Before the Bell

An Ameriprise Investment Research Group Publication

December 11, 2024

Starting the Day

- U.S. stock index futures are mixed ahead of the open.
- European markets are trading mixed at midday.
- Asian markets ended mostly lower overnight.
- Fed rate cut odds grow after “as expected” CPI report.
- U.S. inflation up 2.7% y/y in November.
- 10-year Treasury yield at 4.25%.
- West Texas Intermediate (WTI) oil is trading at $69.50.
- Gold is trading at $2,725.90

Market Perspectives

Andrew R. Heaney, CFA   Director, Technology and Communication Services

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

The Next Evolution: Software Takes the Lead in Tech’s AI-Driven Era

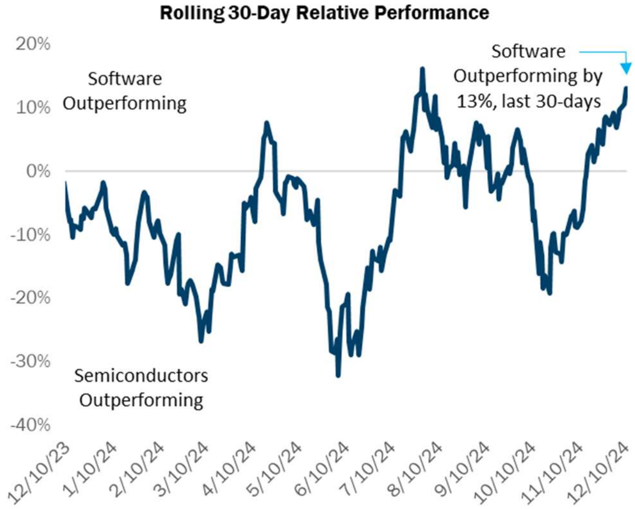
The leadership dynamics within the Technology sector have shifted notably this quarter, with large-cap Software stocks delivering meaningful outperformance for the first time since October of last year. This resurgence has been fueled by rising confidence in artificial intelligence and its integration into Software applications. While the Software industry holds strong potential for revenue growth and innovation, we believe sustaining this momentum will require firms to satisfy heightened expectations, justify elevated valuations, and navigate significant uncertainties. In our view, investors should remain optimistic about AI’s long-term ability to boost profitability and create new revenue streams, but they must also prepare for the potential for near-term volatility as the sector rapidly evolves.

Turning AI Infrastructure into Real-World Value

Over the past 30 trading days, the S&P 500 Software Index has outpaced the Semiconductor benchmark by more than 12%, partially eroding the significant lead chip stocks built during the first half of the year. However, the sustainability of this momentum remains uncertain, as concerns persist around adoption rates, practical use cases, and capital expenditure across the broader Tech sector.

S&P 500 Semiconductors vs. Software

Rolling 30-Day Relative Performance



*Source: Bloomberg, Ameriprise Financial

This divergence reflects growing confidence that AI applications are moving beyond the hype phase and into practical, monetizable use cases. For the past two years, AI infrastructure spending has been a key driver of the equity market rally. Robust demand for infrastructure—spanning Nvidia GPUs, Broadcom networking components, and advanced data center solutions—has been fueled by massive

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

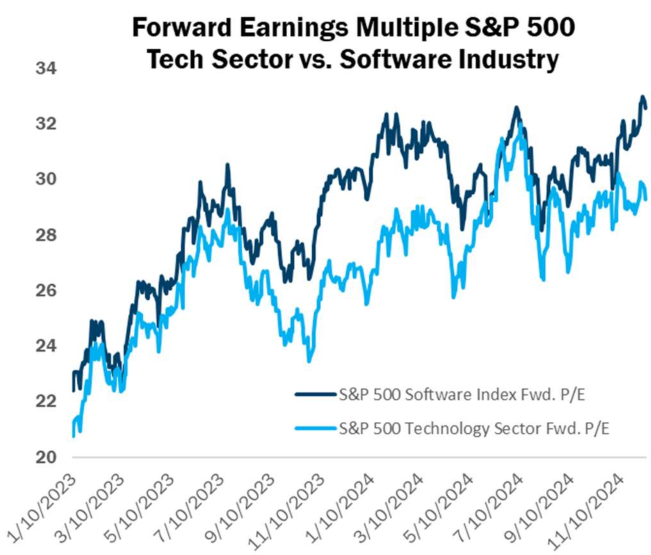
capital expenditures from hyperscalers like Microsoft, Amazon, Google, Meta, and Tesla. These investments have been critical in building the computational backbone required to train and deploy AI models at scale. However, infrastructure alone cannot sustain the AI growth thesis indefinitely. The question now is whether this infrastructure demand can translate into real-world applications that drive sustained value creation and enterprise adoption.

The Application Advantage in Capturing AI Value
In our view, the Software industry is a natural long-term beneficiary of AI-driven innovation. Unlike hardware and chips, which are capital-intensive and cyclical, Software offers several key advantages such as higher margins, scalability through SaaS models, and predictable recurring revenue—factors that position top AI-focused Software firms for sustained growth and profitability in the rapidly evolving AI ecosystem.

The commoditization of AI models like GPT-4, Claude, and Gemini has shifted value creation to the application layer. This is where Software companies that excel in integrating AI into workflows, automating processes, and delivering actionable insights are poised to capture the lion's share of enterprise spending and drive long-term growth.

High Stakes for Software in the AI Era
Despite the optimism, the Software industry and the broader AI ecosystem face considerable challenges. Near-term expectations for AI have set an especially high bar, and Software companies must now deliver tangible results to sustain the momentum behind the AI growth narrative. At over 32x expected next 12 months earnings, the S&P 500 Software Industry Group is trading near its highest valuation in three years. In our view, the group is under exceptional pressure to demonstrate meaningful progress in key areas, including adoption at scale, measurable ROI, and sustained revenue growth.

Premium valuations in the Software and AI sectors are heavily dependent on consistent growth, leaving little room for missteps. Furthermore, the broader market rally has been driven largely by confidence in AI's transformative potential. Should these expectations go unmet, investor sentiment could sour, sending shockwaves across the entire Technology sector.



*Source: Bloomberg, Ameriprise Financial

Turning Point from Infrastructure to Enterprise Impact
The AI ecosystem has reached a critical juncture. For the better part of two years, the market has been driven by data center infrastructure spending. However, the recent shift in leadership within the Tech sector reflects a growing recognition that infrastructure alone cannot sustain the AI narrative indefinitely. In our view, real long-term value requires applications that deliver measurable outcomes.

As we look ahead to 2025, the prospects for the sector will largely depend on Software's ability to deliver real-world value. Companies that successfully integrate AI into enterprise workflows, automate complex processes, and provide actionable insights will not only reinforce the AI growth narrative but also establish themselves as long-term leaders in the evolving Technology landscape. For suggestions on Software firms well-positioned to leverage artificial intelligence to enhance margins and drive growth, please refer to the Technology recommended list.

U.S. Premarket Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- U.S. equity markets are mixed ahead of the open as investors position cautiously ahead of November's Consumer Price Index (CPI) release, which is expected to show a 0.3% month-over-month increase and a 2.7% year-over-year rise. Core CPI is forecast at 3.3% YoY. These inflation figures are critical as they could heavily influence the Federal Reserve's interest rate decision next week, where markets are pricing in an 86% chance of a rate cut.

- Treasury yields were relatively stable, with the 10-year yield at 4.24% and the 2-year yield at 4.17%. The bond market's muted reaction likely suggests traders are awaiting confirmation of inflation trends before adjusting their rate expectations for 2024. Additionally, corporate earnings remain a mixed bag, with several high-profile large caps reporting this week.

Europe:

European equity markets are under pressure, weighed down by weak retail earnings and ongoing concerns about U.S.-China trade tensions. Inditex, the owner of Zara, reported slower sales growth, raising fears about the strength of holiday shopping demand. Additionally, political uncertainty in France and Germany continues to cast a shadow over the region's economic outlook. The euro remains under pressure, reflecting skepticism about the European Central Bank's (ECB) ability to navigate rate cuts without exacerbating inflation risks. With the ECB meeting tomorrow, markets are pricing in up to 150 basis points of cuts over the next year, though this appears aggressive given persistent services inflation.

Asia-Pacific:

Asia-Pacific markets delivered mixed results overnight. South Korea's Kospi gained 1.0%, buoyed by optimism following the passage of a downsized 2025 budget. However, political turmoil surrounding President Yoon Suk Yeol could dampen investor sentiment in the near term. In Japan, the Nikkei 225 was flat overnight as wholesale inflation (PPI) came in above expectations at 3.7% YoY, strengthening the case for a potential Bank of Japan rate hike next week. In China, markets were subdued as investors digested the government's shift to a "moderately loose" monetary policy stance. The CSI 300 fell 0.2%, while the Hang Seng dropped 0.8%. Concerns about a weaker yuan and its potential spillover effects on emerging market currencies remain a key risk for global markets.

This space intentionally left blank.

WORLD CAPITAL MARKETS

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

Americas	% chg.	% YTD	Value
S&P 500	-0.3%	28.2%	6,034.9
Dow Jones	-0.3%	19.6%	44,247.8
NASDAQ Composite	-0.3%	32.1%	19,687.2
Russell 2000	-0.4%	19.0%	2,382.8
Brazil Bovespa	0.8%	-4.4%	128,228
S&P/TSX Comp. (Canada)	-0.5%	25.2%	25,504.3
Russell 3000	-0.4%	27.5%	3,460.2

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.1%	13.3%	4,955.7
FTSE 100 (U.K.)	0.2%	11.2%	8,298.6
DAX Index (Germany)	0.0%	21.4%	20,333.0
CAC 40 (France)	0.3%	1.4%	7,414.3
FTSE MIB (Italy)	0.5%	14.3%	34,702.6
IBEX 35 (Spain)	-1.1%	22.2%	11,829.8
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.0%	19.6%	39,372.2
Hang Seng (Hong Kong)	-0.8%	23.5%	20,155.1
Korea Kospi 100	1.0%	-6.8%	2,442.5
Singapore STI	-0.5%	23.7%	3,792.8
Shanghai Comp. (China)	0.3%	15.4%	3,432.5
Bombay Sensex (India)	0.0%	14.3%	81,526.1
S&P/ASX 200 (Australia)	-0.5%	15.2%	8,353.6

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.5%	21.5%	866.4

Developed International	% chg.	%YTD	Value
MSCI EAFE	-1.1%	7.8%	2,334.9

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-0.2%	11.5%	1,111.7

*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	2.6%	42.8%	348.1
Consumer Discretionary	0.1%	34.4%	1,890.6
Consumer Staples	0.5%	20.0%	893.9
Energy	-0.6%	10.6%	685.4
Financials	-0.1%	33.7%	824.2
Health Care	-0.5%	6.9%	1,674.6
Industrials	-0.2%	23.2%	1,172.2
Materials	-0.9%	7.5%	570.3
Real Estate	-1.6%	10.4%	270.0
Technology	-1.3%	37.2%	4,631.1
Utilities	-0.8%	26.3%	394.2

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-1.0%	17.5%	298.8
FTSE NAREIT Comp. TR	-1.5%	10.0%	26,304.9
DJ US Select Dividend	-0.4%	21.5%	3,647.7
DJ Global Select Dividend	0.0%	11.2%	232.7
S&P Div. Aristocrats	-0.4%	13.0%	4,827.4

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.1%	3.0%	2,227.2
Barclays HY Bond	0.0%	9.1%	2,705.8

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.1%	0.6%	546.6
NYMEX WTI Crude (p/bbl.)	1.4%	-2.9%	69.6
ICE Brent Crude (p/bbl.)	1.3%	-5.1%	73.1
NYMEX Nat Gas (mmBtu)	3.2%	29.8%	3.3
Spot Gold (troy oz.)	0.1%	30.7%	2,696.7
Spot Silver (troy oz.)	-0.6%	33.3%	31.7
LME Copper (per ton)	-0.2%	7.5%	9,101.0
LME Aluminum (per ton)	0.8%	9.3%	2,564.4
CBOT Corn (cents p/bushel)	0.2%	-12.5%	449.8
CBOT Wheat (cents p/bushel)	0.3%	-17.1%	563.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.2%	-4.8%	1.05
British Pound (£/$)	-0.2%	0.1%	1.27
Japanese Yen ($/¥)	-0.5%	-7.6%	152.66
Australian Dollar (A$/$)	-0.3%	-6.7%	0.64
Canadian Dollar ($/C$)	0.0%	-6.6%	1.42
Swiss Franc ($/CHF)	-0.1%	-4.8%	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:

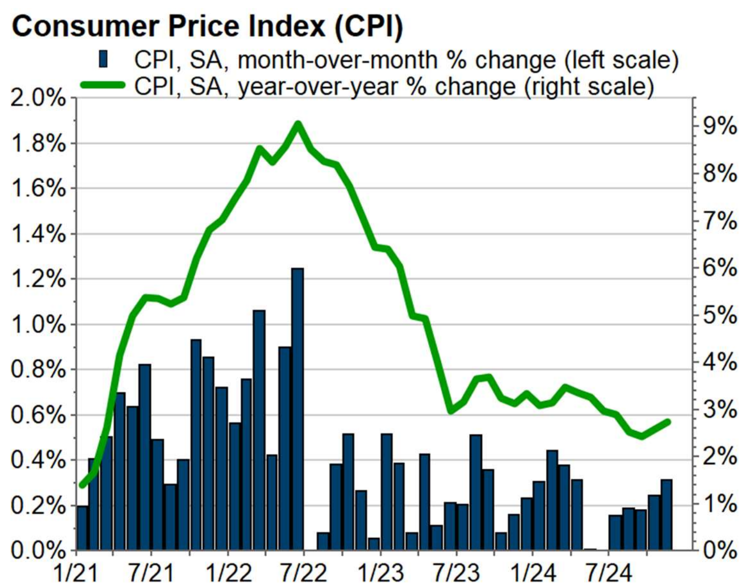
Russell T. Price, CFA – Chief Economist

Releases for Wednesday, December 11, 2024 | **All times Eastern. Consensus estimates via Bloomberg**

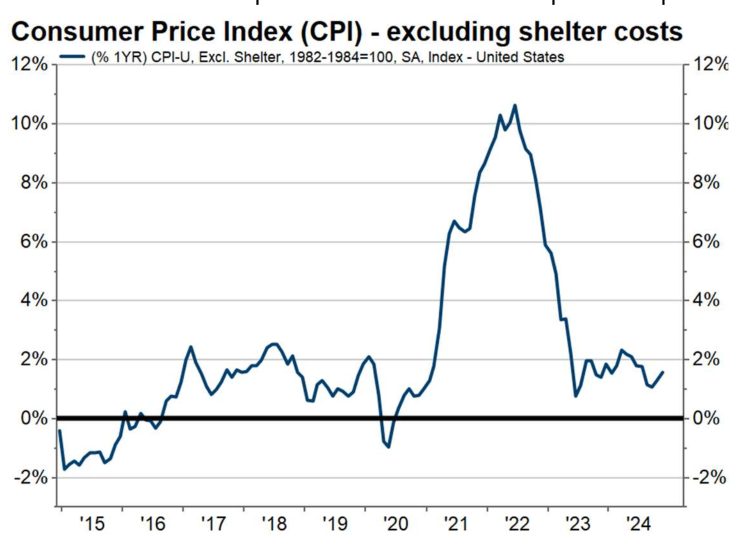
Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:30 AM	NOV	Consumer Price Index (CPI)(MoM)	+0.3%	**+0.3%**	+0.2%	
8:30 AM	NOV	Core CPI – Less Food & Energy (MoM)	+0.3%	**+0.3%**	+0.3%	
8:30 AM	NOV	Consumer Price Index (CPI)(YoY)	+2.7%	**+2.7%**	+2.6%	
8:30 AM	NOV	CPI – Less Food & Energy (YoY)	+3.3%	**+3.3%**	+3.3%	

Commentary:

- **As expected, consumer prices rose 0.3% in October.** On a year-over-year (y/y) basis, prices were up 2.7% (also as expected) versus October's 2.6% rate. It was the second consecutive increase for the y/y rate at the core level.
- Upward pressure on prices came from some common contributors. Used vehicle prices were a sharp 2.0% higher in the month (though still down 3.4% on a year-ago basis). New vehicle prices were also 0.6% higher in the month which comes as somewhat of a surprise in our view given relatively high inventory levels across the space. On a y/y basis, new auto prices were still down 0.7%.
- Airline fares, though accounting for less than 1% of the total Index, were up 0.4% last month and were 4.7% higher than year-ago levels.
- In a potentially encouraging note, shelter costs, which account for a huge 36.6% of the headline Index, were 0.3% higher m/m (versus October's +0.4% gain) but were still an elevated 4.7% higher than their year-ago levels. **Excluding just the shelter component, total consumer prices were just 1.6% higher.**



- As a quick reminder, shelter accounts for a dominant ~37% of the headline CPI measure (and about 45% of the Core rate) and is primarily based on housing rental rates. Such rates in the real market spiked in the latter half of the pandemic period but over the last year and a half have been slowly easing. We note that "real-world" rent measures, such as that supplied via the National Rent Report from Apartments.com have been lower on a y/y basis for approximately a year and a half. Real world rates should eventually be reflected in the CPI measure, but they do so with a considerable lag due to technical issues with the way it is measured.
- FOMC implications: Ahead of this morning's release, fed fund futures as traded on the CME placed an 82% chance of a cut in the fed funds target at next week's FOMC meeting. Following the release, the odds of a 25 basis point cut had risen to 96%.
- *The charts at right are sourced from FactSet and HAVE been updated to reflect today's release.*



- **Where have consumer costs been hot and where have they been cool?** The comments below, which look at areas of recent pricing power and weakness, were composed ahead of today's release and were based on the October CPI.
- In October, headline CPI prices were 2.6% higher than year-ago levels (up from +2.4% in September) while the Core rate (CPI minus food and energy components) was up 3.3% - the same as its September rate.

- While both measures have generally been subsiding in recent quarters, progress towards the Fed's target of 'about 2%' seems to have once again stalled. So what categories is it that are helping and hurting?
- Below we show annualized, 3-month moving average growth rates for various select categories of the Index. As seen by the strength of airfares and sporting event tickets people still having solid pent-up demand for recreation and "experiences". (Note: concert ticket prices, e.g. Taylor Swift, are a separate category.) Data reflected in the tables below was sourced from the Labor Department while the tables are sourced from AEIS Inc

Where prices have been rising or falling the most.

- 3-month moving average of CPI numbers, annualized through October
- Select categories - not weighted by contribution

Rising prices		Falling prices	
Airline fares	42.2%	Gasoline (all types)	-21.9%
Admission to sporting events	39.5%	Computers, peripherals, and smart home assistants	-12.0%
College textbooks	18.4%	Telephone hardware, calculators	-11.5%
Used cars and trucks	8.2%	Internet services	-10.4%
Day care and preschool	7.7%	Car and truck rental	-7.6%
Motor vehicle insurance	6.6%	Televisions	-4.8%
Nursing homes and adult day services	6.1%	Medicinal drugs	-4.6%
Physicians' services	5.9%	Computer software and accessories	-2.6%
Water, sewer and trash collection	5.7%	Meats, poultry, and fish	-0.6%
Shelter	4.5%	Coffee	-0.5%
Health insurance	4.0%	Lodging away from home	0.8%
Medical care services	3.8%		
Food	2.7%		

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**

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.