Before the Bell

An Ameriprise Investment Research Group Publication

February 3, 2025

Starting the Day

- Equity Index futures down about 1.5% pre-market.
- European markets lower by about 1.5% at midday.
- Asian markets lower but with material variations.
- Heavy earnings week overshadowed by tariffs.
- Tariffs take centerstage.
- 10-year Treasury yield at 4.50%.
- West Texas Intermediate (WTI) oil is trading at $74.37
- Gold is trading at $2,844.70

Market Perspectives

Russell T. Price, CFA, Chief Economist

Bluff called; tariffs are here. Now what? On Saturday, the Trump administration announced 25% tariffs on goods imported from Mexico and Canada and an additional 10% tariff on goods from China. Each country has vowed to retaliate with tariffs on U.S.-made products, but no details have yet emerged. Energy commodities imported from Canada also received the lower, 10% tariff rate. The tariffs are set to take effect on Tuesday, February 4th. In response, Canadian Premier Trudeau said on Saturday that Canada would implement a 25% tariff on $105 billion (annualized) worth of Canadian imports from the U.S.

Mr. Trump has been proposing such tariffs for months. Financial market activity, however, with domestic equity markets recently trading near all-time highs, seemed to suggest a widespread belief that the proposals were largely negotiation posturing. The President's follow-through, thus comes as a partial surprise that looks likely to cause some downside market volatility over the very near term. We stress that the President's stated objectives behind his Mexico /Canada tariffs, that being greater North American border control relative to immigration and drug flows, appear very attainable. As such, as economic and financial market disruption increases, we believe the tariffs will be temporary. By the President's own words, however, similar negotiations, likely starting with tariffs, seem to be on the horizon for the U.S. /Europe trade relationship.

In the Q&A below, we focus on the announced tariffs on goods imported from Mexico and Canada given their greater potential for near-term economic and market disruption. As for the announced tariffs on China, we believe the incremental 10% is economically digestible and should have little impact on most end-consumer prices.

2023 U.S. Trade by country or region of origin.

(all figures in Billions of U.S. dollars)

U.S. Imports		U.S. Exports		Trade Deficit	
Euro Zone	$509.2	Canada	$354.4	China	-$279.1
Mexico	$475.2	Euro Zone	$333.2	Euro Zone	-$176.0
China	$426.9	Mexico	$322.7	Mexico	-$152.5
Canada	$418.6	China	$147.8	Japan	-$71.5
Japan	$147.2	Japan	$75.7	Canada	-$64.2

Implied tariff costs:		
Mexico	@ 25%	$118.8
Canada	@ 25%	$106.7
China	@ 10%	$41.9

Source: FactSet

Q: What is a tariff?

A: A tariff is a tax on imported goods that is paid to the federal government. The importing entity is responsible for paying the tax, which makes procuring goods or services from certain countries incrementally more expensive. This is meant to encourage the importer to either find a domestic source or source their supply from a different country. However, supply chains, particularly in the manufacturing sector – which dominates North American trade, can take significant time to adjust.

Q: How significant are the tariffs that have been imposed?

A: A 25% tariff invoked against your largest trading partners is very significant, and they can be quite disruptive, especially if maintained for any length of time. We believe the substantial rates imposed are meant to add expediency to negotiations with Mexico and Canada.

Based on the figures from the table on page one, a 25% tariff on all products imported from Mexico would equate to an added annual cost of about $119.0 billion (based on 2023 figures, which are the latest available). For imports from Canada, the added cost would be about $105 billion.

Q: What does the direct economic and inflationary impact look like?

A: On an annualized basis, we estimate the Mexico /Canada tariffs could boost the Consumer Price Index (CPI), i.e., inflation, by 0.5% to 1.0%. Real U.S. economic growth would be expected to decline by a similar amount. These are material values. But lasting tariff implementations would likely require Congressional approval and legislation. Republicans have very slim majorities in the House and Senate, although officials from auto-intensive states would likely balk at lasting tariff implementations, in our view.

Q: Who ultimately bears the cost of the tariffs?

A: Most of the added cost is likely to be added to the final cost of the good. This would depend, however, on the pricing power for various goods. If it's a toy whose price goes from $4.00 to $5.00, many consumers may not even notice, so the volume sold may not change much if the tariff is fully passed-on. For a washing machine, automobile, or other big-ticket item, however, an added 25% would likely be prohibitive for consumers without a material degradation in sales volumes.

Other avenues of tariff cost absorption include: a stronger U.S. dollar, tighter profit margins for the exporter and /or importer and /or retailer. Re-sourcing suppliers would be a very long endeavor, especially in such industries as autos, auto parts, appliances, energy commodities, heavy equipment, and certain farm goods amongst others.

Q: What type of economic impact might the tariffs have?

A: Over the near term, the tariffs could have their greatest impact via border disruptions as some businesses could seek to delay shipments in hopes the tariffs are soon revoked. If so, some U.S. manufacturing operations may need to temporarily shut-down, particularly in the auto industry. If so, it would likely put considerable pressure on the president to reverse course. Additionally, the higher cost for some import items may lead some domestic businesses to hike prices.

Q: Could the tariffs become permanent?

A: The Trump administration has significant leeway to impose near-term rates but lasting trade agreement changes would require Congressional legislation. The President is posturing that the tariffs will be permanent, but the stated objectives suggest a different story, in our opinion. The President has said he wants greater cooperation on border control issues as related to immigration and drug flows. We believe these are reasonable and attainable objectives for all.

Very importantly, however, how the administration handles this initial round of actions with Canada and Mexico will inform and set expectations for Europe and others should they face tariff threats down the road. In other words, a quick reversal now could embolden European leaders to hold their ground longer.

Q: Should investors sell into any near-term market weakness?

A: In our view, the economic consequences of these significantly large tariffs are overdone relative to the stated objectives of greater cooperation on immigration and drug flows. As such, we believe this could be a disruptive but a relatively temporary situation. When and if agreements are reached, we believe markets can rebound, thus leaving those that try to "time" these events with underperformance relative to a "hold" strategy.

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U.S. Premarket Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **U.S. stock Index futures are currently indicated to be about 1.5% lower at the open in reflection of the weekend's tariff announcements.**

Europe:

Markets across Europe are seeing bright red arrows at mid-day. Germany's DAX Index, currently off by about 1.9% is leading the way lower as investors consider the potential for eventual U.S. tariffs on European goods, notably automobiles. Such tariffs would likely hit Germany particularly hard given its large automotive industrial base that includes Mercedes-Benz, BMW, Audi and Volkswagen.

Separately, inflation across the Eurozone came-in slightly higher than expected. On a year-over-year basis consumer prices were said to be +2.5% higher versus the +2.4% rate expected. Meanwhile, purchasing manager surveys measuring manufacturing activity in the region showed that business conditions remain weak but with a slight improvement month-over-month. By country, however, Germany and France, the region's two largest economies continued to show contraction.

WORLD CAPITAL MARKETS

2/3/2025 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.5%	2.8%	6,040.5
Dow Jones	-0.8%	4.8%	44,544.7
NASDAQ Composite	-0.3%	1.7%	19,627.4
Russell 2000	-0.9%	2.6%	2,287.7
Brazil Bovespa	-0.1%	4.8%	126,056
S&P/TSX Comp. (Canada)	-1.1%	3.5%	25,533.1
Russell 3000	-0.5%	3.2%	3,460.1

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-1.8%	6.2%	5,189.5
FTSE 100 (U.K.)	-1.4%	4.7%	8,550.5
DAX Index (Germany)	-1.9%	7.1%	21,326.7
CAC 40 (France)	-1.8%	5.9%	7,808.6
FTSE MIB (Italy)	-1.2%	5.4%	36,037.9
IBEX 35 (Spain)	-1.4%	5.7%	12,194.1
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-2.7%	-3.4%	38,520.1
Hang Seng (Hong Kong)	closed	1.2%	20,217.3
Korea Kospi 100	-2.5%	2.3%	2,454.0
Singapore STI	-0.8%	1.1%	3,826.5
Shanghai Comp. (China)	-0.1%	-3.0%	3,250.6
Bombay Sensex (India)	-0.4%	-1.1%	77,186.7
S&P/ASX 200 (Australia)	-1.8%	2.7%	8,379.4

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.4%	3.4%	869.0

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.1%	5.3%	2,379.8

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-0.2%	1.8%	1,093.4

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

S&P 500 Sectors	% chg.	% YTD	Value
Communication Services	0.7%	9.1%	372.3
Consumer Discretionary	0.1%	4.4%	1,911.6
Consumer Staples	-0.7%	2.0%	869.7
Energy	-2.7%	2.1%	668.0
Financials	-0.6%	6.5%	855.9
Health Care	-0.4%	6.8%	1,710.8
Industrials	-0.7%	5.0%	1,171.3
Materials	-0.7%	5.6%	559.0
Real Estate	-0.2%	1.8%	260.4
Technology	-0.8%	-2.9%	4,474.2
Utilities	-0.6%	2.9%	395.9

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-3.4%	8.2%	318.7
FTSE NAREIT Comp. TR	-0.2%	1.0%	25,358.6
DJ US Select Dividend	-0.7%	2.7%	3,597.2
DJ Global Select Dividend	-1.6%	1.4%	226.6
S&P Div. Aristocrats	-0.8%	2.9%	4,708.6

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.2%	0.5%	2,200.6
Barclays HY Bond	0.0%	1.4%	2,719.8

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.1%	1.3%	548.1
NYMEX WTI Crude (p/bbl.)	2.2%	3.4%	74.2
ICE Brent Crude (p/bbl.)	1.4%	2.8%	76.7
NYMEX Nat Gas (mmBtu)	8.2%	-9.4%	3.3
Spot Gold (troy oz.)	0.4%	7.1%	2,810.2
Spot Silver (troy oz.)	0.2%	8.6%	31.4
LME Copper (per ton)	-0.9%	3.2%	8,928.5
LME Aluminum (per ton)	-1.2%	2.6%	2,592.2
CBOT Corn (cents p/bushel)	-1.1%	3.9%	476.5
CBOT Wheat (cents p/bushel)	-0.2%	1.2%	558.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.8%	-0.7%	1.03
British Pound (£/$)	-0.2%	-1.2%	1.24
Japanese Yen ($/¥)	0.4%	1.7%	154.61
Australian Dollar (A$/$)	-0.8%	-0.3%	0.62
Canadian Dollar ($/C$)	-0.7%	-1.8%	1.46
Swiss Franc ($/CHF)	-0.3%	-0.7%	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.

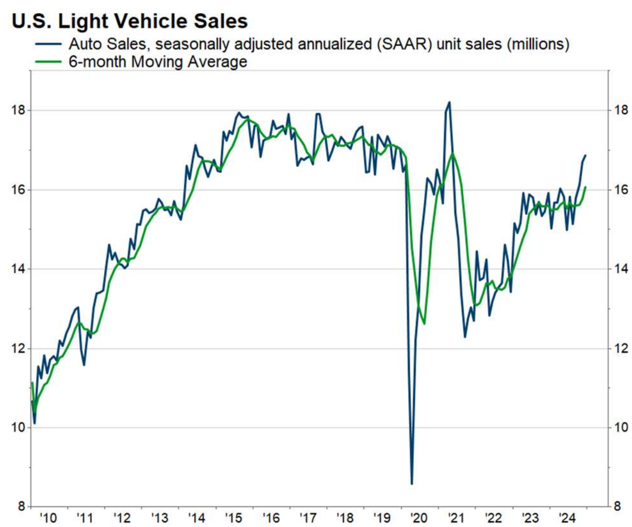
The Week Ahead:

Russell T. Price, CFA, Chief Economist

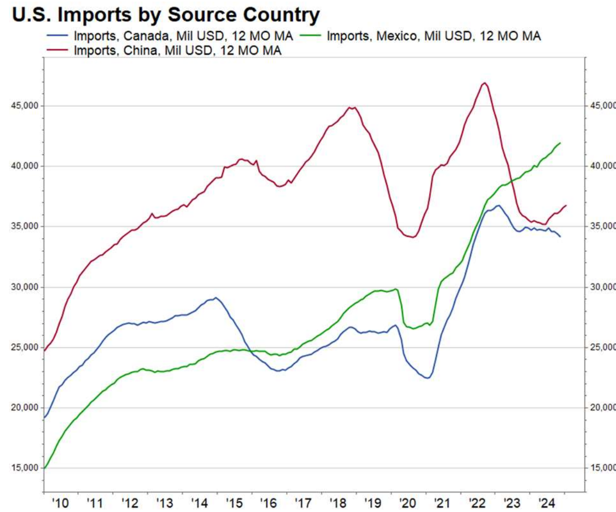
Unless otherwise noted, all economic estimates are sourced from Bloomberg and all corporate earnings measures are sourced from FactSet.

- **Earnings:** The fourth quarter (Q4) earnings release season hits its peak this week with 131 S&P 500 companies scheduled to report, including 5 that are also members of the Dow Jones Industrial Average. Through Friday, 180, or about 36% of S&P 500 companies had reported their results for the quarter.
- Overall, we believe the earnings release season has been progressing well. However, earnings estimates for Q1 and Q2 are seeing some notable negative adjustments, partially due to the risk of tariffs.
- S&P 500 earnings per share (EPS) for the fourth quarter are currently seen as having grown +13.1% year-over-year (y/y) on sales growth of 4.8%. In the prior week, blended earnings estimates had looked for EPS growth of +12.8% on sales growth of +4.6%. It would be the best pace of earnings growth for the Index in two years (Q4-2021) if achieved.
- At the end of Q4, analyst consensus estimates were looking for S&P 500 earnings growth of +11.6% on sales growth of 4.5%. By comparison, Q3-2024 S&P 500 earnings were 6.0% higher on sales growth of 5.5%.
- *All data mentioned in this commentary has been sourced from FactSet.*

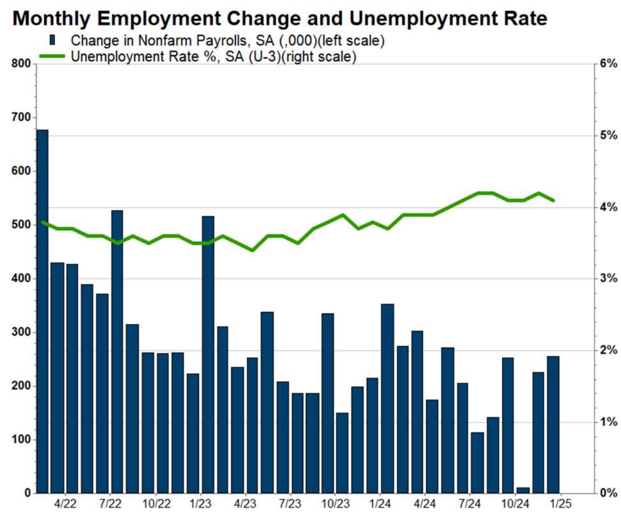
- **The Economic Release Calendar:** The economic calendar picks up considerably this week. Data on employment, manufacturing activity, job openings, service sector activity, auto sales and trade are each on the schedule.
- **January manufacturing activity:** The Institute of Supply Management (ISM) will release its manufacturing index for the month of January on Monday. Forecasters as surveyed by Bloomberg see the Index as remaining close to, but still fractionally below, the '50' threshold. As a reminder, ISM readings above this level indicate month-over-month expansion while readings below indicate a contraction in activity.
- If the January ISM Manufacturing Index comes in below 50, it would be the 27th consecutive negative reading for the measure. While this has been a long run of indicated contraction, we should note that actual U.S. factory output has been largely flat over the period.
- **January Auto Sales:** Auto sales have been picking up over the last few months as dealer and factory sales incentives return. In December, sales on a seasonally adjusted, annualized pace grew to 16.87 million, according to Ward's Automotive. It was the strongest rate of the industry since May 2021 before availability began to plunge due to factory closures. For January, forecasters are looking for a sales pace of about 16.2 million.
- **January Service sector activity:** With the nation's manufacturing sector largely stuck in a slump (though with output maintaining a relatively high level) the ISM's Service sector Index has been reflecting a fairly solid and steady pace of expansion for the vast services sector of the economy. For January, the measure is expected to post another month of the same with a reading of 54.0 expected – the same as that reported for December. The measure has been below 50 only three times since the pandemic set in.



- **Trade Balance:** This week's trade balance report for the month of December takes on more significance than usual. The Advance report on the Goods Trade Balance showed a significant widening of the deficit in the month but such was not reflected in the GDP numbers as released a day later. This week's report will give a much better idea of how much the expanding deficit was due to higher import prices (largely oil) versus how much was a true widening of the real deficit in the month. The Advance report largely showed a surge of imports ahead of what were at the time proposed tariff actions.
- **January Employment Report:** Forecasters are looking for a solid January job growth number to follow the surprisingly strong results reported for December. As a reminder, the Labor Department reported 256,000 net new jobs to have been created in December.



- The Bloomberg consensus looks for 170,000 jobs to have been generated last month. We note, however, that sometimes strong job growth in the final months of the year can conversely result in some downward pressure on the job results in January and February as seasonal hires are subsequently let go.
- The Unemployment Rate, meanwhile, is projected to remain at 4.1%. Average hourly earnings growth is expected to show a 0.3% gain for the month, equating to a 3.7% y/y increase. Emphasis on the wage growth figures, however, is likely reduced since Chair Powell's recent comments that wage inflation has been a less of an influence on inflation recently.
- We are projecting a net job gain of 160,000 for the month with an unemployment rate of 4.1%.
- **Annual revisions:** With this Friday's Employment Report the Labor Department will also release its annual employment level revisions. In September, Labor indicated that the total employment level would need to be revised lower by about 800,000. Essentially, the revision will be a cut in the March 2024 starting point level of employment. The revisions are based on the accumulation of better data including revisions to the Labor Department's "Birth /Death" model which estiamtes of the start-up and failure of businesses.
- *The charts at right have been source from FactSet.*



The calendar below is sourced from American Enterprise Investment Services Inc.

February 3	4	5	6	7
Markit Manufacturing Index	**JOLTS / Job Openings**	**ADP Employment Estimate**	**Initial Jobless Claims**	**Employment Report**
Construction Spending	**Factory Orders**	**Trade Balance**	**Challenger Layoff Notices**	**UofM Consumer Sentiment**
ISM Manufacturing Index	*Services PMI - China*	**ISM Services Index**	**Labor Productivity**	**Consumer Credit**
U.S. Auto Sales	*Consumer Confidence - Japan*	**Markit Prelim. Mfg. Index**	**Unit Labor Costs**	**Wholesale Inventories**
Manufacturing PMI - China	*GDP - S. Korea*	*Inflation - S. Korea*	*Trade - Japan*	*Bank Lending - India*
Unemployment - Japan		*Services PMI - Eurozone*	*Retail Sales - Eurozone*	*GDP - Eurozone*
Industrial Production - S. Korea				
Retail Sales - S. Korea				

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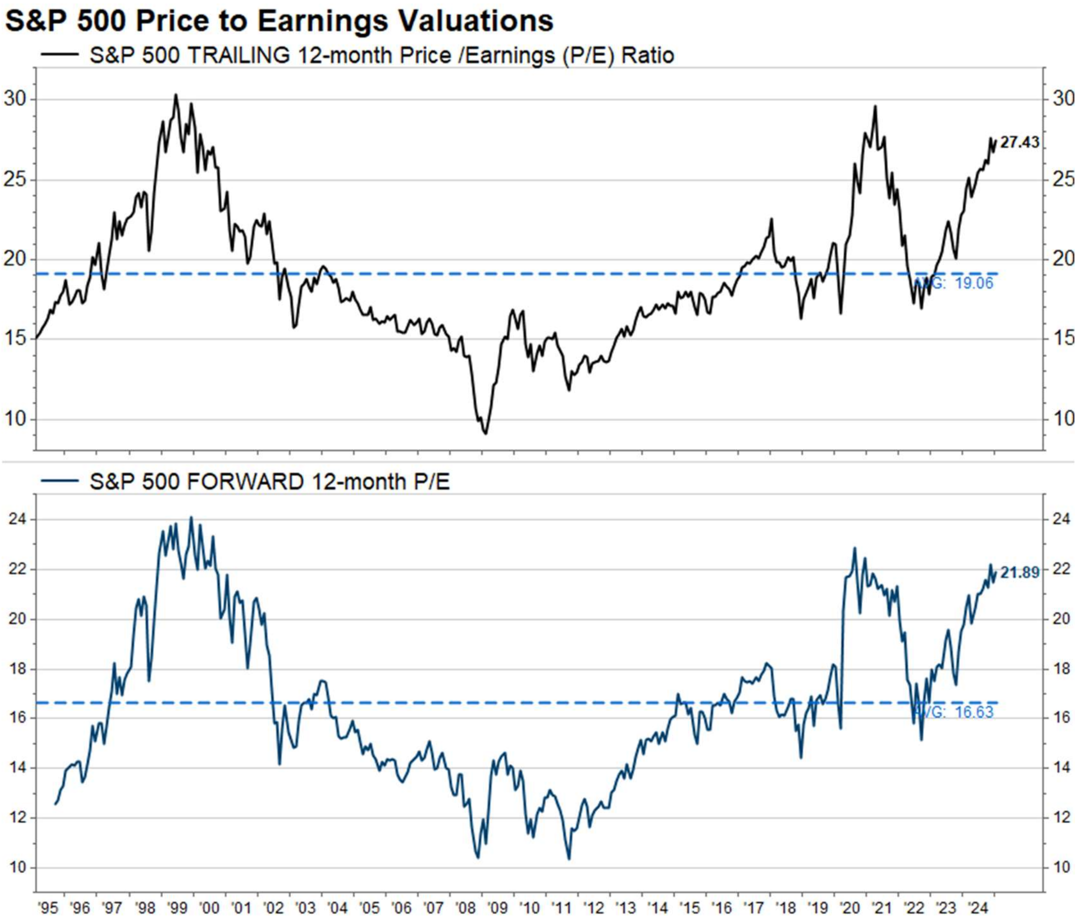
Where Market Fundamentals Stand Heading into The Week:

S&P 500 Trailing and Forward P/E valuations: *Source: FactSet*

Please note: Although we try to maintain consistency as much as possible, Price to Earnings (P/E) ratios may differ from one source to another. Most notably, P/E numbers can often show their most notable differences during an earnings release season as some sources may still use the last full 'actual' earnings number while others use earnings per share that are updated via a combination of actual and estimated earnings per share. The calculation of earnings (operating earnings versus 'as reported' or GAAP) also often differ modestly from one data source to another due to the proprietary use of calculation methodologies.



Consensus Earnings Estimates: *Source: FactSet*

Please note: The consensus earnings estimates shown below should viewed cautiously. The business environment remains very dynamic, thus leaving current estimates with greater uncertainty than usual, in our view. The table below is sourced from American Enterprise Investment Management Inc and is based on data from FactSet.

S&P 500 Earnings Estimates	2020	2021	2022	2023				2024				2025				2026
2/3/2025	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Est.
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
Quarterly $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.54	$61.64	$62.76	$61.88	$66.73	$71.01	$72.67	
change over last week											$0.22	-$0.66	-$0.33	-$0.12	$0.20	-$0.85
yr/yr				-1.2%	-3.6%	6.1%	4.2%	5.8%	11.0%	5.0%	13.0%	9.6%	10.2%	15.2%	15.8%	
qtr/qtr				0.1%	2.2%	8.1%	-5.7%	1.6%	7.2%	1.8%	1.8%	-1.4%	7.8%	6.4%	2.3%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$218.71	$216.67	$220.08	$222.33	$225.44	$231.46	$234.19	$241.39	$246.82	$253.01	$262.38	$272.29	$310.29
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				8.6%				12.8%	14.0%
Implied P/E based on																
a S&P 500 level of: **6041**											25.0	24.5	23.9	23.0	22.2	19.5

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday, February 3, 2025 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
10:00 AM	JAN	ISM Manufacturing Index	49.3		49.2	
10:00 AM	JAN	ISM Prices Paid	56.0		52.5	
10:00 AM	JAN	ISM Employment	47.0		45.4	
10:00 AM	JAN	ISM New Orders	48.0		52.1	
10:00 AM	DEC	Construction Spending (MoM)	+0.2%		0.0%	
NA	JAN	U.S. Auto Sales (annualized)	16.2M		16.5M	

Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual 2022	Actual 2023	Actual 2024	Est. 2025	Actual Q4-2023	Actual Q1-2024	Actual Q2-2024	Actual Q3-2024	Actual Q4-2024	Est. Q1-2025	Est. Q2-2025
Real GDP (annualized)	2.5%	2.9%	2.8%	2.4%	3.2%	1.6%	3.0%	2.8%	2.3%	2.8%	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%	2.9%	2.0%	3.4%	3.5%	3.0%	2.4%	2.9%	2.4%	2.4%
Core PCE (YoY)	5.2%	2.9%	2.8%	2.0%	2.9%	2.8%	2.6%	2.7%	2.8%	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 31, 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**

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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 December 31, 2024	Rolling Returns			
Major Market Indices	**QTD**	**1-year**	**3-years**	**5-years**
Russell 3000® Index (U.S. Equity)	2.63%	23.81%	8.01%	13.86%
MSCI ACWI Ex USA Index – net (Foreign Equity)	-7.60%	5.53%	0.82%	4.10%
Bloomberg U.S. Universal Bond Index (Fixed Income)	-2.73%	2.04%	-1.95%	0.06%
Wilshire Liquid Alternative Index (Alternatives)	-1.87%	4.33%	1.50%	2.48%
FTSE Three-Month Treasury Bill Index (Cash)	1.23%	5.45%	4.05%	2.54%

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.

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As of December 31, 2024

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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.

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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.

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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.

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