Before the Bell

An Ameriprise Investment Research Group Publication

December 6, 2024

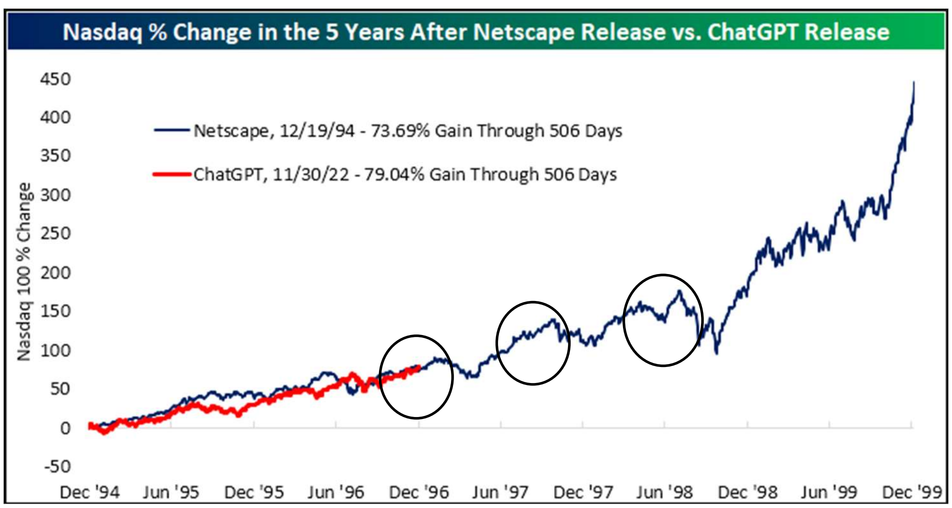
Starting the Day

- U.S. stock index futures look for a slightly higher open.
- European markets are trading mostly higher at midday.
- Asian markets ended mostly lower.
- Have a plan if Big Tech sees choppier seas next year.
- November nonfarm payrolls increase +227k.
- 10-year Treasury yield at 4.19%.
- West Texas Intermediate (WTI) oil is trading at $67.60.
- Gold is trading at $2,656.90

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

What do Netscape and ChatGPT have in common? Remember Netscape and the unmistakable sounds of dial-up internet in the 1990s? Looking back, it was the early days of rapid technological advancement and when the world wasn't quite sure what it would do with the internet and how/if the "worldwide web" would change their lives. Fast forward a few decades, and on November 30th, 2022, ChatGPT was introduced to the world, and the Artificial Intelligence boom was born. Over the last two years, companies associated with the revolutionary technology have seen their stock prices soar, helping the NASDAQ Composite gain over +70% since the arrival of ChatGPT. For example, NVIDIA, which was a niche company mostly known by gamers for its graphic cards in 2022, has morphed into a Big Tech powerhouse, now supplying the essential GPUs used to power the AI infrastructure being built by the likes of Microsoft, Amazon, and Alphabet. As we have noted in prior commentaries, we view the advent of AI as a revolutionary technology on par with the Industrial Revolution and the world's introduction to the Internet.



On that last point, the *Bespoke Investment Group* chart above shows how the NASDAQ 100 Index performed after the introduction of Netscape (i.e., an early browser that modernized internet usage and brought the technology to the masses) overlayed with the performance of the Index after ChatGPT's release. As can be seen in the chart, the NASDAQ 100 has performed very similarly in the 500 trading days or so after each of these revolutionary technology advancements. Of course, past performance is not a guarantee of future performance. Still, in the years following Netscape's release and after the first 500 trading days, the NASDAQ 100 went on to post very strong gains for several years prior to the dotcom bust, albeit with a few drawdowns built in.

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

Bottom line: The AI revolution is just beginning, and we would argue advancements in its technology, usage, and utility offer ample opportunities to own Technology in your portfolio for years to come. That said, if history is any guide, some of the companies that have fueled the Big Tech rally over the last two years could be due for a pause or, in some cases, choppier waters ahead. In the same regard, those choppy waters shouldn't derail the secular theme of AI, in our view. As the calendar turns to 2025, start formulating a plan on how you would approach a potential near-term drawdown in Technology, where prices and expectations reset away from overly Goldilocks scenarios for profits and growth.

Our quick take: Expect more bumps in the road around AI growth/adoption next year. Have a plan of action if the tides turn against you, which could include more selective Technology investments, utilizing dollar-cost averaging strategies, or being comfortable sitting tight and riding out the near-term storms in today's Big Tech leaders. Notably, keep your expectations for AI and the outlook for technology as a whole reasonable next year. It's important to remember that longer-term secular growth trends can go through periods of downturn, which sometimes look quite jarring to even professional investors.

U.S. Premarket Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **Stock index futures have improved a bit following the Employment Report and markets now look to open slightly higher.** Week-to-date, the S&P 500 Index is higher by +0.7%, while the NASDAQ Composite is higher by +2.5%, with major U.S. stock averages on pace for a mixed week of performance. Prior to the release of the nonfarm payrolls report this morning, investors were primed to look at the release through the lens of what it means for a potential Fed rate cut later this month. Next week's inflation reports, including CPI, will be the last major data points to chew on before the Fed's policy decision on December 18th and before traders and investors start tuning out for the holidays.
- **The November employment report:** *FactSet* estimates for nonfarm payrolls called for roughly +200K new jobs to have been created last month, a jump from October's print of 12,000. In addition, the November unemployment rate was expected to hold steady at 4.1%. **Following today's Bureau of Labor Statistics release, jobs in the U.S. rose by +227k last month, while the unemployment rate moved at 4.2%.**

Europe:

The market's attention continues to focus on French politics and this week's fallout from a no-confidence vote in the current government. French President Emmanuel Macron addressed the nation and vowed to stay in his role until 2027. Macron blamed the far-right and far-left wings of the government for the political dysfunction in order to push for an early election. Macron said he would now install a new Prime Minister to lead a caretaker government until elections can be held in July. Markets appear stable, with pundits seeing a low contagion risk for a broader Eurozone sell-off from the political noise in France.

Asia-Pacific:

Stocks in South Korea fell sharply on Friday following rumors of a potential second attempt by President Yoon to declare martial law. Hours before the rumor spread, the ruling People's Power Party (PPP) chief Han Don-hoon said Yoon should no longer be allowed to exercise his executive powers and after seeing evidence the President planned to arrest major political leaders during the failed attempt at martial law earlier in the week. A parliamentary vote on Saturday to remove Yoon from power remains scheduled.

This space intentionally left blank.

WORLD CAPITAL MARKETS

12/6/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.2%	29.0%	6,075.1
Dow Jones	-0.6%	20.9%	44,765.7
NASDAQ Composite	-0.2%	32.1%	19,700.7
Russell 2000	-1.3%	19.7%	2,396.2
Brazil Bovespa	1.4%	-4.7%	127,858
S&P/TSX Comp. (Canada)	0.2%	26.0%	25,680.0
Russell 3000	-0.3%	28.5%	3,487.3

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.6%	13.9%	4,982.1
FTSE 100 (U.K.)	-0.1%	11.8%	8,342.4
DAX Index (Germany)	0.3%	21.8%	20,411.8
CAC 40 (France)	1.5%	1.7%	7,439.5
FTSE MIB (Italy)	0.7%	14.8%	34,852.8
IBEX 35 (Spain)	0.1%	25.3%	12,129.9
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-0.8%	18.7%	39,091.2
Hang Seng (Hong Kong)	1.6%	21.7%	19,865.9
Korea Kospi 100	-0.6%	-7.4%	2,428.2
Singapore STI	-0.7%	23.8%	3,796.2
Shanghai Comp. (China)	1.0%	14.4%	3,404.1
Bombay Sensex (India)	-0.1%	14.6%	81,709.1
S&P/ASX 200 (Australia)	-0.6%	16.2%	8,420.9

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.0%	22.2%	872.2

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.6%	8.8%	2,358.3

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.2%	10.5%	1,102.3

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

S&P 500 Sectors	% chg.	% YTD	Value
Communication Services	-0.5%	39.0%	339.0
Consumer Discretionary	1.0%	31.4%	1,849.9
Consumer Staples	0.4%	20.5%	897.8
Energy	0.3%	13.3%	702.1
Financials	0.2%	35.6%	836.6
Health Care	-1.1%	7.7%	1,687.8
Industrials	-1.2%	24.9%	1,188.9
Materials	-1.4%	9.0%	578.0
Real Estate	-0.3%	12.2%	274.3
Technology	-0.2%	39.4%	4,704.7
Utilities	0.3%	30.5%	407.5

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.6%	21.6%	309.2
FTSE NAREIT Comp. TR	-0.2%	11.4%	26,660.5
DJ US Select Dividend	0.1%	23.7%	3,712.8
DJ Global Select Dividend	0.1%	12.6%	236.0
S&P Div. Aristocrats	-0.2%	14.1%	4,875.3

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.0%	3.2%	2,230.6
Barclays HY Bond	0.0%	9.0%	2,703.1

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.1%	0.4%	545.8
NYMEX WTI Crude (p/bbl.)	-1.2%	-5.8%	67.5
ICE Brent Crude (p/bbl.)	-1.1%	-7.5%	71.3
NYMEX Nat Gas (mmBtu)	-1.3%	20.8%	3.0
Spot Gold (troy oz.)	0.2%	27.8%	2,636.6
Spot Silver (troy oz.)	-0.6%	30.7%	31.1
LME Copper (per ton)	-0.1%	5.9%	8,961.8
LME Aluminum (per ton)	-0.3%	11.3%	2,610.7
CBOT Corn (cents p/bushel)	0.2%	-15.3%	435.8
CBOT Wheat (cents p/bushel)	0.1%	-17.7%	558.8

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.0%	-4.1%	1.06
British Pound (£/$)	0.1%	0.3%	1.28
Japanese Yen ($/¥)	-0.3%	-6.3%	150.51
Australian Dollar (A$/$)	-0.6%	-5.9%	0.64
Canadian Dollar ($/C$)	-0.3%	-5.9%	1.41
Swiss Franc ($/CHF)	0.1%	-4.1%	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:

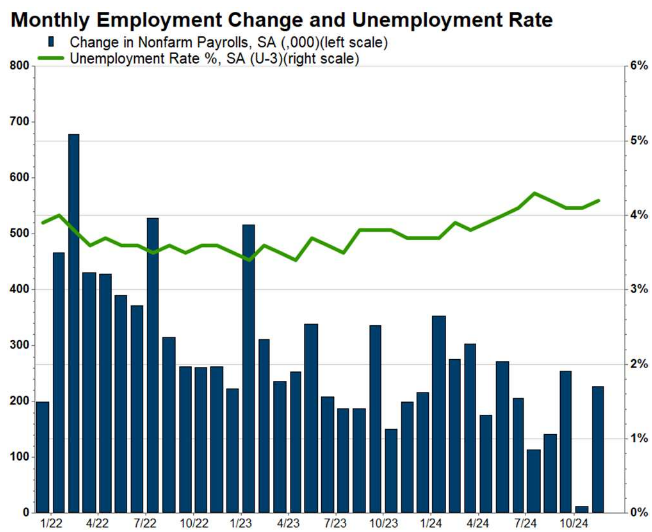
Russell T. Price, CFA – Chief Economist

Releases for Friday, December 6, 2024 **All times Eastern. Consensus estimates via Bloomberg**

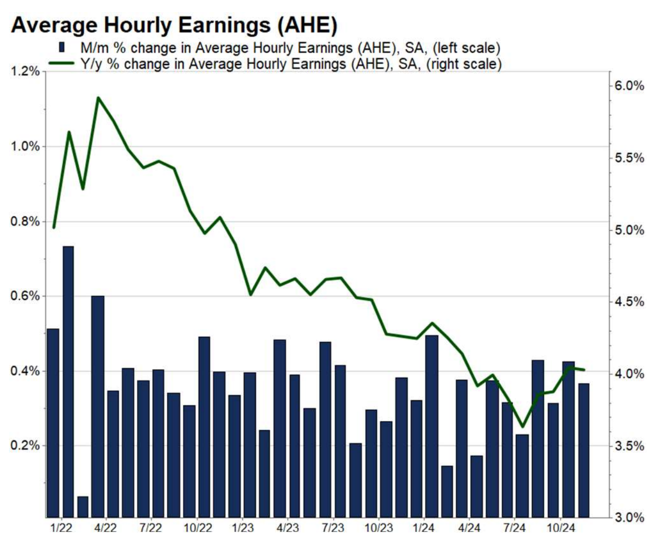
Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:30 AM	NOV	Change in Nonfarm Payrolls	+218k	**+227k**	+12k	+36k
8:30 AM		Two-Month Payroll Net Revision		**+56k**	-112k	
8:30 AM	NOV	Change in Private Payrolls	+203K	**+194k**	-28k	-2k
8:30 AM	NOV	Change in Manufacturing Payrolls	+30k	**+2246k**	-46K	
8:30 AM	NOV	Unemployment Rate	4.1%	**4.2%**	4.0%	
8:30 AM	NOV	Average Hourly Earnings (MoM)	+0.3%	**+0.4%**	+0.4%	
8:30 AM	NOV	Average Hourly Earnings (YoY)	+3.9%	**+4.0%**	+4.0%	
8:30 AM	NOV	Average Work Week	34.3	**34.3**	34.3	34.2
8:30 AM	NOV	Labor Force Participation	62.7%	**62.5%**	62.6%	

Commentary:

- **Job numbers bounce back from storms and strikes.** Net nonfarm employment jumped in November by levels that were generally in line with consensus estimates. The improvement was set against a low bar, however, after residual hurricane effects from Helene and Milton combined with higher strike activity (Boeing and California hospitality workers primarily) to weight on October's reported performance of just +12,000 new jobs (revised to +36k with today's release).
- Most sectors of the economy experienced solid gains in November albeit for the retail sector (-28,000) and the Federal government. Federal government employment declined by 2,000 while total government (including state and local) grew by 33,000.
- The Leisure and Hospitality sector also bounced back from what was assuredly a weak performance in October due to hurricane related disruptions. The sector gained 53,000 new jobs versus October's gain of just 2,000.



- The question accompanying today's report is: how much of the November gain was simply a bounce-back from the adverse factors that weighed on the October results, and how much was true job market expansion? We believe a look at the ADP Employment data can offer some insights.
- The ADP Employment estimate (released on Wednesday) and the Labor Department's Employment Report do not always line up perfectly over short periods, but they do tend to align over time and on a broad directional basis. A key difference between the reports is in what they are measuring. The Labor Department measures employment as the number of people paid for work during the measurement period (the week that contains the 12th of the month). ADP, however, reflects the number of people on payrolls. Thus, during temporary yet devastating events such as hurricanes, a good number of people may not be at work (thus being paid) but they are very likely still on the payroll. To this end, we note that while the Labor Department initially reported just 12,000 net new jobs to have been created in October, ADP said a net 184,000 new payroll positions were generated (a six-month high). On Wednesday, payroll processor ADP estimated that 146,000 net new payroll positions were created in November.



- **Fed implications?** We don't see today's report as martially influencing near-term monetary policy expectations. Economic indicators have generally been solid of late and today's Employment Report furthers that narrative, in our view. As of this morning, fed fund futures as traded on the CME were looking at a 72% chance that Fed officials would cut their overnight lending rate by ¼ of a percent at their next announcement date of December 18th.

Ameriprise Economic Projections

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