Before the Bell

Morning Market Brief

December 6, 2018

FOR IMPORTANT DISCLOSURES, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT

MORNING MARKET COMMENTARY: *Russell T. Price, Chief Economist*

- ***Quick Take***: U.S. stock index futures indicate further selling pressure. Dow futures currently suggest a drop of over 1.5% at the open following Tuesday's sharp U.S. market declines of over 3%; European markets are under considerable pressure with mid-day losses of more than 2%; Asia finished with losses of about 2% overnight; West Texas Intermediate (WTI) oil trading at $53.71; 10-year U.S. Treasury yield at 2.89% and the 2-year/5-year Treasury yields remain fractionally inverted.

- ***Market Turmoil continues:*** Financial market turmoil continues this morning amid new threats to the U.S. /China relationship, oil price uncertainty and continuing worries about the yield curve.
- ***Can Saudi Arabia achieve a large-enough production cut to bring the global market back into balance?*** OPEC members have been meeting in Vienna today with discussions centered on trimming output. Global oil markets have been thought to be in an over-supply situation recently as global economic expansion has slowed and the U.S. allowed more "waivers" than expected for Iranian crude imports against recently instituted sanctions. Oil prices are down about 3% ahead of the announcement, as traders seem somewhat skeptical that Saudi Arabia can wrangled sufficient support to cut oil output to a level sufficient to balance global markets. The announcement is pending, but even afterward the story will not be complete. Saudi officials are scheduled to meet with Russian officials tomorrow.
- ***Huewei arrest sparks new tension in the U.S. /China relationship.*** Canada has arrested the high-profile CFO of China's largest technology equipment company, Huewei, at the behest of the U.S. authorities. The arrest is very likely to be a material new source of tension between the U.S. and China and comes at a very uncomfortable time given this past weekend's dinner meeting between President's Trump and Xi. Canadian authorities detained Meng Wanzhou (who is also the daughter of the company's founder) in Vancouver where she is currently facing extradition to the U.S. Official statements as to the reason for the detainment do not appear to have been released as of yet, but it is widely perceived to be in relation to accusations that Huewei violated U.S. sanctions on Iran and other countries. American officials have been investigating Huewei since 2016 related to allegations that Huewei shipped equipment of U.S. origin to Iran as a means of getting around the sanctions in place at the time.
- China has demanded that Meng Wanzhou be released immediately. Indeed, without some quick de-escalation of the situation via discussions between high-level U.S. and Chinese officials, markets could see it as another sign of the current trade dispute evolving into a deeper and more threatening cold-war style relationship between the U.S. and China. **We stress, however, that in our view, investors are rarely well-served by being reactionary in these situations. A productive relationship between the two largest economies in the world is in the best interest of those on both sides which strongly incentivizes working these issues out.** In pre-market activity, U.S. multinationals with material exposure to China have been seeing some of the most significant downside pressure.
- ***Update on the yield curve:*** Though we continue to believe the yield curve is not currently an accurate indicator of recession risk (we believe recession odds remain low), the question for investors more likely, is: does it

Notations:

- For further information on any of the topics mentioned, please contact your Financial Advisor.
- Unless specifically stated otherwise, comments contained in this document should not be construed as an investment opinion or recommendation of any securities mentioned. Charts depicted are from FactSet unless otherwise noted.

matter? Accurate or not (of course, we will not know until this period is long into the rear-view mirror), financial markets are likely to act as if it IS until proven otherwise.

- The yield curve's track record as a signal of a pending recession is indeed very impressive. But as with most 'signals' in financial markets, the true source of such observations is still reliant on human forecasting of the future – which is far from the infallibility some are currently prescribing to the indicator.

WORLD CAPITAL MARKETS *(all data as of approximately 8:00 AM ET)*

Americas	% chg.	% YTD	Value
S&P 500	-3.24%	2.85%	2,700.1
Dow Jones	-3.10%	3.49%	25,027.1
NASDAQ	-3.80%	4.77%	7,158.4
Russell 2000	-4.40%	-2.47%	1,480.8
Brazil Bovespa	-0.91%	15.48%	88,232.3
S&P/TSX Comp. (Canada)	0.79%	-3.74%	15,182.6
Mexico IPC	0.07%	-13.33%	41,895.3

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-2.06%	-8.97%	3,085.5
FTSE 100 (U.K.)	-2.11%	-8.25%	6,776.0
DAX Index (Germany)	-2.36%	-15.34%	10,935.9
CAC 40 (France)	-2.19%	-6.24%	4,836.1
FTSE MIB (Italy)	-2.42%	-13.69%	18,860.9
IBEX 35 (Spain)	-1.82%	-8.82%	8,848.5
Russia TI	-1.58%	10.51%	4,292.9

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-1.91%	-3.86%	21,501.6
HK Hang Seng (H. Kong)	-2.47%	-9.48%	26,156.4
Korea Kospi 100	-1.55%	-15.68%	2,068.7
Singapore STI	-1.28%	-5.20%	3,115.5
Shanghai Comp. (China)	-1.68%	-19.30%	2,605.2
Bombay Sensex (India)	-1.59%	4.95%	35,312.1
S&P/ASX 200 (Australia)	-0.19%	-1.50%	5,657.7

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.50%	-3.35%	484.3

Developed International	% chg.	%YTD	Value
MSCI EAFE	-1.15%	-9.53%	1,797.0

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-1.22%	-11.37%	1,001.9

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

S&P 500 Sectors	% chg.	% YTD	Value
Consumer Discretionary	-3.91%	8.06%	838.3
Consumer Staples	-1.63%	-0.94%	566.5
Energy	-2.93%	-6.83%	482.9
Financials	-4.40%	-5.85%	429.4
Real Estate	-1.26%	4.65%	207.0
Health Care	-2.30%	14.33%	1,076.3
Industrials	-4.35%	-6.04%	588.2
Materials	-3.08%	-9.65%	336.4
Technology	-3.86%	6.95%	1,168.2
Communication Services	-3.14%	-8.55%	145.3
Utilities	0.15%	9.60%	283.6

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-2.93%	-10.92%	24.5
FTSE NAREIT Comp.	-1.42%	3.15%	17,840.0
DJ US Select Dividend	-2.04%	1.05%	1,998.8
DJ Global Select Dividend	-1.13%	-13.09%	216.0
S&P Div. Aristocrats	-2.81%	3.48%	2,550.0

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.32%	-1.30%	2,019.8
Barclays HY Bond	-0.16%	0.32%	1,956.3

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.24%	-5.23%	487.5
NYMEX WTI Crude (p/bbl.)	-2.44%	-14.60%	51.6
ICE Brent Crude (p/bbl.)	-2.13%	-9.90%	60.3
NYMEX Nat Gas (mmBtu)	-1.99%	48.32%	4.4
Spot Gold (troy oz.)	-0.08%	-5.11%	1,236.3
Spot Silver (troy oz.)	-0.99%	-15.22%	14.4
LME Copper (per ton)	-0.60%	-14.32%	6,175.0
LME Aluminum (per ton)	-0.11%	-12.67%	1,970.3
CBOT Corn (cents p/bushel)	-0.33%	-2.61%	383.0
CBOT Wheat (cents p/bushel)	-0.58%	4.41%	515.0

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.0%	-5.5%	1.13
British Pound (£/$)	0.1%	-5.7%	1.27

	% chg.	% YTD	Value
Japanese Yen ($/¥)	0.35%	-0.10%	112.80
Australian Dollar (A$/$)	-0.89%	-7.76%	0.72

	% chg.	% YTD	Value
Canadian Dollar ($/C$)	-0.5%	-6.4%	1.34
Swiss Franc ($/CHF)	0.1%	-2.2%	1.00

Data/Price Source: Bloomberg; Equity Index data is total return, inclusive of dividends where applicable.

Ameriprise Global Asset Allocation Committee

Global Equity Region - Tactical View

Region	MSCI All-Country World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
1) **United States**	55.1%	Overweight	+5.0%	60.1%
2) **Canada**	3.0%	Underweight	- 1.0%	2.0%
3) **United Kingdom**	5.5%	Underweight	- 1.0%	4.5%
4) **Europe ex U.K.**	14.8%	Underweight	- 1.0%	13.8%
5) **Latin America**	1.2%	Equalweight	-	1.2%
6) **Asia-Pacific ex Japan**	11.8%	Equalweight	-	11.8%
7) **Japan**	7.6%	Underweight	- 1.0%	6.6%
8) **Middle East / Africa**	1.0%	Underweight	- 1.0%	-

Index weighting represents relative weightings based on the regional market capitalization balance of the MSCI All-Country World Index; may not add due to rounding. 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. Index weights as of 9/26/18. Numbers may not add due to rounding.

Ameriprise Global Asset Allocation Committee

U.S. Equity Sector - Tactical View

Sector	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight	Sector	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
1) Communication Services	10.0%	Equalweight	-	10.0%	6) Health Care	15.0%	Equalweight	-	15.0%
2) Consumer Discretionary	10.3%	Overweight	+2.0%	12.3%	7) Industrials	9.7%	Overweight	+2.0%	11.7%
3) Consumer Staples	6.7%	Underweight	- 3.2%	3.5%	8) Information Technology	20.9%	Equalweight	-	20.9%
4) Energy	6.0%	Overweight	+2.0%	8.0%	9) Materials	2.5%	Equalweight	-	2.5%
5) Financials	13.5%	Equalweight	-	13.5%	10) Real Estate	2.6%	Equalweight	-	2.6%
					11) Utilities	2.8%	Underweight	- 2.8%	0.0%

Index weighting represents relative weightings based on the regional market capitalization balance of the MSCI All-Country World Index; may not add due to rounding. 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. Index weights as of 9/26/18. Numbers may not add due to rounding.

ECONOMIC NEWS OUT TODAY:

Economic Releases for Thursday, December 6, 2018. All times Eastern. Consensus estimates via Bloomberg.

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:15 AM	NOV	ADP Employment	+190k	**+179k**	+227k	225k
8:30 AM	Dec. 1	Initial Jobless Claims	225k	**230k**	234k	
8:30 AM	Nov. 24	Continuing Claims	1695k	**1631k**	1710k	
8:30 AM	OCT	Trade Balance	-$55.0B	**-$55.5B**	-$54.0B	
8:30 AM	Q3-F	Nonfarm Productivity	+2.3%	**+2.3%**	+2.2%	
8:30 AM	Q3-F	Unit Labor Costs	+1.0%	**+0.9%**	+1.2%	
10:00 AM	NOV	ISM Non-Manufacturing Index	59.0		60.3	
10:00 AM	NOV	Factory Orders (MoM)	-2.0%		+0.7%	

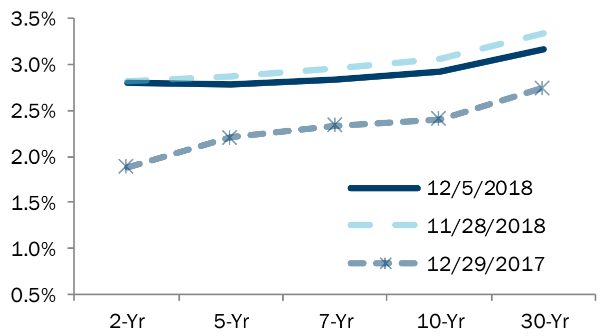
FIXED INCOME NEWS & VIEWS: *Brian M. Erickson, CFA, Fixed Income Research & Strategy*

Recap

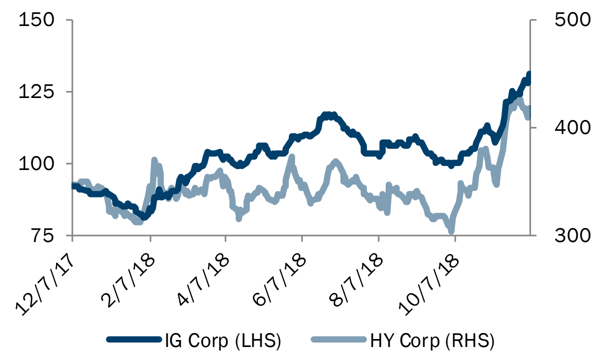
- Picking up from where we left off on Tuesday given the day of mourning for former U.S. President H.W. Bush, Treasury yields pushed lower in early trading as U.S. equity futures point toward a lower open this morning. Two-year Treasury yields declined 4 basis points to 2.75% and 10-year Treasury yields shed 3 basis points, falling to 2.88%. The uncommon mid-week closure during period of repositioning for risk investors caused temporary halts in trading overnight at the CME Group Inc. as markets sought to find a new equilibrium between buyers and sellers following a sharp sell-off Tuesday.
- Credit markets: Markit on the run credit default swap spreads gapped wider again this morning, suggesting another muted session of new corporate issuance ahead. The days are counting down to the end of the year when liquidity dries up and issuance tends to be quite difficult. We anticipate issuers to be very opportunistic, and to bring deals at any indication of strength that materializes over the next two weeks. As a result, credit spreads are unlikely to materially recover before year-end without a deal-changing shift in the macro picture.
- Looking ahead: We believe the November employment report on Friday likely brings a reminder of the fundamentally sound backdrop to the U.S. economy with the lowest unemployment since 1970 and an average of 200k jobs created each month this year. Though bond and stock markets continue to wrestle with convictions around risk assets levels amidst protracted selling, we see market unease as highly contrasting with the fundamental economic back drop. Certainly, that doesn't erase our desire to buy at the lowest possible price, but it dissuades us from wanting to join the rotation away from risk right now when fundamentals suggest the economic backdrop is in good shape.
- Fed ahead: In less than two weeks the Fed is scheduled to wrap up its latest policy meeting with a quarter point hike in rates. Once again, we see the likely increase as an indication that economic conditions remain firm when looking ahead to the Fed's visible horizon. We see this as another confirmation of fundamentals and a contrast

with the technical sell pressure seen over the past 60 days. Though selling may end when hedge funds are done de-risking to meet redemptions, an unknown length of time, we see the continued drumbeat of economic data as a sound of resonating risk asset support beyond the near term. We recommend investors stay the course with long-term asset allocation positioning.

U.S. Treasury Yields
Yield in Percent



Bloomberg Barclay's Index Credit Spreads
Option adjusted spread (OAS), in basis points



Source: Bloomberg, Bloomberg Barclays Indices

This space intentionally left blank.

Ameriprise Investment Research Group

Ameriprise Financial
1441 West Long Lake Road, Suite 250, Troy, MI 48098
investment.research.group@ampf.com
For additional information or to locate your nearest branch office, visit ameriprise.com

RESEARCH & DUE DILIGENCE LEADER

Lyle B. Schonberger - Vice President

Business Unit Compliance Liaison (BUCL)

Kirk D. Dedenbach – Senior Manager

Jeff Carlson, CLU, ChFC – Manager

Investment Research Coordinator
Kimberly K. Shores

Sr. Administrative Assistant
Jillian Willis

EQUITY RESEARCH

Equity Research Director
Justin H. Burgin – Vice President

Consumer Goods and Services
Patrick S. Diedrickson, CFA – Sr. Research Analyst

Energy/Utilities
Justin H. Burgin – Vice President

Financial Services/REITs
Lori A. Wilking-Przekop – Senior Director

Health Care
Daniel Garofalo – Sr. Research Analyst

Industrials/Materials
Frederick M. Schultz – Sr. Research Analyst

Technology/Telecommunication
Curtis R. Trimble – Sr. Research Analyst

Quantitative Strategies/International
Andrew R. Heaney, CFA

STRATEGISTS

CHIEF MARKET STRATEGIST
David M. Joy – Vice President

GLOBAL MARKET STRATEGIST
Anthony M. Saglimbene – Vice President

Thomas Crandall, CFA, CAIA – Sr. Quantitative Analyst, Asset Allocation

Open – Research Analyst - Quantitative, Asset Allocation

Gaurav Sawhney – Research Analyst

Amit Tiwari – Sr. Research Associate

CHIEF ECONOMIST
Russell T. Price, CFA – Vice President

MANAGER RESEARCH

Michael V. Jastrow, CFA – Vice President

Jeffrey R. Lindell, CFA – Sr. Research Analyst – ETFs & CEFs

Mark Phelps, CFA – Sr. Research Analyst – Multi-Asset Solutions

Equities
Christine A. Pederson, CAIA, CIMA – Director – Growth Equity, Infrastructure & REIT

Benjamin L. Becker, CFA – Sr. Research Analyst – International/Global Equity

Open – Research Analyst – Core Equity

Cynthia Tupy, CFA – Research Analyst – Value and Equity Income Equity

Fixed Income & Alternatives
Jay C. Untiedt, CFA, CAIA – Director – Alternatives

Steven T. Pope, CFA, CFP® – Sr. Research Analyst – Non-Core Fixed Income

Douglas D. Noah – Research Analyst – Core Taxable & Tax-Exempt Fixed Income

Blake Hockert – Research Associate – Reporting & Analytics

FIXED INCOME RESEARCH & STRATEGY

Fixed Income Research
Brian M. Erickson, CFA – Vice President

High Yield and Investment Grade Credit
Jon Kyle Cartwright – Senior Director

Stephen Tufo – Sr. Credit Analyst

INVESTMENT DUE DILIGENCE

Justin E. Bell, CFA – Vice President

Kurt J. Merkle, CFA, CAIA – Sr. Director

Kay S. Nachampassak – Director

Peter W. LaFontaine – Sr. Due Diligence Manager

James P. Johnson, CFA, CFP® – Due Diligence Manager

David Hauge, CFA – Due Diligence Manager

Bishnu Dhar – Sr. Research Analyst

The content in this report is authored by American Enterprise Investment Services Inc. ("AEIS") and distributed by Ameriprise Financial Services, Inc. ("AFSI") to financial advisors and clients of AFSI. AEIS and AFSI are affiliates and subsidiaries of Ameriprise Financial, Inc. Both AEIS and AFSI are 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 AFSI, their affiliates and their research analysts, as applicable, with respect to the subject companies mentioned in the report.

Each of AEIS and AFSI 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 AFSI.

IMPORTANT DISCLOSURES

As of September 30, 2018

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, Inc. Please consult with your financial advisor.

Diversification and **Asset Allocation** do not assure a profit or protect against loss.

RISK FACTORS

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.

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 increased risk and volatility due to political and economic instability, currency fluctuations, and differences in financial reporting and accounting standards and oversight. Risks are particularly significant in emerging markets.

Market Risk: Equity 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.

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.

PRODUCT RISK DISCLOSURES

Exchange Traded Funds (ETF) trade like stocks, are subject to investment risk and will fluctuate in market value.

For additional information on individual ETFs, see available third-party research which provides additional investment highlights. SEC filings may be viewed at sec.gov

All fixed income securities are subject to a series of **risks** which may include, but are not limited to: interest rate risk, call risk, refunding risk, default risk, inflations risk, liquidity risk and event risk. Please review these risks with your financial advisor to better understand how these risks may affect your investment choices. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer-term securities. This means you may lose money if you sell a bond prior to maturity as a result of interest rate or other market movement.

Any information relating to the income or capital gains tax treatment of financial instruments or strategies discussed herein is not intended to provide specific tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

A real estate investment trust or **REIT** is a company that owns and operates income-producing real estate. In addition, some **REITs** participate in the financing of real estate. To qualify as a **REIT**, a company must: I) invest at least 75% of its total assets in real estate assets, II) generate at least 75% of its gross income from real property or interest, and III) pay at least 90% of its taxable income to shareholders in the form of distributions. A company that qualifies as a **REIT** is permitted to deduct the distributions paid to shareholders from its corporate taxes. Consequently, many **REITs** target to payout at least 100% of taxable income, resulting in virtually no corporate taxes.

An investment in a REIT is subject to many of the same risks as a direct investment in real estate including, but not limited to: Illiquidity and valuation complexities, redemption restrictions, distribution and diversification limits, tax consequences, fees, defaults by borrowers or tenants, market saturation, balloon payments, refinancing, bankruptcy, decreases in market rates for rents and other economic, political, or regulatory occurrences affecting the real estate industry.

Ratings are provided by Moody's Investors Services and Standard & Poor's.

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.

Securities offered through AFSI may not be suitable for all investors. Consult with your financial advisor for more information regarding the suitability of a particular investment.

For further information on fixed income securities please refer to FINRA's Smart Bond Investing at FINRA.org, MSRB's Electronic Municipal Market Access at emma.msrb.org, or Investing in Bonds at investinginbonds.com.

DEFINITIONS OF TERMS

Agency – Agency bonds are issued by Government Sponsored Enterprises (GSE), but are NOT direct obligations of the U.S. government. Common GSE's are the Federal Home Loan Mortgage Corp. (Freddie Mac) Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Bank (FHLB).

Beta: A measure of the risk arising from exposure to general market movements as opposed to company-specific factors. Betas in this report, unless otherwise noted, use the S&P 500 as the market benchmark and result from calculations over historic periods. A beta below 1.0, for example, can suggest the equity has tended to move with lower volatility than the broader market or, due to company-specific factors, has had higher volatility but generally low correlations with the overall market.

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.

Mortgage Backed Securities – Bonds are subject to prepayment risk. Yield and average lives shown consider prepayment assumptions that may not be met. Changes in payments may significantly affect yield and average life. Please contact your financial advisor for information on CMOs and how they react to different market conditions.

Municipal Bonds – Interest income may be subject to state and/or local income taxes and/or the alternative minimum tax (AMT). Municipal securities subject to AMT assume a "nontaxable" status for yield calculations. Certain municipal bond income may be subject to federal income tax and are identified as "taxable". Gains on sales/redemptions of municipal bonds may be taxed as capital gains. If the bonds are insured, the insurance pertains to the timely payment of principal (at maturity) and interest by the insurer of the underlying securities and not to the price of the bond, which will fluctuate prior to maturity. The guarantees are backed by the claims-paying ability of the listed insurance company.

Treasury Securities – There is no guarantee as to the market value of these securities if they are sold prior to maturity or redemption.

Price/Book: A financial ratio used to compare a company's market share price, as of a certain date, to its book value per share. Book value relates to the accounting value of assets and liabilities in a company's balance sheet. It is generally not a direct reflection of future earnings prospects or hard to value intangibles, such as brand, that could help generate those earnings.

Price/Earnings: An equity valuation multiple calculated by dividing the market share price, as of a certain date, by earnings per share. Trailing P/E uses the share price divided by the past four-quarters' earnings per share. Forward P/E uses the share price as of a certain date divided by the consensus estimate of the future four-quarters' EPS.

Price/Sales: An equity valuation multiple calculated by dividing the market share price, as of a certain date, by the company's sales per share over the most recent year.

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, Inc. of any order to buy or sell securities. This summary is based exclusively on an analysis of general current market conditions, rather than the suitability 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 federally or FDIC-insured, 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.

AFSI and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

Ameriprise Financial Services, Inc. Member FINRA and SIPC.