

# Before the Bell

*An Ameriprise Investment Research Group Publication*

March 5, 2025

## Starting the Day

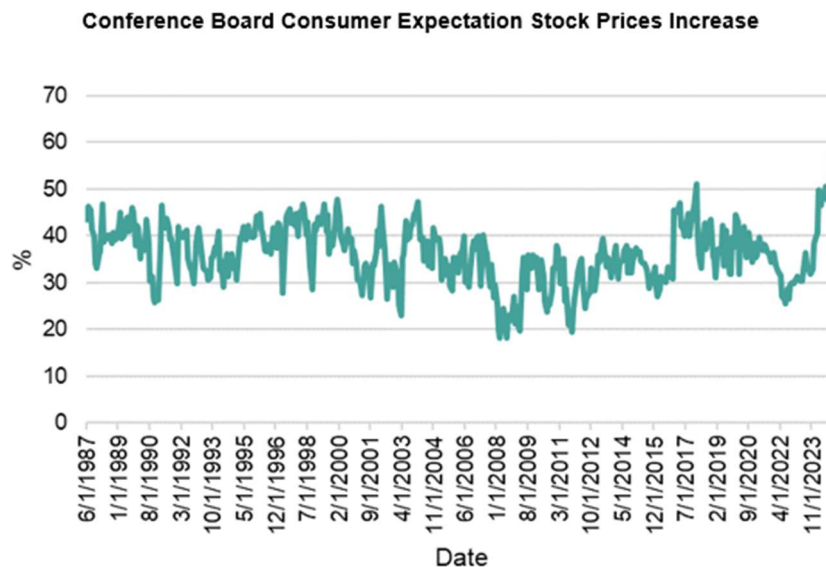
- U.S. stock index futures look for a higher open.
- European markets are strongly higher at midday.
- Asian markets ended higher.
- Europe jumps on prospect of higher German spending.
- Trump comments interpreted as tariffs being temporary.
- 10-year Treasury yield at 4.24%.
- West Texas Intermediate (WTI) oil is trading at \$67.07.
- Gold is trading at \$2,925.50

## Market Perspectives

**Mark Phelps, CFA Sr. Director Multi-Asset Solutions**

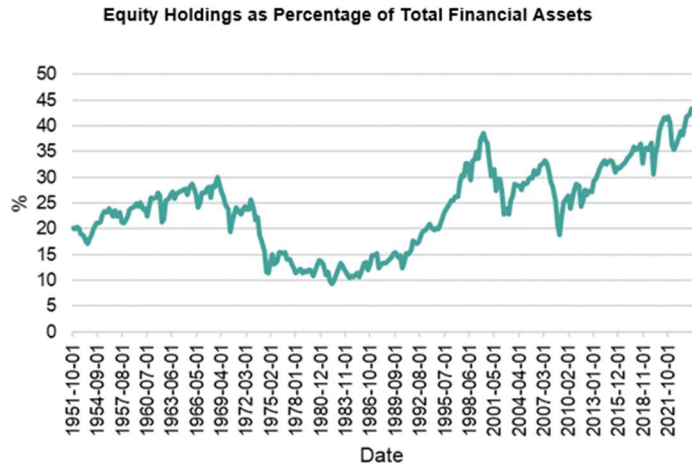
*In addition to comments related to overnight activity and pre-market conditions, each Wednesday, we feature commentary from members of the Ameriprise Global Asset Allocation Committee discussing investment considerations targeting their specific area of expertise. The comments are intended to provide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

**Overconfidence?** U.S. investors appear very confident that equity prices will be higher a year from now. In fact, you could argue that their confidence has never been higher. The two charts below indicate how confident investors are by survey and by how they're positioned financially. The first chart shows historical responses to The Conference Board's monthly consumer confidence survey question that asks if consumer's expect higher stock market prices over the subsequent year. Though confidence has dipped in recent months, note that confidence remains historically high and at a level consistent with that of the Technology Bubble of the late 1990s. *The chart below is sourced from Bloomberg.*



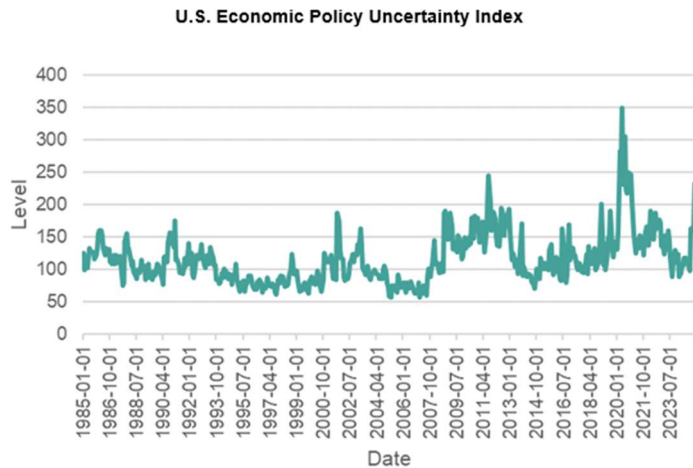
NOTE: FOR IMPORTANT DISCLOSURES, INCLUDING POSSIBLE CONFLICTS, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT.

The second chart, at right, shows the percentage of investors' financial assets are invested in equities. Investors' portfolios have never been so heavily weighted in equities.



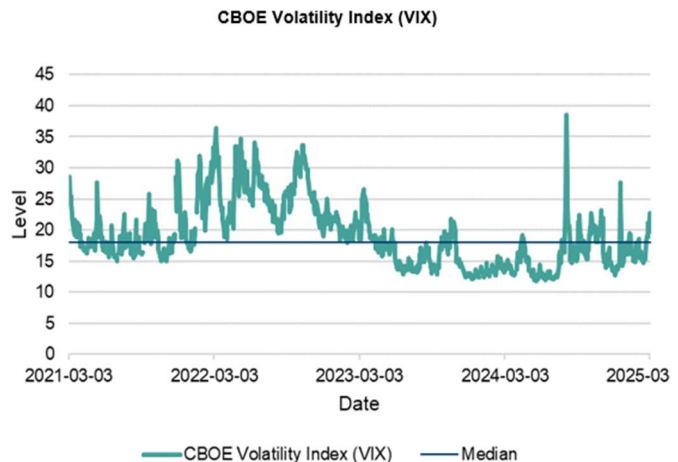
Source: Board of Governors of the Federal Reserve System (US), Households and Nonprofit Organizations; Directly and Indirectly Held Corporate Equities as a Percentage of Financial Assets; Assets, Level [BOGZ1FL153064486Q], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/BOGZ1FL153064486Q>, March 4, 2025.

Investors' conviction in equities is curious given the amount of uncertainty there is with respect to economic policy. The U.S. Economic Policy Uncertainty Index shown below has several inputs, including dispersion among economic forecasters, tax code provisions set to expire over the next 10 years, and news articles discussing policy uncertainty. It's been said that "the market hates uncertainty," but uncertainty hasn't shaken investor confidence, though it's likely been shaken some as the U.S. and some of its trading partners have announced or instituted protectionist trade policies earlier this week.



Source: Baker, Scott R., Bloom, Nick and Davis, Stephen J., Economic Policy Uncertainty Index for United States [USEPUINDEXM], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/USEPUINDEXM>, March 3, 2025.

The Chicago Board of Trade CBOE Volatility Index (VIX) is a commonly used gauge of market uncertainty. The Index measures how much stock market volatility is priced into S&P 500 Index options. While the VIX isn't at historically high levels, it is higher than typical, as shown below.



Source: Chicago Board Options Exchange, CBOE Volatility Index: VIX [VIXCLS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/VIXCLS>, March 4, 2025.

Following a 2024's strong equity rally, your portfolio may be less diversified than you are intending. It's a great time to meet with your financial advisors to make sure your portfolio is aligned with your risk tolerance and long-term goals.

## U.S. Pre-Market Indicators / Overnight International Market Activity

### United States:

Here is a quick news rundown to start your morning:

- **Tariffs.** Investors or hopeful that protectionist trade policies between its largest trading partners will prove short-lived after Commerce Secretary Howard Lutnick suggested that the U.S. could soon reach compromises with Canada and Mexico.
- **Macro Data.** Aside from tariff developments, investors will be watching the ADP Employment report, which forecasters predict will show that private payrolls increased 162,000 in February, and the final PMI Composite data.

### Europe:

European equities are higher, led by stocks in Germany, as leading political parties are expected to align on fiscal loosening to increase defense spending and boost the economy.

### Asia-Pacific:

The Asian markets were mostly higher as investors digested China's retaliatory measures to U.S. tariffs.

## WORLD CAPITAL MARKETS

3/5/2025

As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-1.2%	-1.6%	5,778.2
Dow Jones	-1.6%	0.3%	42,521.0
NASDAQ Composite	-0.4%	-5.2%	18,285.2
Russell 2000	-1.1%	-6.6%	2,079.5
Brazil Bovespa	#VALUE!	#VALUE!	-
S&P/TSX Comp. (Canada)	-1.7%	-0.2%	24,572.0
Russell 3000	-1.2%	-1.9%	3,286.5

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	2.4%	13.0%	5,518.0
FTSE 100 (U.K.)	0.5%	8.3%	8,805.1
DAX Index (Germany)	3.5%	16.1%	23,111.5
CAC 40 (France)	2.2%	11.5%	8,223.1
FTSE MIB (Italy)	2.6%	13.3%	38,728.0
IBEX 35 (Spain)	1.7%	14.8%	13,250.2
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.2%	-6.1%	37,418.2
Hang Seng (Hong Kong)	2.8%	18.1%	23,594.2
Korea Kospi 100	1.2%	7.1%	2,558.1
Singapore STI	0.2%	3.1%	3,898.4
Shanghai Comp. (China)	0.5%	-0.3%	3,342.0
Bombay Sensex (India)	1.0%	-5.4%	73,730.2
S&P/ASX 200 (Australia)	-0.7%	0.6%	8,141.1

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-1.1%	0.8%	846.1

Developed International	% chg.	%YTD	Value
MSCI EAFE	-1.1%	8.1%	2,439.5

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-0.4%	1.9%	1,093.0

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

S&P 500 Sectors	% chg.	% YTD	Value
Communication Services	-0.4%	0.5%	342.8
Consumer Discretionary	-1.7%	-9.1%	1,663.4
Consumer Staples	-1.8%	6.6%	907.5
Energy	-0.9%	1.5%	659.9
Financials	-3.5%	3.3%	829.0
Health Care	-0.9%	7.8%	1,724.3
Industrials	-2.0%	0.0%	1,113.6
Materials	-1.4%	2.0%	539.0
Real Estate	-1.2%	5.7%	269.8
Technology	0.0%	-7.6%	4,256.3
Utilities	-1.7%	3.1%	394.5

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-2.2%	7.5%	316.4
FTSE NAREIT Comp. TR	-1.3%	4.6%	26,258.5
DJ US Select Dividend	-2.8%	1.9%	3,568.8
DJ Global Select Dividend	2.0%	7.1%	238.0
S&P Div. Aristocrats	-1.7%	2.7%	4,697.2

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.3%	2.7%	2,248.2
Barclays HY Bond	-0.1%	1.9%	2,733.5

Commodities	% chg.	% YTD	Value
Futures & Spot (Intra-day)			
CRB Raw Industrials	-0.5%	3.2%	558.8
NYMEX WTI Crude (p/bbl.)	-1.9%	-6.6%	67.0
ICE Brent Crude (p/bbl.)	-1.4%	-6.2%	70.0
NYMEX Nat Gas (mmBtu)	0.6%	20.5%	4.4
Spot Gold (troy oz.)	-0.2%	11.0%	2,912.7
Spot Silver (troy oz.)	1.1%	11.8%	32.3
LME Copper (per ton)	-0.7%	7.8%	9,328.4
LME Aluminum (per ton)	0.1%	3.9%	2,626.5
CBOT Corn (cents p/bushel)	1.6%	-1.6%	458.5
CBOT Wheat (cents p/bushel)	2.2%	-2.5%	548.5

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/€)	0.9%	3.5%	1.07
British Pound (£/£)	0.2%	2.5%	1.28

	% chg.	% YTD	Value
Japanese Yen (\$/¥)	0.4%	5.4%	149.12
Australian Dollar (A\$/S)	0.3%	1.6%	0.63

	% chg.	% YTD	Value
Canadian Dollar (\$/C\$)	0.1%	0.0%	1.44
Swiss Franc (\$/CHF)	0.2%	2.2%	0.89

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
<b>Financials</b>	13.5%	Overweight	2.0%	15.5%	<b>Energy</b>	3.0%	Equalweight	-	3.0%
<b>Consumer Staples</b>	5.5%	Equalweight	-	5.5%	<b>Utilities</b>	2.3%	Equalweight	-	2.3%
<b>Information Technology</b>	32.8%	Equalweight	-	32.8%	<b>Materials</b>	1.9%	Equalweight	-	1.9%
<b>Industrials</b>	8.1%	Equalweight	-	8.1%	<b>Real Estate</b>	2.0%	Equalweight	-	2.0%
<b>Communication Services</b>	9.4%	Equalweight	-	9.4%	<b>Consumer Discretionary</b>	11.5%	Equalweight	-	11.5%
					<b>Health Care</b>	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		MSCI All-Country World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
<b>United States</b>	66.1%	Overweight	3.2%	69.3%	<b>United Kingdom</b>	3.0%	Equalweight	-	3.0%
<b>Europe ex U.K.</b>	11.3%	Equalweight	-	11.3%	<b>Asia-Pacific ex Japan</b>	10.2%	Underweight	-1.0%	9.2%
<b>Latin America</b>	0.8%	Equalweight	-	0.8%	<b>Canada</b>	2.7%	Underweight	-1.0%	1.7%
<b>Japan</b>	4.7%	Equalweight	-	4.7%	<b>Middle East / Africa</b>	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.

**Economic News and Views:**

**Russell T. Price, CFA – Chief Economist**

**Releases for Wednesday, March 5, 2025**

All times Eastern. Consensus estimates via Bloomberg

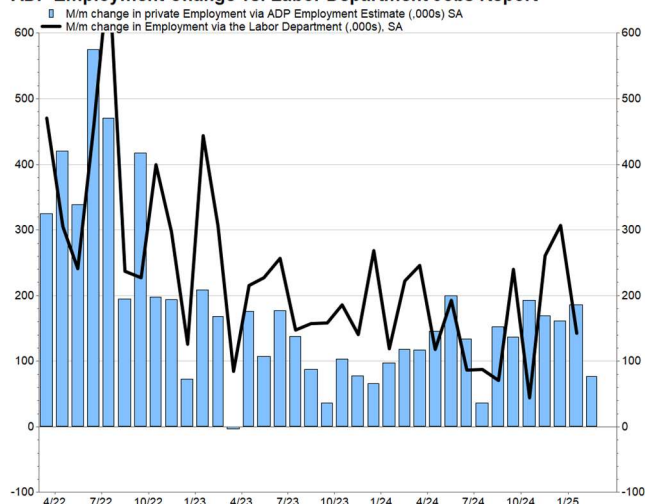
Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:15 AM	FEB	ADP Employment	+140k	<b>+77k</b>	+183k	+186k
10:00 AM	JAN	Factory Orders	+1.7%		-0.9%	
10:00 AM	FEB	ISM Services	52.5		52.8	

**Commentary:**

- **ADP Employment: Job creation stalled in February, according to today's report from payroll processor ADP.**

- The February gain was the weakest month for job creation via the measure since July's 42,000 print. The rate is also about half of the 3- and 6-month average rates through January which were both at +150k.
- As has been the case in recent months, all of February's gains came from larger businesses. Small businesses (1 to 49 employees) shed 12,000 net new jobs, according to the report. Medium sized operators (50 to 499 employees) added a solid 46,000 and Large businesses (500+ employees) gained 37,000 via the report.
- *The chart at right is sourced from FactSet and HAS been updated to reflect today's release.*
- The report also indicated steady wage inflation pressures. Year-over-year wage gains for job-stayers were 4.7% higher while job-changers saw a reported 6.7% increase.

**ADP Employment Change vs. Labor Department Jobs Report**



Six months ago, job stayers were seeing wage growth of 4.9% while job-changers experienced a 7.7% gain.

- **Outlook for Friday's Labor Department report:** Contrary to the ADP report, Friday's Labor Department report is currently forecast to show a net gain of about 160,000 jobs (versus 143,000 in January) and a steady unemployment rate of 4.0%.

Ameriprise Economic Projections											
Forecast:	Full-year				Quarterly						
	Actual	Actual	Est.	Est.	Actual	Actual	Actual	Actual	Est.	Est.	Est.
	2023	2024	2025	2026	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Q3-2025
Real GDP (annualized)	2.9%	2.8%	2.4%	2.1%	1.6%	3.0%	2.8%	2.3%	1.6%	2.7%	3.1%
Unemployment Rate	3.7%	4.1%	4.2%	4.2%	3.8%	4.1%	4.1%	4.1%	4.2%	4.2%	4.2%
CPI (YoY)	3.4%	2.9%	2.5%	2.2%	3.5%	3.0%	2.4%	2.9%	2.4%	2.4%	2.4%
Core PCE (YoY)	2.9%	2.8%	2.3%	2.1%	2.8%	2.6%	2.7%	2.8%	2.5%	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: March 3, 2025

## Ameriprise Global Asset Allocation Committee Targets and Views

Targets	Favorable Scenario	Base-Case Scenario	Adverse Scenario
<b>2025 Year-end Targets:</b>			
<b>S&amp;P 500 Index:</b>	7,000	6,500	5,500
<b>10-Year U.S. Treasury Yield:</b>	5.00%	4.25%	3.00%
<b>Fed Funds Target Range:</b>	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
<b>Equity</b>	<ul style="list-style-type: none"> <li>U.S. Large Cap Growth</li> <li>U.S. Large Cap Value</li> </ul>	<ul style="list-style-type: none"> <li>U.S. Mid Cap Value</li> <li>U.S. Mid Cap Growth</li> <li>U.S. Small Cap Value</li> <li>U.S. Small Cap Growth</li> </ul>	<ul style="list-style-type: none"> <li>Developed Foreign Equity</li> <li>Emerging Foreign Equity</li> </ul>
<b>S&amp;P 500 Sectors</b>	<ul style="list-style-type: none"> <li>Financials</li> </ul>	<ul style="list-style-type: none"> <li>Communication Services</li> <li>Consumer Discretionary</li> <li>Consumer Staples</li> <li>Energy</li> <li>Industrials</li> <li>Information Technology</li> <li>Materials</li> <li>Real Estate</li> <li>Utilities</li> </ul>	<ul style="list-style-type: none"> <li>Health Care</li> </ul>
<b>Global Equity Regions</b>	<ul style="list-style-type: none"> <li>United States</li> </ul>	<ul style="list-style-type: none"> <li>Europe ex U.K.</li> <li>Japan</li> <li>Latin America</li> <li>United Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>Middle East/Africa</li> <li>Asia-Pacific ex Japan</li> <li>Canada</li> </ul>
<b>Fixed Income</b>	<ul style="list-style-type: none"> <li>U.S. High Yield Bonds</li> </ul>	<ul style="list-style-type: none"> <li>U.S. Government</li> <li>U.S. Inv. Grade Corporates</li> <li>Developed Foreign Bonds</li> </ul>	<ul style="list-style-type: none"> <li>Emerging Foreign Bonds</li> <li>Municipal Bonds</li> </ul>
<b>Alternatives</b>		<ul style="list-style-type: none"> <li>Real Assets</li> <li>Alternative Strategies</li> </ul>	
<b>Cash</b>		<ul style="list-style-type: none"> <li>Cash</li> <li>Cash Investments</li> </ul>	

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

Major Market Indices	Rolling Returns			
	QTD	1-year	3-years	5-years
Russell 3000 <sup>®</sup> 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.

## 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](https://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/](https://ameriprise.com/research-market-insights/). SEC filings may be viewed at [sec.gov](https://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/](https://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/](https://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.*