Before the Bell

An Ameriprise Investment Research Group Publication

December 10, 2024

Starting the Day

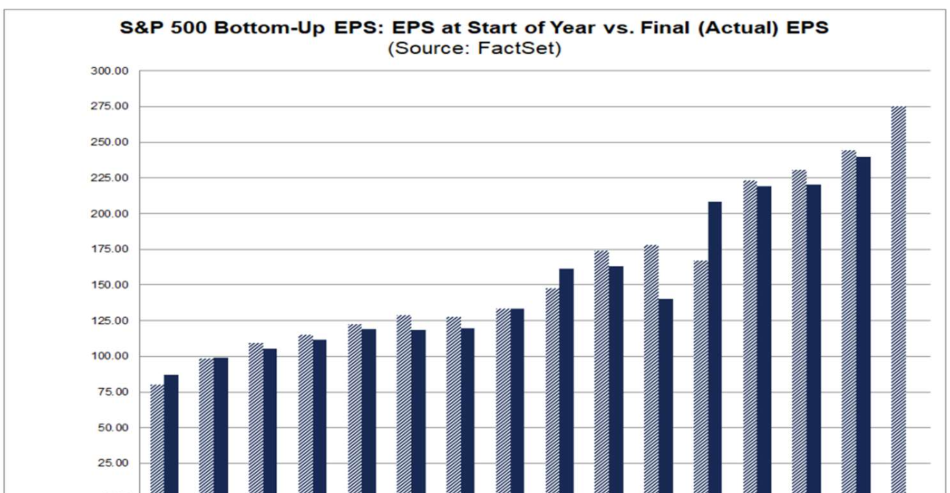
- U.S. equity futures point to a flat /mixed open.
- European markets are trading mixed at midday.
- Asian markets ended mostly higher.
- Analysts expect a record year of S&P 500 profits in 2025.
- Small business uncertainty breaks its streak.
- 10-year Treasury yield at 4.23%.
- West Texas Intermediate (WTI) oil is trading at $68.02.
- Gold is trading at $2,700.50

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Are analysts too rosy about the outlook for 2025? In general, it's easier for analysts, strategists, and investors to be optimistic about the path forward for financial markets when stock prices are trending higher and economic conditions are solid. Conversely, these groups can paint an overly dire forecast of the future when financial markets are in a downtrend, or fundamental conditions have deteriorated. The trick for most investors is to maintain a "realistic" view of the future when sentiment moves to the extremes and avoid getting caught up in the near-term noise that often smooths out over time. In fact, with enough time to invest, extremes in optimism and pessimism are usually a clue to be more cautious or opportunistic in how one allocates their investments.

The *FactSet* chart to the right shows analysts' bottom-up S&P 500 earnings per share (EPS) estimates at the start of each calendar year and where actual EPS ends the year (measured two months after each year to account for Q4 earnings). As the data shows, analysts have overestimated earnings at the start of each year in 17 of the last 25 years and underestimated profits in the other 8 years. Note: Not all 25 years are presented in the chart above. According to *FactSet*, industry analysts have overestimated S&P 500 EPS by 6.3% on average over the last 25 years. To be fair, this average includes years associated with 9/11, the Great Financial Crisis, and a global pandemic, which could not be predicted and influence the figures.



	CY10	CY11	CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24*	CY25*
EPS (Start of Yr.)	79.96	98.27	109.17	115.19	122.63	128.82	127.70	133.22	147.57	174.04	177.89	167.38	223.47	230.59	244.44	275.24
EPS Actual	87.14	99.03	105.37	111.46	119.06	118.75	119.40	133.61	161.56	163.13	140.46	208.49	219.19	220.18	239.97	

*EPS Actual for CY24 and EPS (Start of Yr.) for CY25 reflect values as of Dec. 5

Bottom line: If the S&P 500 actually achieves roughly $275 in earnings next year it would be a record. That said, over time, earnings generally grow, and outside of short periods where profits contract, the S&P 500 makes new profit highs quite routinely. We believe strong U.S. fundamental conditions, easier y/y comparisons in some areas, and possibly an easier tax and regulation environment starting in 2025 could be supportive of higher profit growth next year. However, historical patterns of analyst overestimation in profits at the start of the year, tariff threats, and normalizing growth patterns leave an opportunity for overall S&P 500 profits to fall short of lofty expectations. As we hinted at the top, we believe maintaining a positive but realistic view of the profit picture ahead is a sound way to set expectations heading into the new year.

U.S. Premarket Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **Stocks are looking at a flattish open.** Major U.S. averages finished off their highs on Monday, with NVIDIA and semiconductors notable laggards on China regulatory scrutiny. The latest New York Fed Survey of Consumer Expectations showed inflation expectations ticking up over all horizons, with expectations about the labor market mixed. That said, the share of households expecting a better financial situation in one year rose to its highest level since February 2020. On a related sentiment note, November NFIB Small Business Optimism snapped a 34-month streak of record-high uncertainty. Election results and a shift in economic policy next year were flagged as reasons for the improved small business optimism. Up ahead: Wednesday's November CPI report and a $58 billion 3-year Treasury note auction will be the focus for investors. Consumer inflation is expected to tick slightly higher in November, though readings within economists' expectations likely keep the Federal Reserve cutting its policy rate next week, in our view.

Europe:

The economic calendar is pretty thin and limited to final looks at November CPI, with German consumer inflation matching flash readings. Thursday's European Central Bank decision is likely to include another 25-basis point rate cut, which would be its fourth consecutive cut and would lower the deposit rate to 3.0%. Economic conditions across Europe have been mixed, with business activity suggesting weakening trends. Consumer confidence, business investment, and exports all remain subdued in Europe, leaving room for the ECB to loosen monetary policy to help support growth.

Asia-Pacific:

Markets across Asia lacked much direction in Tuesday's trading. Investors are looking for more concrete details from China's Politburo statement pointing to strong fiscal stimulus in the future and looser monetary policy next year. According to *FactSet*, the China Economic Work Conference later this week could be a potential first source of detail on added policy support. As expected, the Reserve Bank of Australia left its cash rate unchanged.

This space intentionally left blank.

WORLD CAPITAL MARKETS

12/10/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.6%	28.6%	6,052.9
Dow Jones	-0.5%	20.0%	44,401.9
NASDAQ Composite	-0.6%	32.4%	19,736.7
Russell 2000	-0.7%	19.5%	2,392.8
Brazil Bovespa	1.0%	-5.2%	127,210
S&P/TSX Comp. (Canada)	-0.3%	25.7%	25,625.4
Russell 3000	-0.7%	28.0%	3,473.3

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.2%	13.7%	4,974.6
FTSE 100 (U.K.)	-0.5%	11.3%	8,309.3
DAX Index (Germany)	0.1%	21.6%	20,368.8
CAC 40 (France)	-0.6%	1.7%	7,438.1
FTSE MIB (Italy)	0.1%	14.0%	34,604.9
IBEX 35 (Spain)	0.0%	24.1%	12,011.9
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.5%	19.6%	39,367.6
Hang Seng (Hong Kong)	-0.5%	24.4%	20,311.3
Korea Kospi 100	2.4%	-7.8%	2,417.8
Singapore STI	0.5%	24.3%	3,813.6
Shanghai Comp. (China)	0.6%	15.0%	3,422.7
Bombay Sensex (India)	0.0%	14.3%	81,510.1
S&P/ASX 200 (Australia)	-0.4%	15.8%	8,393.0

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.3%	22.1%	870.9

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.3%	9.0%	2,361.8

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.8%	11.7%	1,114.0

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	-1.3%	39.2%	339.2
Consumer Discretionary	-0.3%	34.2%	1,887.9
Consumer Staples	-0.5%	19.5%	889.4
Energy	-0.2%	11.3%	689.7
Financials	-1.4%	33.8%	825.1
Health Care	0.2%	7.4%	1,682.4
Industrials	-0.9%	23.4%	1,174.8
Materials	-0.2%	8.5%	575.7
Real Estate	0.1%	12.3%	274.5
Technology	-0.5%	39.0%	4,690.0
Utilities	-1.3%	27.3%	397.4

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-1.5%	18.7%	301.9
FTSE NAREIT Comp. TR	0.3%	11.6%	26,701.9
DJ US Select Dividend	-0.8%	22.0%	3,662.8
DJ Global Select Dividend	-0.4%	11.3%	233.1
S&P Div. Aristocrats	-0.1%	13.5%	4,849.1

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.2%	3.1%	2,229.9
Barclays HY Bond	0.0%	9.1%	2,706.8

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.4%	0.6%	547.1
NYMEX WTI Crude (p/bbl.)	-0.5%	-5.1%	68.0
ICE Brent Crude (p/bbl.)	-0.5%	-6.8%	71.8
NYMEX Nat Gas (mmBtu)	-2.5%	23.4%	3.1
Spot Gold (troy oz.)	0.6%	29.7%	2,676.2
Spot Silver (troy oz.)	0.1%	33.9%	31.9
LME Copper (per ton)	1.2%	7.7%	9,119.0
LME Aluminum (per ton)	-1.0%	8.5%	2,544.6
CBOT Corn (cents p/bushel)	-0.2%	-14.2%	441.0
CBOT Wheat (cents p/bushel)	-0.7%	-18.3%	554.8

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.2%	-4.6%	1.05
British Pound (£/$)	0.0%	0.2%	1.28
Japanese Yen ($/¥)	-0.3%	-7.0%	151.70
Australian Dollar (A$/$)	-0.7%	-6.1%	0.64
Canadian Dollar ($/C$)	0.1%	-6.5%	1.42
Swiss Franc ($/CHF)	-0.1%	-4.4%	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:

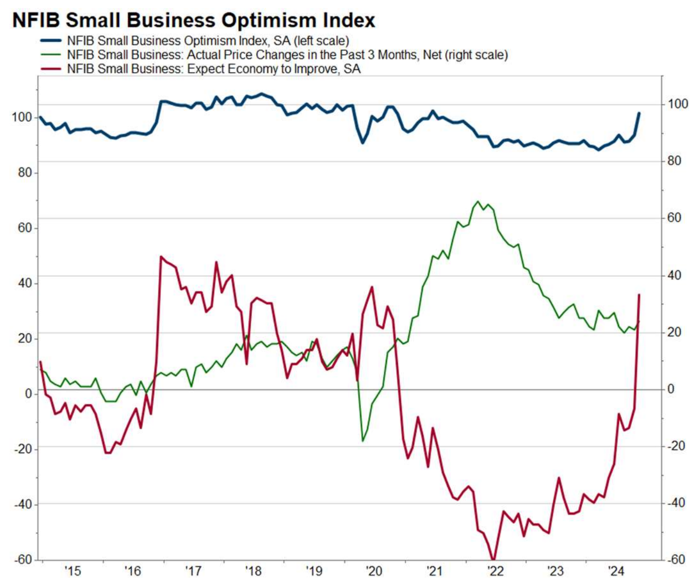
Russell T. Price, CFA – Chief Economist

Releases for Tuesday, December 10, 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	95.3	**101.7**	93.7	
8:30 AM	Q3-F	Nonfarm Productivity	+2.2%	**+2.2%**	+2.2%	
8:30 AM	Q3-F	Unit Labor Costs	+1.5%	**+0.8%**	+1.9%	

Commentary:

- **Small business optimism jumps for a second straight month. The Index is now at its highest level since June 2021.**
- Small Business optimism jumped eight points last month in what appears to be optimism amongst small business owners about easier business conditions under the incoming Trump administration. The 8-point month-over-month (m/m) increase shown in today's release from the National Federation of Independent Businesses (NFIB) eclipses the largest m/m increase previously recorded (a 7.4-point jump) over the last 20-years as reported in December 2016.
- This month's gain was driven by respondents' expectations for better economic conditions, as was the case in 2016. The percentage of respondents saying that they expected economic conditions to improve jumped a remarkable 41 points, rising to a net 36% expecting conditions to improve versus the -5% reading for the component in November. In the third quarter the component averaged a reading of -10.
- Business owners also reported being more optimistic about their hiring intentions, capital investments and expansion opportunities. On the negative side, business leaders also reported seeing the landscape for implementing price increases to be stronger, a development that could imply some inflation pressure to come in coming quarters. *The chart at right is sourced from FactSet and has been updated to reflect today's release.*



- **How much have prices increased cumulatively over the last five years?** As we all know, there's been a great deal of focus on inflation over the last several years amid its pandemic period spike and eventual slow decline. Globally, goods prices spiked during the heart of the pandemic as demand remained somewhat steady - but factories were closed, thus producing no new supply in many cases. A perfect recipe for higher prices.
- As goods inflation eased when factories and supply chains slowly reopened, service sector inflation took over as people were allowed to move around and once again sought to enjoy travel, entertainment, and other recreational endeavors that they had been restricted from over the prior two or three years.
- Inflation rates have now been declining for more than two years, but they're still above the Federal Reserve's target range of "about 2%". Analysts study the monthly inflation reports intently to gauge short-term trends and year-over-year rates. But what of the cumulative increase prices have experienced over this episode in history?
- We went back and measured Consumer Price Index (CPI)

Cumulative Inflation since December 2019	Cumulative change	annualized rate
Consumer Price Index (CPI)	22.8%	4.3%
Core CPI (excluding food & energy)	21.4%	4.0%
Personal Consumption Expenditure Index (PCE)	19.1%	3.6%
Core PCE	18.4%	3.5%
PCE - Goods	13.5%	2.6%
PCE - Services	21.8%	4.1%

changes from December 2019 through October 2024. We also looked at the Fed's preferred measure, the Personal Consumption Expenditure (PCE) Price Index. As seen in the table on the prior page, headline and core inflation rates are each about 21% to 23% higher. As one might expect, price differentials by category underneath those aggregate levels vary pretty dramatically – as seen in the table below. *Data evaluated for the tables contained herein was sourced from FactSet. The results and the tables themselves are sourced from AEIS Inc.*

Largest price changes since December 2019 (through October 2024)

select components as taken from the Consumer Price Index (CPI)

Largest Increases:		Largest Declines or smallest increases	
Margarine	59.0%	Telephone hardware, calculators, and other	-47.8%
Eggs	56.1%	Information technology	-24.9%
Motor vehicle repair	53.8%	Televisions	-23.5%
Motor vehicle insurance	51.1%	Computer software and accessories	-16.7%
Pet services including veterinary	34.7%	Health insurance	-14.8%
Baby food	34.0%	Video equipment	-13.8%
Electricity	33.7%	Computers, peripherals, and smart home assistants	-8.3%
Poultry	31.5%	Information technology, hardware and services	-6.7%
Utility (piped) gas service	31.0%	Toys	-6.3%
Meats	30.7%	Audio equipment	-3.3%
Used cars and trucks	30.4%	Intracity mass transit	1.1%
Food away from home	29.3%	Wireless telephone services	1.5%
Food	28.0%	Prescription drugs	4.3%
Food at home	27.5%	Airline fares	5.4%
Food and beverages	27.2%		
Owners' equivalent rent of residences	26.3%		
New and used motor vehicles	26.0%		
Shelter	26.0%		
Gasoline, unleaded midgrade	25.6%		
Breakfast cereal	25.5%		
Household cleaning products	25.4%		
Coffee	25.3%		

This space intentionally left blank.

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.