Before the Bell

An Ameriprise Investment Research Group Publication

January 16, 2025

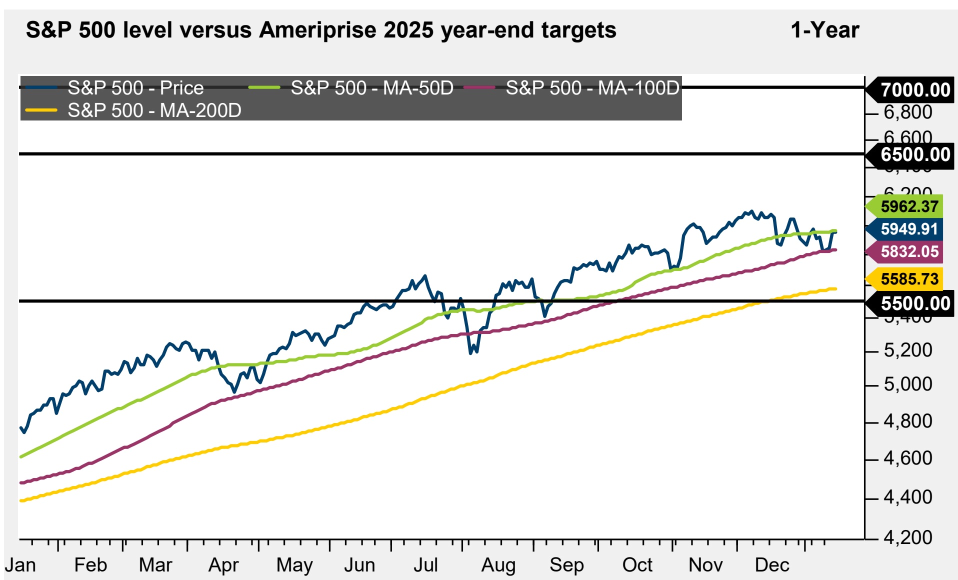
Starting the Day

- U.S. equity markets are pointing to a mostly higher open.
- European markets are trading higher at midday.
- Asian markets ended higher.
- Stocks bounce on inflation and bank earnings updates.
- Bessent heads to Capitol Hill; Retail Sales on deck.
- 10-year Treasury yield at 4.68%.
- West Texas Intermediate (WTI) oil is trading at $78.08
- Gold is trading at $2,730.40

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Stocks receive a welcomed shot in the arm. Investors have been looking for a positive catalyst to help support stock prices for weeks. While U.S. stocks posted a strong year of performance in 2024, the last month of the year saw equity prices flounder. Through the first half of January, performance trends hadn't changed much. Sure, economic conditions remain solid, corporate profit growth is forecast to accelerate this year, and an incoming Trump administration is expected to focus on pro-growth policies that could help advance stock prices over time. However, if economic growth is too strong, the Federal Reserve might not cut its policy rate much in 2025 — a stock negative based on current investor sentiment. And if new tariffs are sweeping or cause inflation to rise/stall at elevated levels, that could also push back on growth and profit assumptions for this year.



Notably, let's not forget about the less discussed potential changes in immigration policies, which, with a more negative assessment of possible impacts, could further constrict an already tight labor market, particularly in areas of construction, trades, and service/hospitality industries. Given elevated stock valuations, the narrative over recent weeks has leaned cautious/risk-off, particularly since policies on tariffs and immigration remain "known unknowns."

Of course, most expect some color on these topics to fill in once President-elect Trump takes his oath of office on Monday and begins to release a batch of executive orders.

That's why yesterday's updates on consumer inflation and key financial earnings reports proved to be a welcomed reprieve from some of the uncertainty and negativity that has clouded market action for a number of weeks.

On Wednesday, the U.S. Bureau of Labor Statistics reported that December core CPI increased +0.2% m/m, below forecasts and cooler than November's +0.3% reading. On an annualized basis, core CPI rose +3.2% in December versus +3.3% in November. While higher food and energy prices drove annualized headline CPI to +2.9% in December, up from +2.8% in the previous month, the increase was largely expected based on higher gasoline prices in December. Notably, core services inflation and shelter costs in December remained largely static versus November levels. Bottom line: While overall progress on inflation has stalled in some areas over recent months, some of investors' worst fears about rising consumer inflation were calmed by Wednesday's update. As a result, odds of a lower fed funds rate by the end of the year increased versus where they stood on Tuesday.

In addition, JPMorgan Chase, Citigroup, Wells Fargo, Goldman Sachs, and Bank of New York Mellon all reported earnings results for the previous quarter yesterday. All beat estimates on net interest income, net interest margins, and earnings per share (EPS). Notably, JPMorgan, Wells Fargo, and Bank of New York Mellon guided net interest income higher for 2025. Strong trading activity and solid investment banking revenues, as well as benign credit trends, were standout items for the group, which helped lift Financials and the broader market higher on Wednesday. The S&P 500 Index rose +1.8% yesterday, while the NASDAQ Composite jumped +2.5%, and the Dow Jones Industrials Average added +1.7%. For the major stock averages, Wednesday was their best day of performance since the day after the November election. In addition, the S&P 500 Financials Index rose by an impressive +2.6%.

Of course, one day of market performance does not make a trend. However, some positive takeaways on inflation, a subsequent decline in government bond yields yesterday, and solid profit trends/outlooks out of key financial bellwethers helped stocks regain a little footing. The major U.S. stock indexes are now higher in January following yesterday's strong gains. As the *FactSet* chart on page one shows, the S&P 500 was already starting to bounce off its 100-day moving average prior to yesterday's tailwinds and finished Wednesday well above the level. We'll have to see if the Index can reclaim its 50-day moving average over the near term as it's knock on the door. Notably, the Index has bounced around this near-term trend marker since mid-December and has traded both above and below the marker since. Bottom line: Stocks could continue to see fits and starts and more volatility in Q1 as conditions around policy and interest rates evolve and the Q4'24 earnings season ramps up. Nevertheless, inflation dynamics appear stable, economic conditions are firm, and early looks at the profit picture point to a solid backdrop. Thus, we believe the fundamental narrative at the start of 2025 continues to point toward "guarded optimism" and one that should keep investors fully invested.

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 mostly higher open.** Following their best day since November, stocks look set to add to their gains from yesterday. While the 10-year U.S. Treasury yield dipped 14 basis points on Wednesday, it currently sits at 4.68%. In our view, government bond yields remain elevated. As such, rates could remain a key point of volatility for stock prices should concerns about inflation and debt/deficits continue to soak up oxygen in the macroeconomic narrative. December retail sales are out this morning, as are earnings reports from Morgan Stanley, U.S. Bancorp, Bank of America, and UnitedHealth Group. Notably, President-elect Trump's pick for U.S. Treasury Secretary, Scott Bessent, will have his confirmation hearing on Capital Hill today. Investors will likely try to parse his responses to questions for clues/clarity on Trump's plans for tariffs, taxes, and fiscal policy.
- **Earnings Update:** With just 6% of S&P 500 fourth quarter reports complete, blended earnings per share (EPS) growth is higher by +12.1% year-over-year on revenue growth of +4.6 %.

Europe:

European stocks are trading higher at midday. Europe's luxury stocks have seen an uptick ahead of key earnings reports, gaining roughly +12% since November. Optimism around China's stimulus to support its economy and potentially stronger-than-expected growth in the U.S. fueled by pro-growth fiscal policies have translated into improved optimism on luxury spending. However, *Reuter*s noted that the group of European luxury goods providers has struggled with anemic trends out of China, cost pressures in Europe, and changing consumer preferences.

Asia-Pacific:

Equities in Asia closed higher. Tech-related areas outperformed after Taiwan Semiconductor reported strong earnings results that surpassed expectations, fueled by a surge in demand for advanced chips used in AI

WORLD CAPITAL MARKETS

1/16/2025 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	1.8%	1.2%	5,949.9
Dow Jones	1.7%	1.6%	43,221.6
NASDAQ Composite	2.5%	1.1%	19,511.2
Russell 2000	2.0%	1.5%	2,263.3
Brazil Bovespa	2.8%	2.0%	122,650
S&P/TSX Comp. (Canada)	0.8%	0.4%	24,789.3
Russell 3000	1.8%	1.4%	3,403.3

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	1.4%	4.3%	5,101.4
FTSE 100 (U.K.)	0.6%	2.3%	8,352.2
DAX Index (Germany)	0.3%	3.6%	20,633.5
CAC 40 (France)	2.0%	3.4%	7,626.3
FTSE MIB (Italy)	0.8%	5.1%	35,918.9
IBEX 35 (Spain)	-0.4%	2.6%	11,847.9
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.3%	-3.3%	38,572.6
Hang Seng (Hong Kong)	1.2%	-2.3%	19,522.9
Korea Kospi 100	1.2%	5.3%	2,527.5
Singapore STI	0.8%	0.4%	3,801.1
Shanghai Comp. (China)	0.3%	-3.5%	3,236.0
Bombay Sensex (India)	0.4%	-1.4%	77,042.8
S&P/ASX 200 (Australia)	1.4%	2.1%	8,327.0

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	1.5%	0.8%	847.3

Developed International	% chg.	%YTD	Value
MSCI EAFE	1.3%	0.1%	2,263.5

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.3%	-1.7%	1,055.8

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	2.7%	2.0%	348.2
Consumer Discretionary	3.0%	1.9%	1,865.9
Consumer Staples	-0.1%	-2.3%	833.3
Energy	1.4%	7.6%	704.9
Financials	2.6%	2.4%	823.4
Health Care	0.2%	2.2%	1,638.3
Industrials	0.7%	2.7%	1,146.1
Materials	0.9%	3.5%	547.8
Real Estate	0.4%	-1.2%	252.7
Technology	2.2%	-0.5%	4,585.9
Utilities	1.5%	1.4%	390.3

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.3%	6.6%	313.7
FTSE NAREIT Comp. TR	0.2%	-1.6%	24,698.6
DJ US Select Dividend	1.3%	1.3%	3,545.5
DJ Global Select Dividend	-0.4%	0.2%	223.9
S&P Div. Aristocrats	0.4%	0.2%	4,583.9

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.8%	-0.2%	2,183.9
Barclays HY Bond	0.6%	0.6%	2,698.1

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.0%	1.4%	548.8
NYMEX WTI Crude (p/bbl.)	-1.0%	10.5%	79.3
ICE Brent Crude (p/bbl.)	-1.0%	8.9%	81.3
NYMEX Nat Gas (mmBtu)	0.7%	13.2%	4.1
Spot Gold (troy oz.)	0.2%	3.0%	2,702.3
Spot Silver (troy oz.)	0.0%	6.1%	30.7
LME Copper (per ton)	0.2%	4.6%	9,053.4
LME Aluminum (per ton)	1.8%	2.4%	2,588.0
CBOT Corn (cents p/bushel)	-0.8%	3.6%	475.0
CBOT Wheat (cents p/bushel)	-1.5%	-2.3%	539.0

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.2%	-0.8%	1.03
British Pound (£/$)	-0.4%	-2.5%	1.22
Japanese Yen ($/¥)	0.2%	0.7%	156.11
Australian Dollar (A$/$)	-0.4%	0.2%	0.62
Canadian Dollar ($/C$)	-0.3%	0.0%	1.44
Swiss Franc ($/CHF)	0.0%	-0.6%	0.91

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	13.5%	Overweight	2.0%	15.5%
Consumer Staples	5.5%	Equalweight	-	5.5%
Information Technology	32.8%	Equalweight	-	32.8%
Industrials	8.1%	Equalweight	-	8.1%
Communication Services	9.4%	Equalweight	-	9.4%
Energy	3.0%	Equalweight	-	3.0%
Utilities	2.3%	Equalweight	-	2.3%
Materials	1.9%	Equalweight	-	1.9%
Real Estate	2.0%	Equalweight	-	2.0%
Consumer Discretionary	11.5%	Equalweight	-	11.5%
Health Care	10.0%	Underweight	-2.0%	8.0%

As of: January 2, 2025

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 12/19/2024. 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	66.1%	Overweight	3.2%	69.3%
Europe ex U.K.	11.3%	Equalweight	-	11.3%
Latin America	0.8%	Equalweight	-	0.8%
Japan	4.7%	Equalweight	-	4.7%
United Kingdom	3.0%	Equalweight	-	3.0%
Asia-Pacific ex Japan	10.2%	Underweight	-1.0%	9.2%
Canada	2.7%	Underweight	-1.0%	1.7%
Middle East / Africa	1.2%	Underweight	-1.2%	0.0%

as of: January 2, 2025

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 12/26/2024. 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.

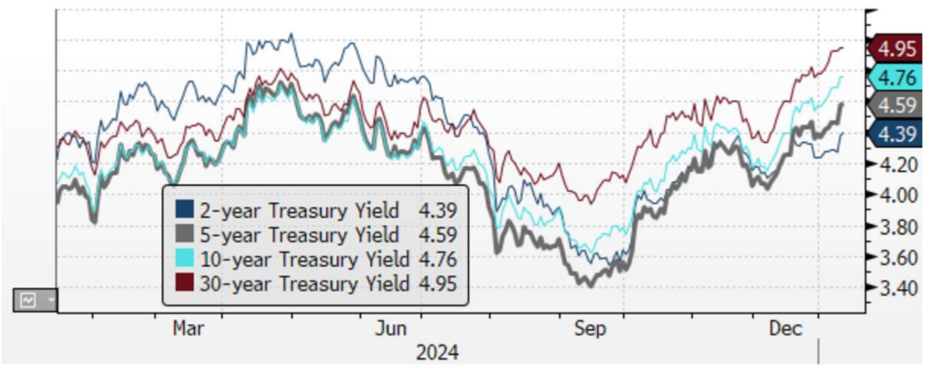
Fixed Income Market Perspectives

Brian M. Erickson, CFA, VP Fixed Income Research & Strategy

U.S. Treasury yields press higher

This morning, the 30-year U.S. long-bond yield rose to 4.89% after topping 5% intraday and closing Tuesday at 4.97%. We saw strong U.S. payroll data last week coupled with a bump higher for the University of Michigan 1-year inflation expectations figure to 3.3% from 2.8%, and the jump in 5-10-year inflation expectations from the same report rising to 3.3% from 3.0% as key drivers. On Wednesday, the cooler-than-expected December Consumer Price Index reading was 3.2% year over year compared to expectations for a steady reading of 3.3%.

Economic Data and Geopolitics Send Treasury Yields Higher
Yield in %



Source: Bloomberg L.P.

Continued economic strength, coupled with bond market concerns that the incoming administration's policies may provide additional stimulus through trade, tax, and spending policies, has increased U.S. Treasury yields since early December. While the prospects for firmer inflation may give bond markets pause, they have not translated into tighter financial conditions for corporations as we would expect. Credit spreads remain narrow, and funding is extensively available from a broad array of lenders and investors.

On the flip side, we believe now is still a great time to own fixed income. Investors benefit from yields a quarter-percent more than at the start of 2024. Since higher yields mean lower prices for fixed income, bond prices also stand lower than they did a year ago. It’s hard to find investments outside of high-quality fixed income at lower valuations than a year ago. We continue to see fixed income as compelling.

For investors holding excess cash investments, given the elevated yields on cash, we see the contrast today of cash investment yields a whole percentage point below year-ago levels as a waning opportunity. Compared to even higher fixed income yields than a year ago and with prospects for further Fed rate cuts in 2025, it is now viewed as a compelling time to put excess cash to work in fixed income. We view the opportunity cost of not putting excess cash to work as higher today than a year ago.

Economic News and Views:

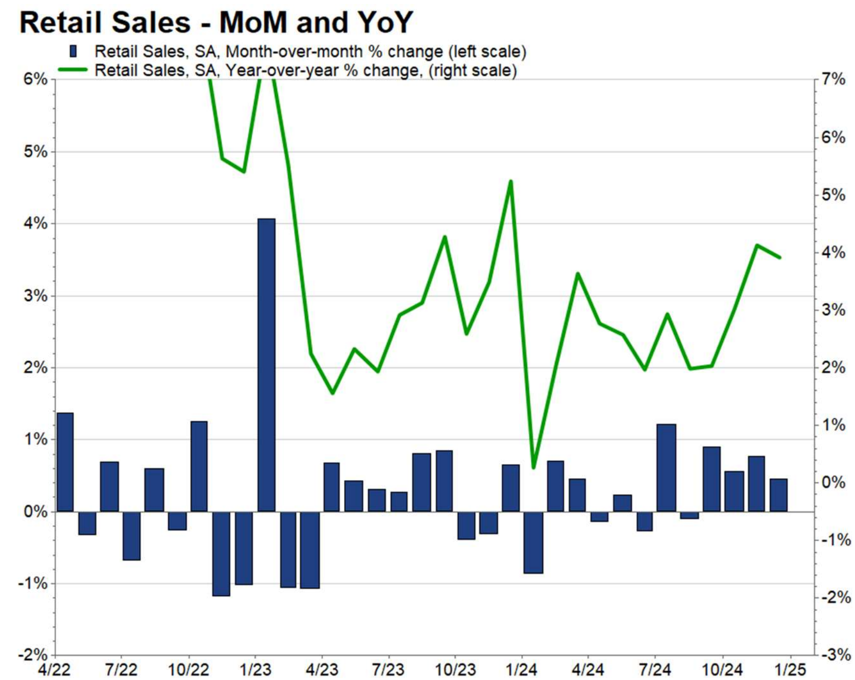
Russell T. Price, CFA – Chief Economist

Releases for Thursday January 16, 2025 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
8:30 AM	Jan. 11	Initial Jobless Claims	210k	**217k**	201k	
8:30 AM	Jan. 4	Continuing Claims	1877k	**1859k**	1867k	
8:30 AM	DEC	Retail Sales (MoM)	+0.6%	**+0.4%**	+0.7%	+0.5%
8:30 AM	DEC	Retail Sales Ex. Autos (MoM)	+0.5%	**+0.4%**	+0.2%	+0.2%
8:30 AM	DEC	Retail Sales Ex. Autos & Gas (MoM)	+0.4%	**+0.3%**	+0.2%	+0.2%
8:30 AM	JAN	Philly Fed. Manufacturing Index	-5.0	**-5.6**	-10.9	
8:30 AM	DEC	Import Price Index (MoM)	-0.2%	**+0.1%**	+0.1%	
8:30 AM	DEC	Import Price Index (YoY)	+2.2%	**+2.2%**	+1.3%	
10:00 AM	JAN	NAHB Housing Market Index	45.0		46	

Commentary:

- **Retailers for December were strong but still a bit weaker than forecaster's estimates. This morning's report from the Commerce Department showed t**otal sales to have been a solid 0.4% higher while already strong monthly sales growth figures for November and October were revised slightly higher. Commerce now sees retail sales as having grown by 0.8% in November and +0.6% in October. Sales were up 0.9% in September.
- On a year-over-year basis, total retail sales were up +3.8% and +3.4% with autos and gasoline excluded.
- As expected, auto sales provided solid upside to the results. Sales of automotive vehicles and parts grew +0.7% in December after having posted very strong gains of +3.1% m/m in November and +2.2% in October. Sales in the category were up 7.5% from their year-ago levels. Ward's Automotive had previously reported automobile unit sales to have reached 16.8 million units on a seasonally adjusted, annualized basis (SAAR), up from what was an already strong November rate of 16.5 million.
- Non-store retailers (online operators) posted a modest 0.2% gain in December but this figure obscures its 10.2% gain versus year-ago levels.
- The pace of total sales over the last few months has been strong. On a 3-month annualized basis, total retail sales were a strong 7.3% higher last month, while sales excluding autos and gasoline were a solid 5.0% higher.



- Building materials and eating and drinking establishment sales were the only primary categories to see a decline for the month. Building material sales were down 2.0% m/m (given colder weather relative to the last several years) and eating and drinking was off 0.3% (and down by a similar 0.3% versus year-ago levels.
- Overall, we believe consumers remain in a good position to propel economic activity further. 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 also benefits 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.*

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%	2.8%	2.0%	3.2%	1.6%	3.0%	2.8%	2.7%	1.8%	2.3%
Unemployment Rate	3.6%	3.7%	4.1%	4.2%	3.7%	3.8%	4.1%	4.1%	4.1%	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: January 13, 2025**

Ameriprise Global Asset Allocation Committee Targets and Views

Targets

2025 Year-end Targets:	Favorable Scenario	Base-Case Scenario	Adverse Scenario
S&P 500 Index:	7,000	6,500	5,500
10-Year U.S. Treasury Yield:	5.00%	4.25%	3.00%
Fed Funds Target Range:	4.25% to 4.50%	3.75% to 4.00%	3.25% to 3.50%

Estimates (Est.) via American Enterprise Investment Services Inc.

Please see latest *Quarterly Capital Market Digest* for more information. **Last Updated: January 2, 2025**

This space intentionally left blank.

Global Asset Allocation Committee Views

AMERIPRISE GLOBAL ASSET ALLOCATION COMMITTEE TACTICAL ASSET CLASS VIEWS

2025 Year-end S&P 500 Target: 6,500
2025 Year-End 10-year Treasury Target: 4.25%

as of 12/30/2024

	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	• Financials	• Communication Services • Consumer Discretionary • Consumer Staples • Energy • Industrials • Information Technology • Materials • Real Estate • Utilities	• Health Care
Global Equity Regions	• United States	• Europe ex U.K. • Japan • Latin America • United Kingdom	• Middle East/Africa • Asia-Pacific ex Japan • Canada
Fixed Income	• U.S. High Yield Bonds	• U.S. Government • U.S. Inv. Grade Corporates • 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.

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 December 31, 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.