Before the Bell

An Ameriprise Investment Research Group Publication

April 22, 2025

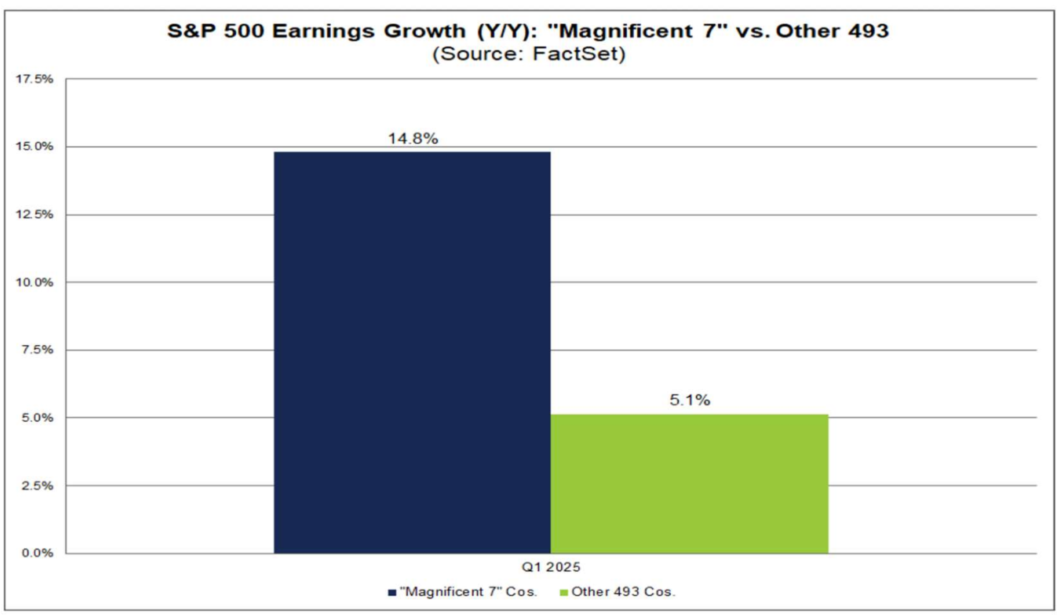
Starting the Day

- U.S. equity markets are pointing to a higher open.
- European markets are trading mostly lower at midday.
- Asian markets ended mixed.
- Tesla on deck tonight, and Alphabet is up on Thursday.
- Confidence in America under scrutiny.
- 10-year Treasury yield at 4.39%.
- West Texas Intermediate (WTI) oil is trading at $63.36.
- Gold is trading at $3,462.00

Market Perspectives

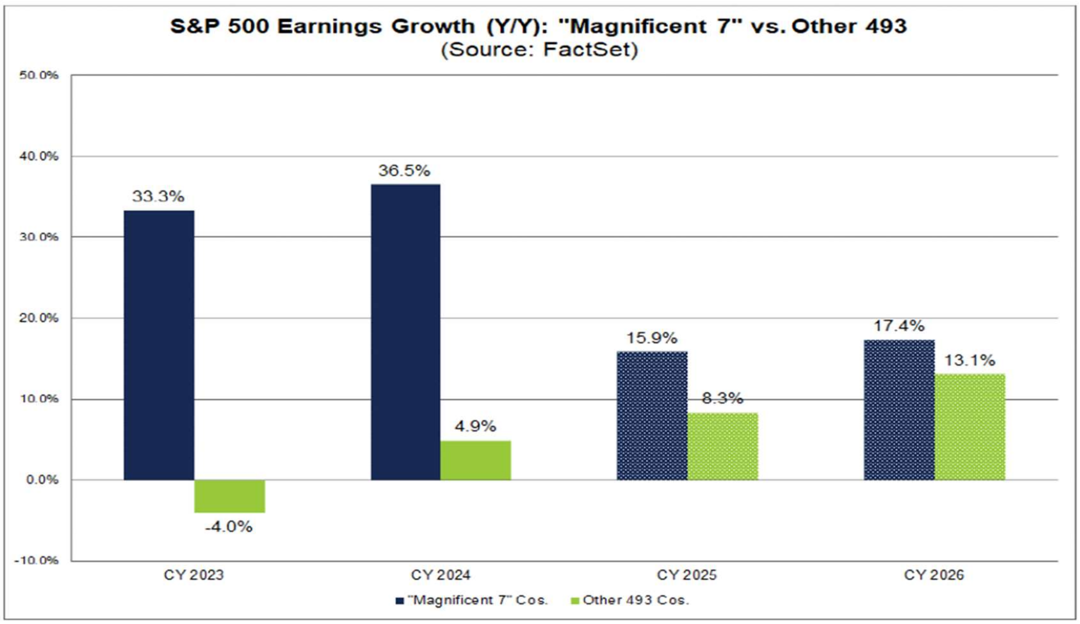
Anthony Saglimbene, Chief Market Strategist

Mag 7 moves into the earnings spotlight. Yesterday, major U.S. stock averages were again under pressure as investors reacted negatively to President Trump's recent social posts attacking Fed Chair Powell and the Fed's current stance on rate policy. Trump's pointed and personal attacks against the Fed Chair have fueled increased investor anxiety about whether the long-standing independence of the Federal Reserve is now in jeopardy. Please see our latest *After the Close* report for our current take on the subject. Turning back to the market, however, it's earnings season, and Tesla is scheduled to report first quarter results today after the market close. Tesla is the first Magnificent Seven company to report first quarter results and will be followed by Alphabet on Thursday. Meta Platforms, Microsoft, Amazon, and Apple are on deck with their results next week. The influence of Tesla, Alphabet, along with Apple, Amazon, Microsoft, Meta Platforms, and NVIDIA (reports in late May) on major averages, sector/industry benchmarks as well as the overall profit narrative for S&P 500 companies can't be understated. As the *FactSet* chart above shows, the combined Q1'25 earnings per share (EPS) growth of the Mag Seven is expected to almost triple that of the other 493 S&P 500 companies in aggregate. Notably, the *FactSet* chart below shows that analysts expect the disparity in earnings growth between the Mag 7 and the rest of the market to narrow as 2025 progresses and we move through next year. At the start of this year, this narrowing in positive earnings growth trends between a few big tech names and the



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

broader market was viewed as positive, as other industries and companies outside of Mag 7 were seen benefiting from an expanding economy. However, given tariff impacts, potential global trade disruptions, and weakening consumer/business sentiment, views are beginning to shift toward a growing risk that Mag Seven profit expectations, as well as profit forecasts from a broader swath of S&P 500 companies, may be too high. Though stock prices have already begun to discount some of this risk, the Q1 earnings season should provide more color on what market leaders in Big Tech are seeing in terms of business conditions and what the rest of the 493 companies see in the demand outlook. We suspect that analyst S&P 500 profit estimates for Q2 and possibly the full year will come down as Mag Seven companies and the broader market report results over the coming days and weeks. How much profit estimates are ultimately reduced is the key question. That said, companies that have enough visibility into their business trends/demand outlook and can reaffirm guidance could see their share prices stabilize or even see some "upward" pressure for a change, particularly in areas that have seen heavy selling pressure over recent weeks, like in Tech. In our view, it's likely a case-by-case kind of earnings season with all companies on the hot seat and having to justify their current valuations, even considering recent resets.



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 higher open.** Major U.S. stock averages look set to rebound after yesterday's declines. The rebound in the premarket this morning follows Monday's trading action, which saw 90% of S&P 500 stocks finish the session lower. Additional press reports on Powell and Trump following yesterday's market slide suggest the President isn't really looking to remove Powell from the Fed Chair position. Instead, Trump could be setting up a narrative to blame Powell for any downturn caused by his trade war with the world. That said, as FactSet pointed out, global investors may already be in the process of taking some chips out of the U.S., given sinking confidence in policy and uncertainty about forward growth.
- **Confidence in America is under heavy scrutiny at the moment.** Recent headlines highlighting President Trump's social media attacks on Fed Chair Powell and Trump's aggressive trade war have cast serious concerns among investors here and abroad. The S&P 500 Index has shed nearly $5 trillion in value since Trump's early April tariff announcement. The Dow Jones Industrials Average is headed for its worst April since the Great Depression. The U.S. Dollar Index hit a three-year low yesterday and is on its worst start to a new presidential term. Treasury yields have experienced some of their worst back-ups in rates since the 1980s, and Gold has made 20+ record highs this year and is up over +30% YTD. *Apollo* estimates foreigners own $19 trillion of U.S. equities, $7 trillion of U.S. Treasuries, and $5 trillion of U.S. corporate bonds. Combined, foreigners own roughly 20% to 30% of U.S. assets. Figures to keep in mind as the trade war continues and markets react to evolving conditions.

- **Earnings Update:** With 13% of S&P 500 first quarter reports complete, blended earnings per share (EPS) growth is higher by +7.1% year-over-year on revenue growth of +4.3%.

Europe:

After European markets were closed on Friday and Monday for the Easter holiday, stocks are trading mostly lower at midday. European Commission President Von der Leyen suggested the trading block could benefit from other countries looking to strike trade deals with the EU. Trump's trade war may be opening more protectionist countries in Europe as they look to build ties with other countries. For example, Von der Leyn has pledged to settle a free trade agreement with India this year and is also reaching out to China.

Asia-Pacific:

Stock in Asia finished mixed on Tuesday. Despite the U.S. Dollar Index at a three-year low, both the onshore and offshore yuan renewed their weakening trend. A weaker fixing point for the yuan and Beijing's willingness to let the yuan depreciate in an orderly manner are likely behind the move.

WORLD CAPITAL MARKETS

4/22/2025 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-2.4%	-12.0%	5,158.2
Dow Jones	-2.5%	-9.8%	38,170.4
NASDAQ Composite	-2.6%	-17.7%	15,870.9
Russell 2000	-2.1%	-17.2%	1,840.3
Brazil Bovespa	1.0%	7.8%	129,650
S&P/TSX Comp. (Canada)	-0.8%	-2.1%	24,008.9
Russell 3000	-2.4%	-12.4%	2,930.4

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.5%	1.2%	4,912.7
FTSE 100 (U.K.)	0.1%	2.7%	8,280.6
DAX Index (Germany)	-0.5%	6.0%	21,095.6
CAC 40 (France)	-0.5%	-1.3%	7,246.9
FTSE MIB (Italy)	-1.0%	4.2%	35,636.2
IBEX 35 (Spain)	0.0%	13.1%	12,923.4
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-0.2%	-13.5%	34,220.6
Hang Seng (Hong Kong)	0.8%	8.4%	21,562.3
Korea Kospi 100	-0.1%	4.7%	2,486.6
Singapore STI	1.0%	1.0%	3,795.4
Shanghai Comp. (China)	0.3%	-1.6%	3,299.8
Bombay Sensex (India)	0.2%	2.1%	79,595.6
S&P/ASX 200 (Australia)	0.0%	-2.8%	7,816.7

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-1.3%	-6.3%	783.1

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.8%	8.0%	2,414.7

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.3%	0.4%	1,072.0

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	-2.2%	-13.4%	294.9
Consumer Discretionary	-2.9%	-21.8%	1,428.4
Consumer Staples	-1.3%	5.1%	890.7
Energy	-2.5%	-6.1%	609.7
Financials	-2.1%	-5.2%	759.4
Health Care	-2.1%	-3.2%	1,544.8
Industrials	-2.3%	-6.7%	1,036.8
Materials	-1.6%	-4.5%	503.0
Real Estate	-2.1%	-2.0%	248.4
Technology	-2.7%	-20.5%	3,659.6
Utilities	-2.4%	1.0%	385.8

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-2.9%	-1.0%	291.6
FTSE NAREIT Comp. TR	-2.0%	-3.2%	24,306.9
DJ US Select Dividend	-1.8%	-5.0%	3,327.7
DJ Global Select Dividend	0.3%	9.8%	241.3
S&P Div. Aristocrats	-1.7%	-4.0%	4,392.9

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.5%	1.4%	2,220.2
Barclays HY Bond	-0.4%	-0.5%	2,668.9

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.2%	2.5%	554.8
NYMEX WTI Crude (p/bbl.)	1.5%	-10.8%	64.0
ICE Brent Crude (p/bbl.)	1.4%	-10.0%	67.2
NYMEX Nat Gas (mmBtu)	1.4%	-15.8%	3.1
Spot Gold (troy oz.)	0.9%	31.7%	3,456.0
Spot Silver (troy oz.)	0.0%	13.2%	32.7
LME Copper (per ton)	-0.1%	5.9%	9,161.0
LME Aluminum (per ton)	-0.6%	-7.8%	2,329.8
CBOT Corn (cents p/bushel)	-0.3%	4.3%	488.8
CBOT Wheat (cents p/bushel)	-0.1%	-3.2%	551.5

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.1%	11.0%	1.15
British Pound (£/$)	0.0%	6.9%	1.34
Japanese Yen ($/¥)	0.5%	12.1%	140.21
Australian Dollar (A$/$)	-0.2%	3.4%	0.64
Canadian Dollar ($/C$)	0.0%	3.9%	1.38
Swiss Franc ($/CHF)	-0.2%	11.9%	0.81

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	14.4%	Overweight	2.0%	16.4%
Information Technology	30.4%	Equalweight	-	30.4%
Consumer Discretionary	10.2%	Equalweight	-	10.2%
Communication Services	9.4%	Equalweight	-	9.4%
Industrials	8.4%	Equalweight	-	8.4%

	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
Consumer Staples	5.8%	Equalweight	-	5.8%
Energy	3.6%	Equalweight	-	3.6%
Utilities	2.5%	Equalweight	-	2.5%
Real Estate	2.2%	Equalweight	-	2.2%
Materials	2.0%	Equalweight	-	2.0%
Health Care	11.1%	Underweight	-2.0%	9.1%

As of: March 31, 2025

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 3/31/2025. 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
Europe ex U.K.	13.2%	Overweight	2.0%	15.2%
United States	62.8%	Overweight	1.2%	64.0%
Japan	5.1%	Equalweight	-	5.1%
United Kingdom	3.4%	Equalweight	-	3.4%
Latin America	0.9%	Equalweight	-	0.9%
Middle East / Africa	1.2%	Underweight	-1.2%	0.0%
Asia-Pacific ex Japan	10.6%	Underweight	-1.0%	9.6%
Canada	2.8%	Underweight	-1.0%	1.8%

as of: March 31, 2025

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 3/31/2025. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the Index and are provided to represent investment conviction in each region. Tactical Allocations are designed to augment Index returns over a 6-12 month time horizon. Numbers may not add due to rounding.

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Tuesday, April 22, 2025 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
10:00 AM	MAR	Richmond Fed. Manufacturing Index	-7.0		-4.0	

Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual 2023	Actual 2024	Est. 2025	Est. 2026	Actual Q1-2024	Actual Q2-2024	Actual Q3-2024	Actual Q4-2024	Est. Q1-2025	Est. Q2-2025	Est. Q3-2025
Real GDP (annualized)	2.9%	2.8%	2.2%	2.1%	1.6%	3.0%	2.8%	2.3%	0.8%	2.4%	2.3%
Unemployment Rate	3.7%	4.1%	4.2%	4.2%	3.8%	4.1%	4.1%	4.1%	4.1%	4.2%	4.2%
CPI (YoY)	3.4%	2.9%	2.4%	2.2%	3.5%	3.0%	2.4%	2.9%	2.5%	2.5%	2.4%
Core PCE (YoY)	2.9%	2.8%	2.5%	2.1%	2.8%	2.6%	2.7%	2.8%	2.6%	2.6%	2.5%

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 31, 2025**

Please note: Our economic forecasts do not yet fully reflect tariff related considerations. We anticipate making such adjustments shortly.

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**

When we can make more concrete forecasts about the economic and profit impacts from tariffs and have more visibility into the ultimate White House tariff objectives, we will update our S&P 500 targets and scenarios. ***Our next Quarterly Capital Market Digest report will be published later this month and will include adjustments to the targets and accompanying scenarios.***

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 03/31/2025

	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	• Emerging Foreign
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. Investment Grade • Municipals	• U.S. Government • U.S. High Yield • Developed Foreign	• Emerging Foreign
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.

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. Manager

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
Sr Analyst

Matthew Burandt
Analyst II

Parveen Vedi
Sr. Associate I

Harish Chauhan
Sr. Associate I

Ankit Srivastav
Lead Business Analyst

Pulkit Kumar
Associate I

Sameer Asif
Associate II

Equities
Benjamin L. Becker, CFA
Sr Director – International and global equity

Cynthia Tupy, CFA
Director – Value and equity income equity

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

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

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 March 31, 2025

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.