiment. *FactSet* noted that Germany will hold a federal election on February 23rd, with a vote of confidence in German Chancellor Scholz on December 16th.

### Asia-Pacific:

Stocks traded lower overnight. Underwhelming fiscal stimulus in China and the potential for dramatically higher tariffs against Beijing once President-elect takes office in January weighed on sentiment.

## WORLD CAPITAL MARKETS

11/12/2024 As of: 8:30 AM ET

| Americas | % chg. | % YTD | Value |
|---|---|---|---|
| S&P 500 | 0.1% | 27.3% | 6,001.4 |
| Dow Jones | 0.7% | 19.4% | 44,293.1 |
| NASDAQ Composite | 0.1% | 29.3% | 19,298.8 |
| Russell 2000 | 1.5% | 21.5% | 2,435.0 |
| Brazil Bovespa | 0.0% | -4.7% | 127,874 |
| S&P/TSX Comp. (Canada) | 0.1% | 21.3% | 24,789.3 |
| Russell 3000 | 0.3% | 26.7% | 3,443.8 |

| Europe (Intra-day) | % chg. | %YTD | Value |
|---|---|---|---|
| DJSTOXX 50 (Europe) | -1.0% | 9.6% | 4,805.0 |
| FTSE 100 (U.K.) | -0.9% | 7.6% | 8,053.2 |
| DAX Index (Germany) | -1.0% | 15.0% | 19,256.9 |
| CAC 40 (France) | -1.3% | 0.1% | 7,330.9 |
| FTSE MIB (Italy) | -1.0% | 12.1% | 34,016.7 |
| IBEX 35 (Spain) | -0.8% | 18.7% | 11,502.3 |
| MOEX Index (Russia) | #VALUE! | #VALUE! | #N/A N/A |

| Asia/Pacific (Last Night) | % chg. | %YTD | Value |
|---|---|---|---|
| Nikkei 225 (Japan) | -0.4% | 19.6% | 39,376.1 |
| Hang Seng (Hong Kong) | -2.8% | 21.5% | 19,846.9 |
| Korea Kospi 100 | -1.9% | -5.3% | 2,482.6 |
| Singapore STI | -0.7% | 20.3% | 3,711.5 |
| Shanghai Comp. (China) | -1.4% | 15.0% | 3,422.0 |
| Bombay Sensex (India) | -1.0% | 10.3% | 78,675.2 |
| S&P/ASX 200 (Australia) | -0.1% | 13.7% | 8,255.6 |

| Global | % chg. | % YTD | Value |
|---|---|---|---|
| MSCI All-Country World Idx | 0.0% | 20.8% | 863.1 |

| Developed International | % chg. | %YTD | Value |
|---|---|---|---|
| MSCI EAFE | -0.2% | 7.5% | 2,331.9 |

| Emerging International | % chg. | %YTD | Value |
|---|---|---|---|
| MSCI Emerging Mkts | -0.9% | 12.8% | 1,125.9 |

*Note: International market returns shown on a local currency basis. The equity index data shown above is on a total return basis, inclusive of dividends.*

| S&P 500 Sectors | % chg. | % YTD | Value |
|---|---|---|---|
| Communication Services | 0.4% | 36.7% | 333.4 |
| Consumer Discretionary | 1.8% | 25.8% | 1,772.1 |
| Consumer Staples | -0.5% | 16.1% | 866.8 |
| Energy | 0.4% | 15.7% | 720.8 |
| Financials | 1.4% | 34.2% | 828.7 |
| Health Care | -0.6% | 10.8% | 1,738.3 |
| Industrials | 0.8% | 26.9% | 1,209.7 |
| Materials | -0.5% | 11.0% | 590.5 |
| Real Estate | -0.8% | 11.4% | 272.9 |
| Technology | -0.9% | 35.7% | 4,583.7 |
| Utilities | 0.3% | 28.4% | 402.7 |

| Equity Income Indices | % chg. | % YTD | Value |
|---|---|---|---|
| JPM Alerian MLP Index | 0.2% | 13.4% | 288.3 |
| FTSE NAREIT Comp. TR | -0.5% | 11.2% | 26,596.8 |
| DJ US Select Dividend | 0.7% | 22.3% | 3,672.5 |
| DJ Global Select Dividend | -0.9% | 10.3% | 231.6 |
| S&P Div. Aristocrats | 0.3% | 14.2% | 4,879.3 |

| Bond Indices | % chg. | % YTD | Value |
|---|---|---|---|
| Barclays US Agg. Bond | 0.0% | 2.2% | 2,209.5 |
| Barclays HY Bond | 0.0% | 8.3% | 2,685.2 |

| Commodities<br>Futures & Spot (Intra-day) | % chg. | % YTD | Value |
|---|---|---|---|
| CRB Raw Industrials | -0.3% | 0.8% | 547.8 |
| NYMEX WTI Crude (p/bbl.) | 1.0% | -4.1% | 68.7 |
| ICE Brent Crude (p/bbl.) | 0.9% | -5.9% | 72.5 |
| NYMEX Nat Gas (mmBtu) | -0.4% | 15.7% | 2.9 |
| Spot Gold (troy oz.) | -0.5% | 26.3% | 2,606.5 |
| Spot Silver (troy oz.) | -0.6% | 28.2% | 30.5 |
| LME Copper (per ton) | -1.2% | 8.5% | 9,187.5 |
| LME Aluminum (per ton) | -1.4% | 8.7% | 2,549.1 |
| CBOT Corn (cents p/bushel) | 0.3% | -14.3% | 431.5 |
| CBOT Wheat (cents p/bushel) | 0.0% | -15.4% | 565.8 |

| Foreign Exchange (Intra-day) | % chg. | % YTD | Value |
|---|---|---|---|
| Euro (€/$) | -0.3% | -3.8% | 1.06 |
| British Pound (£/$) | -0.4% | 0.7% | 1.28 |
| Japanese Yen ($/¥) | -0.3% | -8.5% | 154.12 |
| Australian Dollar (A$/$) | -0.4% | -3.8% | 0.66 |
| Canadian Dollar ($/C$) | -0.1% | -5.0% | 1.39 |
| Swiss Franc ($/CHF) | 0.0% | -4.5% | 0.88 |

*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:

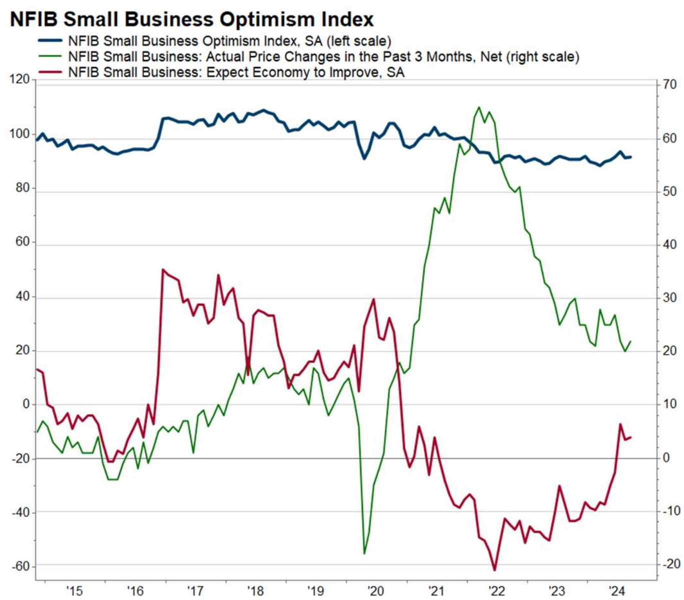
**Russell T. Price, CFA – Chief Economist**

**Releases for Tuesday, November 12, 2024** **All times Eastern. Consensus estimates via Bloomberg**

| Time | Period | Release | Consensus Est. | **Actual** | Prior | Revised to |
|---|---|---|---|---|---|---|
| 6:00 AM | NOV | NFIB Small Business Optimism Index | 92.0 | **93.7** | 91.5 | |

**Commentary:**

- **Small business optimism jumps… but uncertainly spikes as well.** According to this morning's Small Business Optimism Index (SBOI) from the National Federation of Independent Businesses (NFIB), small business optimism jumped 2.2 points last month. The increase is similar to, but smaller than, the 3.5-point hike the Index posted in 2016 at the time of president-elect Trump's first election win.
- Economic conditions were a bit different at that time, as they always are, but in 2016 the Index still had further gains to reveal in its December results. In the December 2016 release, the SBOI jumped 7.4 points, its largest month-over-month gain of the last 20 years.
- This month's gain was driven by respondents' expectations for better economic conditions, as was the case in 2016. Today's report showed a 7-point increase in its economic expectations component, rising to its best level in 47 months. Small business owners also continue to be incrementally more optimistic on inflation (see green line in chart below). Today's report showed a modest 1-point decline in its "higher selling prices" component which is a continuation of the measure's longer-term deceleration trend.
- All is not good in the eyes of small business owners, however. In today's release, the report's **Uncertainty Index** jumped a sharp 7 points to its highest level of the last 20-years. *The chart at right is sourced from FactSet and has been updated to reflect today's release.*




*This space intentionally left blank.*

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