

Before the Bell

An Ameriprise Investment Research Group Publication

December 17, 2024

Starting the Day

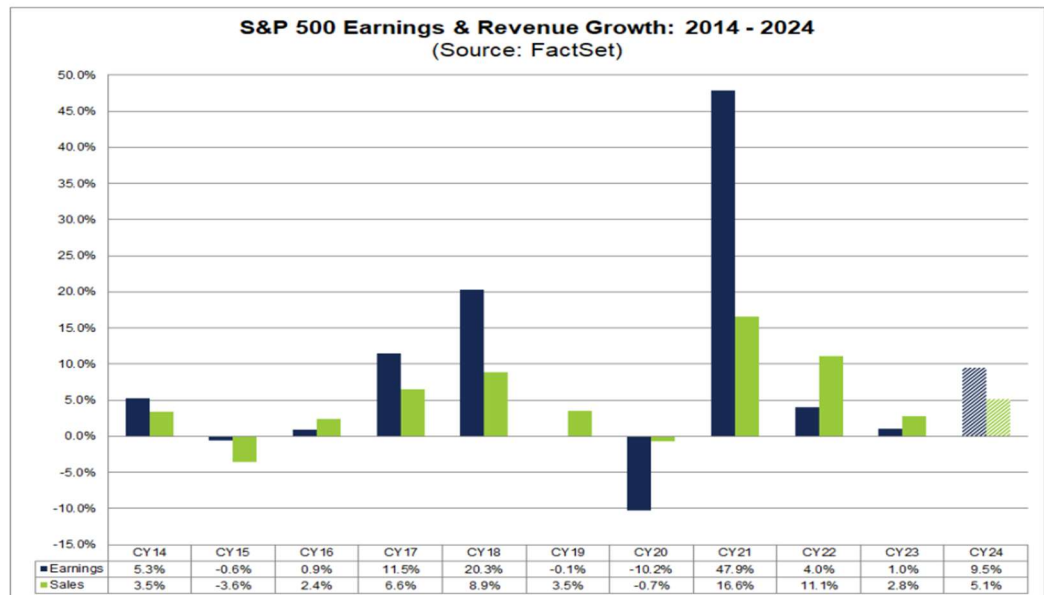
- U.S. futures are pointing to a lower open.
- European markets are trading lower at midday.
- Asian markets ended lower.
- Strong profit growth in 2024 could broaden in 2025.
- The Fed begins its last two-day meeting of the year.
- 10-year Treasury yield at 4.43%.
- West Texas Intermediate (WTI) oil is trading at \$70.01.
- Gold is trading at \$2,656.40

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

S&P 500 profits are on track for their fourth year of growth. The S&P 500 Index is on pace to record its fourth consecutive year of profit growth. As the *FactSet* chart below shows, companies in aggregate across the S&P 500 are expected

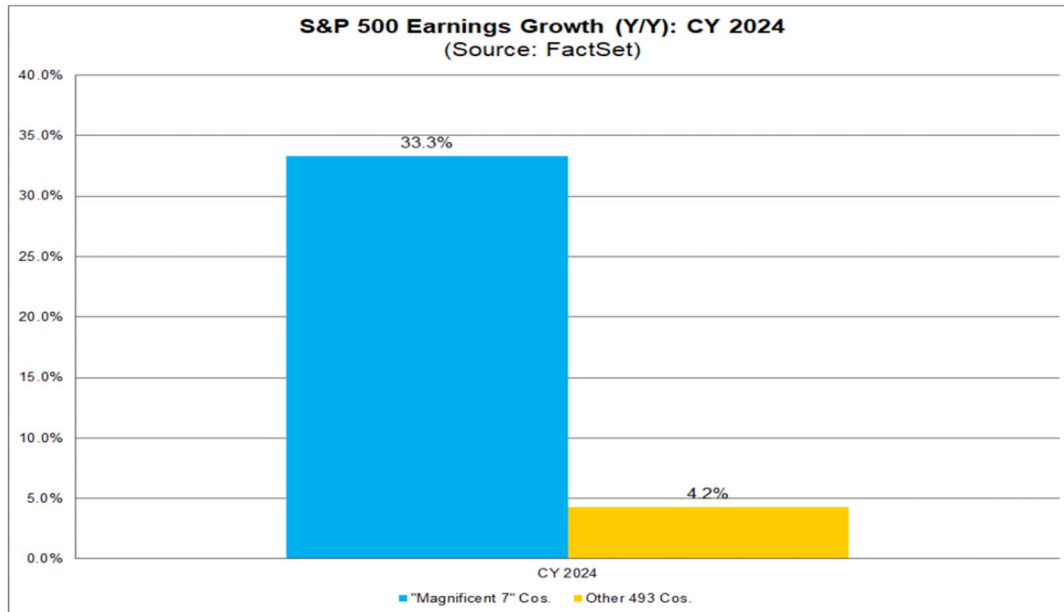
to see earnings per share (EPS) grow by +9.5% over 2023 levels, while revenue is expected to climb +5.1% over last year. In general, S&P 500 profits have come in relatively healthy for a number of years. However, as the *FactSet* chart on the second page shows, much of the profit expansion across the S&P 500 has come from the Magnificent 7 (i.e., Alphabet, Amazon,



Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla). As such, most of the 2024 EPS and revenue narrative was centered around Communication Services and Information Technology, which are expected to see EPS grow by annualized rates of +21.7% and +17.7%, respectively. Strong secular profit trends across most of the Mag 7 and tech/tech-related companies in 2024 helped drive another year of healthy S&P 500 net profit margins. S&P 500 net profit margins are expected to come in at +12.0% for 2024, after margins that stood at +11.5% in 2023, +11.8% in 2022, and +12.6% in 2021. Bottom line: After another year of strong S&P 500 profits (mostly driven by Tech) and quite a bit of valuation expansion over recent years, we believe the trajectory for earnings trends in 2025 could play an increasingly critical role in supporting stock prices. Fortunately, corporate profits are expected to rise over the next year, with all eleven S&P 500 sectors projected to see positive EPS growth

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

in 2025. If sectors such as Information Technology and Communication Services continue to see strong earnings trends in 2025 (which we believe they will) and other sectors contribute positively to the profit narrative, U.S. stocks are positioned for another solid year of performance, in our opinion.



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 lower open.** On Monday, the Dow Jones Industrials Average notched its eighth straight day of declines, its longest losing streak since 2018. However, the S&P 500 and NASDAQ Composite notched gains yesterday driven by continued strength across Technology, despite NVIDIA becoming a source of funds lately (ex., in a technical correction) for other stocks, like Broadcom (ex., up roughly +40% over five days). The latest Bank of America Global Fund Manager Survey showed record low allocations to cash and record high allocations to U.S. stocks. Notably, global risk appetite among professional money managers sits at a three-year high, based on Trump 2.0 optimism and the potential for further rate cuts next year. On that last point, the Fed begins its two-day policy meeting today and is widely expected to cut rates by 25 basis points tomorrow while updating its economic projections. We also expect policymakers, including Fed Chair Powell, to begin articulating more directly that the potential for a rate pause in January is a real possibility given solid growth and still elevated inflation. This could be well-articulated through a slower pace of rate cuts and higher inflation forecast in the Summary of Economic projections. Behind the scenes, U.S. lawmakers continue to work on a bill that would avoid a partial government shutdown on Friday. Lastly, November retail sales data is out today at 8:30 am EST.

Europe:

The latest German Ifo business climate index recorded its weakest headline print since June 2020, which was during the first wave of the COVID-19 pandemic. The expectations component within the index weakened as well, as both manufacturing and services outlooks remain anemic.

Asia-Pacific:

According to *Reuters*, officials in Beijing agreed last week to raise China's budget deficit to a record 4% of GDP next year from 3% currently. Officials also plan to maintain a roughly +5.0% growth target. Such targets would be consistent with prior Politburo/CEWC guidance, pointing to a more proactive policy approach in 2025.

WORLD CAPITAL MARKETS

12/17/2024

As of: 8:30 AM ET

| Americas | % chg. | % YTD | Value |
|-----------------------------------|--------|-------|----------|
| S&P 500 | 0.4% | 29.0% | 6,074.1 |
| Dow Jones | -0.3% | 18.2% | 43,717.5 |
| NASDAQ Composite | 1.2% | 35.3% | 20,173.9 |
| Russell 2000 | 0.6% | 18.0% | 2,362.0 |
| Brazil Bovespa | -0.8% | -7.9% | 123,560 |
| S&P/TSX Comp. (Canada) | -0.5% | 23.5% | 25,147.2 |
| Russell 3000 | 0.4% | 28.3% | 3,480.1 |

| Europe (Intra-day) | % chg. | %YTD | Value |
|----------------------------|---------|---------|----------|
| DJSTOXX 50 (Europe) | 0.0% | 13.1% | 4,947.6 |
| FTSE 100 (U.K.) | -0.8% | 9.8% | 8,192.7 |
| DAX Index (Germany) | -0.1% | 21.1% | 20,289.7 |
| CAC 40 (France) | 0.1% | 0.7% | 7,363.5 |
| FTSE MIB (Italy) | -1.2% | 13.1% | 34,338.3 |
| IBEX 35 (Spain) | -1.3% | 20.3% | 11,623.2 |
| MOEX Index (Russia) | #VALUE! | #VALUE! | #N/A N/A |

| Asia/Pacific (Last Night) | % chg. | %YTD | Value |
|------------------------------------|--------|-------|----------|
| Nikkei 225 (Japan) | -0.2% | 19.5% | 39,364.7 |
| Hang Seng (Hong Kong) | -0.5% | 20.7% | 19,700.5 |
| Korea Kospi 100 | -1.3% | -6.3% | 2,456.8 |
| Singapore STI | -0.6% | 23.9% | 3,799.9 |
| Shanghai Comp. (China) | -0.7% | 13.0% | 3,361.5 |
| Bombay Sensex (India) | -1.3% | 13.1% | 80,684.5 |
| S&P/ASX 200 (Australia) | 0.8% | 14.7% | 8,314.0 |

| Global | % chg. | % YTD | Value |
|-----------------------------------|--------|-------|-------|
| MSCI All-Country World Idx | 0.2% | 21.7% | 867.8 |

| Developed International | % chg. | %YTD | Value |
|-------------------------|--------|------|---------|
| MSCI EAFE | -0.1% | 6.9% | 2,316.1 |

| Emerging International | % chg. | %YTD | Value |
|---------------------------|--------|-------|---------|
| MSCI Emerging Mkts | -0.3% | 10.7% | 1,103.2 |

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% | 46.3% | 356.6 |
| Consumer Discretionary | 1.7% | 38.9% | 1,954.2 |
| Consumer Staples | -0.4% | 18.9% | 884.8 |
| Energy | -2.2% | 6.9% | 661.9 |
| Financials | 0.0% | 33.1% | 820.4 |
| Health Care | -1.2% | 3.4% | 1,618.7 |
| Industrials | 0.1% | 21.9% | 1,159.7 |
| Materials | -1.0% | 4.5% | 554.3 |
| Real Estate | -0.6% | 9.1% | 265.9 |
| Technology | 1.0% | 40.8% | 4,751.1 |
| Utilities | -0.8% | 24.5% | 388.6 |

| Equity Income Indices | % chg. | % YTD | Value |
|----------------------------------|--------|-------|----------|
| JPM Alerian MLP Index | -1.8% | 16.5% | 296.4 |
| FTSE NAREIT Comp. TR | -0.4% | 8.8% | 26,029.6 |
| DJ US Select Dividend | -0.6% | 19.8% | 3,597.8 |
| DJ Global Select Dividend | -0.9% | 8.6% | 227.1 |
| S&P Div. Aristocrats | -0.6% | 11.0% | 4,740.7 |

| Bond Indices | % chg. | % YTD | Value |
|------------------------------|--------|-------|---------|
| Barclays US Agg. Bond | 0.1% | 2.1% | 2,206.6 |
| Barclays HY Bond | 0.0% | 8.8% | 2,699.4 |

| Commodities | % chg. | % YTD | Value |
|---------------------------------------|--------|--------|---------|
| Futures & Spot (Intra-day) | | | |
| CRB Raw Industrials | 0.0% | 0.1% | 544.3 |
| NYMEX WTI Crude (p/bbl.) | -1.2% | -2.5% | 69.9 |
| ICE Brent Crude (p/bbl.) | -1.0% | -5.0% | 73.2 |
| NYMEX Nat Gas (mmBtu) | -0.9% | 26.7% | 3.2 |
| Spot Gold (troy oz.) | -0.3% | 28.2% | 2,645.4 |
| Spot Silver (troy oz.) | -0.7% | 27.5% | 30.4 |
| LME Copper (per ton) | 0.0% | 5.7% | 8,942.5 |
| LME Aluminum (per ton) | -1.5% | 7.7% | 2,527.0 |
| CBOT Corn (cents p/bushel) | 0.1% | -13.4% | 445.5 |
| CBOT Wheat (cents p/bushel) | 0.4% | -18.7% | 552.0 |

| Foreign Exchange (Intra-day) | % chg. | % YTD | Value |
|------------------------------|--------|-------|-------|
| Euro (€/\$) | -0.2% | -4.9% | 1.05 |
| British Pound (£/\$) | 0.1% | -0.3% | 1.27 |

| | % chg. | % YTD | Value |
|----------------------------------|--------|-------|--------|
| Japanese Yen (\$/¥) | 0.1% | -8.4% | 153.96 |
| Australian Dollar (A\$/S) | -0.4% | -6.9% | 0.63 |

| | % chg. | % YTD | Value |
|---------------------------------|--------|-------|-------|
| Canadian Dollar (\$/C\$) | -0.3% | -7.3% | 1.43 |
| Swiss Franc (\$/CHF) | -0.3% | -6.2% | 0.90 |

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 | | S&P 500 Index Weight | GAAC Tactical View | GAAC Tactical Overlay | GAAC Recommended Weight |
|-------------------------------|----------------------|--------------------|-----------------------|-------------------------|-------------------------------|----------------------|--------------------|-----------------------|-------------------------|
| Financials | 12.9% | Overweight | 2.0% | 14.9% | Energy | 3.2% | Equalweight | - | 3.2% |
| Consumer Staples | 5.9% | Overweight | 2.0% | 7.9% | Utilities | 2.5% | Equalweight | - | 2.5% |
| Information Technology | 31.9% | Equalweight | - | 31.9% | Materials | 2.3% | Equalweight | - | 2.3% |
| Health Care | 11.5% | Equalweight | - | 11.5% | Real Estate | 2.3% | Equalweight | - | 2.3% |
| Communication Services | 8.8% | Equalweight | - | 8.8% | 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 | | MSCI All-Country World Index Weight | GAAC Tactical View | GAAC Tactical Overlay | GAAC Recommended Weight |
|------------------------------|-------------------------------------|--------------------|-----------------------|-------------------------|-----------------------------|-------------------------------------|--------------------|-----------------------|-------------------------|
| United States | 62.8% | Overweight | 2.2% | 65.0% | United Kingdom | 3.2% | Equalweight | - | 3.2% |
| Europe ex U.K. | 12.9% | Equalweight | - | 12.9% | Latin America | 0.9% | Equalweight | - | 0.9% |
| Asia-Pacific ex Japan | 11.0% | Equalweight | - | 11.0% | Canada | 2.8% | Underweight | 1.0% | 1.8% |
| Japan | 5.2% | Equalweight | - | 5.2% | 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 17, 2024

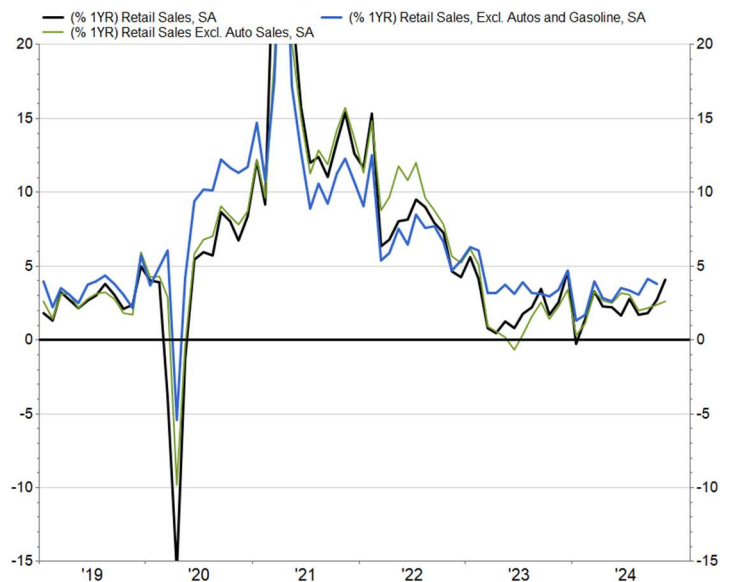
All times Eastern. Consensus estimates via Bloomberg

| Time | Period | Release | Consensus Est. | Actual | Prior | Revised |
|----------|--------|------------------------------------|----------------|--------------|-------|---------|
| 8:30 AM | NOV | Retail Sales (MoM) | +0.5% | +0.7% | +0.4% | +0.5% |
| 8:30 AM | NOV | Retail Sales Ex. Autos (MoM) | +0.4% | +0.2% | +0.1% | +0.2% |
| 8:30 AM | NOV | Retail Sales Ex. Autos & Gas (MoM) | +0.4% | +0.2% | +0.1% | +0.2% |
| 9:15 AM | NOV | Industrial Production Index | +0.3% | | -0.3% | |
| 9:15 AM | NOV | Capacity Utilization | 77.3% | | 77.1% | |
| 9:15 AM | NOV | Manufacturing Output | +0.5% | | -0.5% | |
| 10:00 AM | DEC | NAHB Housing Market Index | 47.0 | | 46.0 | |

Commentary:

- **Total retail sales for the month of November came-in stronger than expected but the core rate of sales, which exclude autos and gasoline, was weaker.** Results for the month of October were revised slightly higher.
- As expected, auto sales provided much of the upside to the November results. Sales of automotive vehicles and parts grew by a strong 2.6% m/m and were 7.4% above year-ago levels.
- Non-store retailers (online retailers) also saw a solid gain for the month with a 1.8% m/m gain, equating to a y/y increase of 6.5%.
- On a year-over-year basis, total retail sales were a solid 4.0% higher while sales excluding autos were 3.3% higher.
- The pace of sales has also been accelerating. On a 3-month annualized basis, total retail sales were a very strong 8.5% higher, according to the Commerce Department while sales excluding autos and gasoline were a strong 6.6% higher.
- Aside from the major categories of autos and gasoline, sales results were generally positive but with few major movers. Eating and drinking establishments saw a 0.4% decline m/m but this follows several months of particularly strong results. On a y/y basis, sales in the category were a solid 4.7% higher.
- Overall, we believe consumers are in good position to further propel economic activity. The segment accounts for almost 70% of total U.S. economic activity and we see consumers as currently having ample savings, good income growth, stable job prospects and relatively low debt burdens. The “wealth effect” of high home values and strong financial markets are also a benefit to consumers’ willingness and ability to spend, in our view.
- *The chart at right is sourced from FactSet and HAS been updated to reflect today’s release.*

U.S. Retail Sales (yr/yr % change)



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Ameriprise Economic Projections

| Forecast: | Full-year | | | | Quarterly | | | | | | |
|-----------------------|-----------|--------|------|------|-----------|---------|---------|---------|---------|---------|---------|
| | Actual | Actual | Est. | Est. | Actual | Actual | Actual | Actual | Est. | Est. | Est. |
| | 2022 | 2023 | 2024 | 2025 | Q4-2023 | Q1-2024 | Q2-2024 | Q3-2024 | Q4-2024 | Q1-2025 | Q2-2025 |
| Real GDP (annualized) | 2.5% | 2.9% | 2.8% | 2.0% | 3.2% | 1.6% | 3.0% | 2.8% | 2.7% | 1.8% | 2.3% |
| Unemployment Rate | 3.6% | 3.7% | 4.4% | 4.2% | 3.7% | 3.8% | 4.1% | 4.1% | 4.2% | 4.2% | 4.2% |
| CPI (YoY) | 8.0% | 3.4% | 2.5% | 2.0% | 3.4% | 3.5% | 3.0% | 2.4% | 2.5% | 2.2% | 2.1% |
| Core PCE (YoY) | 5.2% | 2.9% | 2.7% | 2.0% | 2.9% | 2.8% | 2.6% | 2.7% | 2.7% | 2.3% | 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: December 12, 2024

Ameriprise Global Asset Allocation Committee Targets and Views

Targets

| | Favorable Scenario | Base-Case Scenario | Adverse Scenario |
|-------------------------------------|--------------------|--------------------|------------------|
| 2024 Year-end Targets: | | | |
| 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

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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 | <ul style="list-style-type: none"> U.S. Large Cap Growth U.S. Large Cap Value | <ul style="list-style-type: none"> U.S. Mid Cap Value U.S. Mid Cap Growth U.S. Small Cap Value U.S. Small Cap Growth | <ul style="list-style-type: none"> Developed Foreign Equity Emerging Foreign Equity |
| S&P 500 Sectors | <ul style="list-style-type: none"> Consumer Staples Financials | <ul style="list-style-type: none"> Communication Services Energy Health Care Information Technology Materials Real Estate Utilities | <ul style="list-style-type: none"> Consumer Discretionary Industrials |
| Global Equity Regions | <ul style="list-style-type: none"> United States | <ul style="list-style-type: none"> Asia Pacific ex. Japan Europe ex U.K. Japan Latin America United Kingdom | <ul style="list-style-type: none"> Middle East/Africa Canada |
| Fixed Income | <ul style="list-style-type: none"> U.S. Government U.S. Investment Grade Corp. | <ul style="list-style-type: none"> U.S. High Yield Bonds Developed Foreign Bonds | <ul style="list-style-type: none"> Emerging Foreign Bonds Municipal Bonds |
| Alternatives | | <ul style="list-style-type: none"> Real Assets | <ul style="list-style-type: none"> Alternative Strategies |
| Cash | | <ul style="list-style-type: none"> 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

| Major Market Indices | Rolling Returns | | | |
|----------------------------------------------------|-----------------|--------|---------|---------|
| | 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.

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The Ameriprise Investment Research Group

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As of September 30, 2024

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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

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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.

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Index definitions

An index is a statistical composite that is not managed. It is not possible to invest directly in an index.

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