Before the Bell

Morning Market Brief

April 23, 2019

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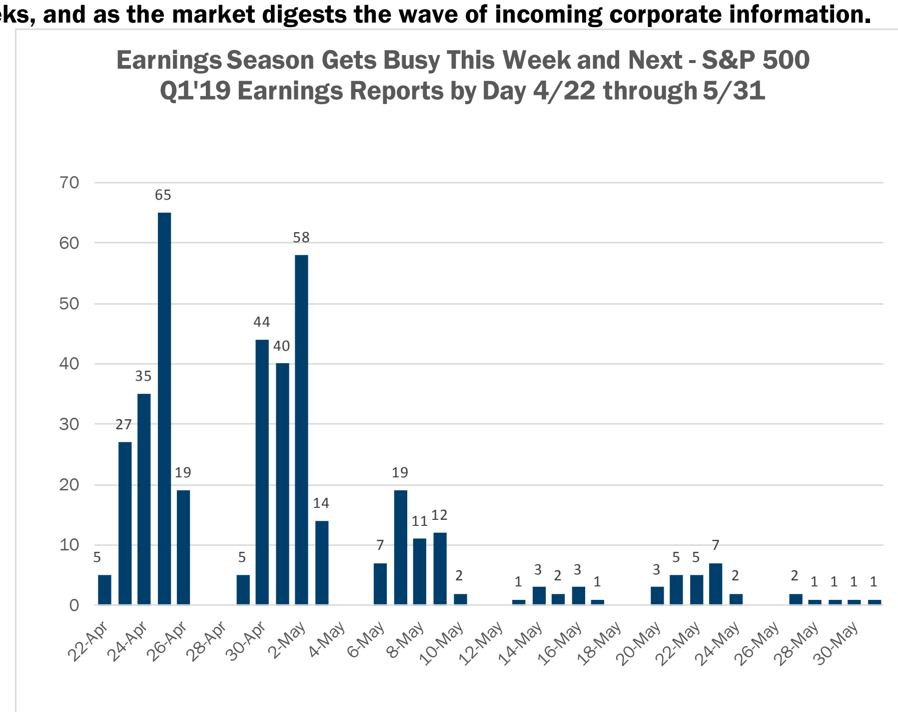
MORNING MARKET COMMENTARY: *Anthony M. Saglimbene, Global Market Strategist*

- ***Quick Take***: U.S. futures are pointing to a flat-to-higher open; European markets trading flat-to-lower; Asia ended mixed overnight; West Texas Intermediate (WTI) oil trading at $65.67; 10-year U.S. Treasury yield at 2.58%.

- ***The Earnings Surge Is Underway:*** As we highlighted on Monday, this week's earnings season kicks into high gear with more than 150 S&P 500 companies (including 12 Dow 30 components) reporting first quarter results. This week's earnings barrage will see roughly 31% of the S&P 500 report results by the end of the week.
- **As the embedded chart below shows, sourced from *FactSet* data, the next two weeks provide the heaviest flow of profit reports during the season.** By Friday, May 3rd well over 70% of the companies in the S&P 500 will have reported their Q1'19 results. As a consequence, investors should have a better handle on how companies navigated the growth slowdown at the beginning of the year and how near-term corporate outlooks are shaping up. **The peak day for earnings reports this season comes on Thursday (65 companies) and is followed up with a consecutive three-day report frenzy next week that includes nearly 30% of the companies in the S&P 500. In our view, investors should brace for a little more back-and-forth movement across stock prices during the next two weeks, and as the market digests the wave of incoming corporate information.**



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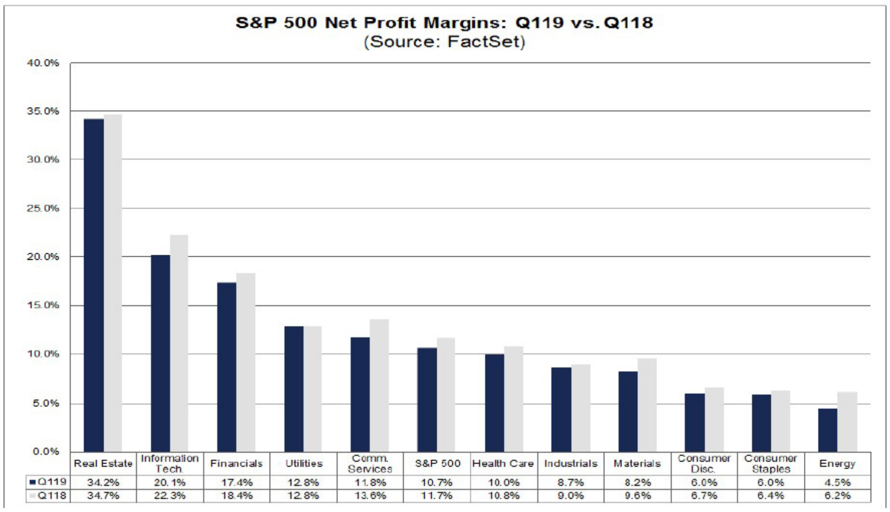
- For further information on any of the topics mentioned, please contact your Financial Advisor.
- Unless specifically stated otherwise, comments contained in this document should not be construed as an investment opinion or recommendation of any securities mentioned. Charts depicted are from FactSet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

- As we also highlighted yesterday, S&P 500 net profit margins are expected to decline to 10.7% in Q1'19 from 11.7% one year ago. In our view, profit margins will be a key earnings metric to watch over the coming quarters. Although profit margins may have peaked for this cycle in the third quarter of last year, if they can hold near current levels, we believe it could be a positive catalyst for stock prices over the coming quarters. **The *embedded FactSet chart* below highlights that net profit margins for Technology, Financials, and Communication Services are all expected to be healthy in Q1 and outpace profit margins for the overall S&P 500. Combined, these three sectors are very influential in the broader Index, representing 45% of the S&P 500 by market-cap weight**. If bellwether companies in these three sectors can hold rising costs in check and maintain pricing power in aggregate, we believe investors may be more comfortable overlooking weaker earnings per share trends (EPS) this year, due to fading tax effects. Net-net, stable profit margins across these three critical sectors could also provide a positive catalyst that keeps stock momentum positive in the second quarter.



- Thus far, S&P 500 companies that are beating Q1'19 earnings expectations have seen their stocks rise +2.1% around their release window, and well above the five-year average gain of +1.0%. Negative earnings surprises are seeing stock prices react in line with what is typically seen over the last five years. Bottom line: companies that are beating the low hurdle rate for earnings this season are seeing more upside in their stock prices.
- **Again, we should have a better look into corporate fundamentals by the end of next week. The developing story here could be critical in determining if the S&P 500 Index can surpass its all-time price high of 2940 over the next few weeks**. Although the total return component of the Index has already made a new all-time high, it's the price component that gets most of the market buzz. Traders and short-term investors are looking for a positive spin on Q1 earnings reports, and if they get it, we believe the next leg for U.S. stock prices may be higher.

- ***Asia-Pacific:*** Asian equities finished mixed on Tuesday. Per *FactSet*, China's Central Committee of Finance and Economics, chaired by President Xi Jinping, again emphasized a further push into structural reforms. The Committee said monetary policy should be neither too loose or too restrictive and dependent on changes in economic growth and inflation. Over recent days, there appears to be a focused message out of Beijing stressing that economic conditions are stabilizing and plans for structural reforms across the Chinese economy have not gone away. The Committee also emphasized that local governments should guard against speculation.
- Although trade headlines have quieted some over the last week or two, top business groups are warning President Trump about leaving China tariffs in place indefinitely. According to the *Financial Times*, top business groups sent a letter to the president on Monday warning against keeping current U.S. tariffs on Chinese imports in place if a trade agreement is reached with Beijing. It's no secret U.S. businesses are concerned trade tensions will linger even if a deal is reached. How far China is willing to go on structural issues, IP theft and industrial subsidies are all factors driving concern among business groups today, despite the increased odds the U.S. and China could reach some form of a trade agreement over the next few months.
- ***Europe:*** Markets across the region are trading flat-to-lower at mid-day. Returning from the Easter holiday recess, the UK parliament comes back into session today with Brexit negotiations the top agenda item. Prime Minister Theresa

May is scheduled to resume talks with the opposition Labour party today, yet there is speculation little will be gained from the discussions. Most see Labour leader Jeremy Corbyn only helping secure a Brexit deal with Mrs. May if he believes it would help his party politically. Also, the prime minister is under increasing pressure within her Conservative party to resign, and it is likely the UK electorate will blame Conservatives for the Brexit mess. In our view, this could leave the Labour party in a better position to gain political power in the upcoming local elections if it simply sits on its hands. Local elections in the UK will be held on May 2nd.

- **U.S.:** Equity futures are pointing to a flat-to-higher open this morning. According to *The New York Times*, increased scrutiny is starting to circle Federal Reserve board nominee Stephen Moore and following Herman Cain's decision yesterday to remove himself from the nomination process. Cain's decision comes after several Senate members publicly stated they would not confirm his seat on the Fed board, locking out his path for nomination. Moore is facing more questions about flip-flopping policy stances, his criticism of Fed Chair Jerome Powell, and a series of questionable magazine columns.
- As noted in *The Wall Street Journal*, volatility (measured by the CBOE VIX Index) has fallen 9.4% in April and is down 51% since the start of the year. A Fed pivot and stabilizing economic conditions have driven down volatility and driven up asset prices. As the article pointed out, volatility has dropped across equities, currencies, bonds, and commodities, suggesting investors are growing more comfortable holding risk assets this year.

WORLD CAPITAL MARKETS

4/23/2019 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	0.10%	16.72%	2,908.0
Dow Jones	-0.18%	14.43%	26,511.1
NASDAQ Composite	0.22%	21.17%	8,015.3
Russell 2000	-0.36%	16.13%	1,560.0
Brazil Bovespa	0.01%	7.62%	94,588.1
S&P/TSX Comp. (Canada)	-0.21%	16.75%	16,577.3
Mexico IPC	-0.32%	9.41%	45,381.2

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.21%	17.20%	3,492.0
FTSE 100 (U.K.)	0.45%	13.08%	7,493.8
DAX Index (Germany)	-0.16%	15.57%	12,202.7
CAC 40 (France)	-0.12%	18.34%	5,573.5
FTSE MIB (Italy)	-0.33%	19.43%	21,883.9
IBEX 35 (Spain)	-0.77%	12.63%	9,507.7
MOEX Index (Russia)	0.03%	9.44%	2,585.6

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.19%	12.17%	22,259.7
Hang Seng (Hong Kong)	0.00%	16.40%	29,963.2
Korea Kospi 100	0.17%	8.80%	2,220.5
Singapore STI	-0.13%	9.87%	3,353.5
Shanghai Comp. (China)	-0.51%	28.26%	3,198.6
Bombay Sensex (India)	-0.21%	7.13%	38,564.9
S&P/ASX 200 (Australia)	0.95%	13.89%	6,319.4

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.01%	15.43%	521.8

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.02%	13.12%	1,920.4

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-0.32%	13.22%	1,089.0

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
Communication Services	0.73%	21.19%	167.2
Consumer Discretionary	-0.22%	20.97%	941.9
Consumer Staples	-0.04%	13.17%	585.1
Energy	2.05%	20.64%	507.1
Financials	-0.26%	15.13%	452.5
Health Care	0.07%	-0.14%	994.3
Industrials	-0.32%	21.94%	657.6
Materials	-0.67%	14.21%	359.6
Real Estate	-1.05%	14.08%	217.6
Technology	0.23%	26.34%	1,368.5
Utilities	-0.12%	9.02%	290.3

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.00%	15.05%	25.6
FTSE NAREIT Comp. TR	-1.17%	13.82%	18,889.9
DJ US Select Dividend	-0.26%	13.15%	2,105.1
DJ Global Select Dividend	-0.29%	9.33%	226.1
S&P Div. Aristocrats	-0.42%	13.47%	2,719.9

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.14%	2.43%	2,096.4
Barclays HY Bond	0.00%	8.44%	2,070.5

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.03%	1.80%	489.1
NYMEX WTI Crude (p/bbl.)	0.12%	44.53%	65.6
ICE Brent Crude (p/bbl.)	0.03%	37.66%	74.1
NYMEX Nat Gas (mmBtu)	0.12%	-14.05%	2.5
Spot Gold (troy oz.)	-0.54%	-1.12%	1,268.1
Spot Silver (troy oz.)	-1.30%	-4.38%	14.8
LME Copper (per ton)	-1.17%	8.60%	6,460.8
LME Aluminum (per ton)	1.04%	-0.51%	1,853.3
CBOT Corn (cents p/bushel)	-0.14%	-7.10%	363.0
CBOT Wheat (cents p/bushe	0.45%	-14.42%	443.8

Foreign Exchange (Intra-da	% chg.	% YTD	Value
Euro (€/$)	-0.24%	-2.07%	1.12
British Pound (£/$)	0.14%	1.93%	1.30
Japanese Yen ($/¥)	0.03%	-1.98%	111.91
Australian Dollar (A$/$)	-0.41%	0.79%	0.71
Canadian Dollar ($/C$)	-0.47%	1.69%	1.34
Swiss Franc ($/CHF)	-0.54%	-3.80%	1.02

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	54.1%	Overweight	+3.1%	57.2%
2)	Canada	3.0%	Equalweight	-	3.0%
3)	United Kingdom	5.4%	Underweight	- 1.0%	4.4%
4)	Europe ex U.K.	14.9%	Underweight	- 1.0%	13.9%
5)	Latin America	1.4%	Equalweight	-	1.4%
6)	Asia-Pacific ex Japan	12.5%	Equalweight	-	12.5%
7)	Japan	7.6%	Equalweight	-	7.6%
8)	Middle East / Africa	1.1%	Underweight	- 1.1%	-

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 12/20/18. 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
1) Communication Services	10.2%	Underweight	- 2.0%	8.2%
2) Consumer Discretionary	9.8%	Equalweight	-	9.8%
3) Consumer Staples	7.5%	Underweight	- 2.0%	5.5%
4) Energy	5.3%	Overweight	+2.0%	7.3%
5) Financials	13.3%	Equalweight	-	13.3%
6) Health Care	15.5%	Overweight	+2.0%	17.5%
7) Industrials	9.2%	Equalweight	-	9.2%
8) Information Technology	20.2%	Equalweight	-	20.2%
9) Materials	2.6%	Equalweight	-	2.6%
10) Real Estate	3.0%	Overweight	+1.0%	4.0%
11) Utilities	3.4%	Underweight	- 1.0%	2.4%

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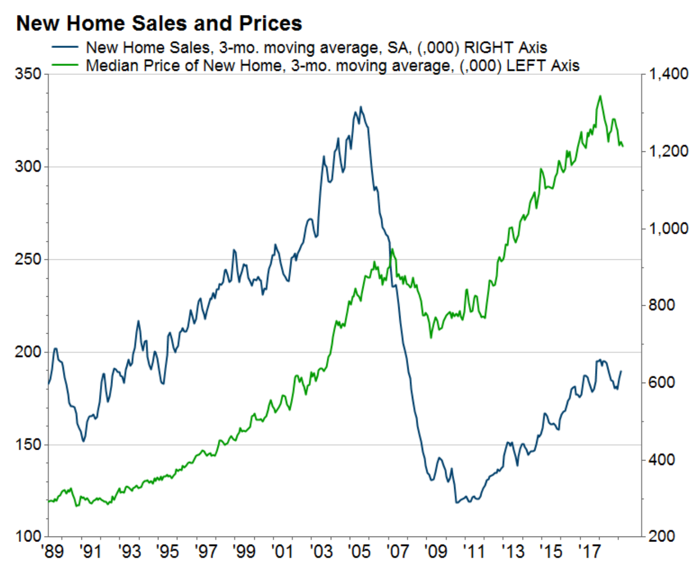
ECONOMIC NEWS OUT TODAY:

Economic Releases for Tuesday, April 23, 2019. All times Eastern. Consensus estimates via Bloomberg.

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
10:00 AM	MAR	New Home Sales (annualized)	650k		667k	
10:00 AM	MAR	New Home sales (MoM)	-2.6%		+4.9%	

Economic Perspective: ***Russell T. Price, CFA – Senior Economist***

- After a 4.9% increase in February, new home sales for March are expected to show a 2.6% decline when the Census Department reports the numbers at 10 AM. As with most other housing measures, new home sales have been volatile over the last several months. Sales were impacted by two major hurricanes in September (Florence) and October (Michael) last year, followed by a fourth quarter jump in mortgage rates, plunging Q4 stock prices and January's government shutdown. The market appears to be regaining its footing lately and prospects, as indicated by mortgage application data, home builder potential buyer traffic surveys, and consumer home-buying intentions as measured by the Conference Board.



- As seen in the chart at right (as sourced from FactSet), new home sales, though improving fairly steadily over the last decade, are still well below levels seen prior to the housing bubble. Today's sales are generally in-line with those seen in the late 1980's /early 1990's, a time when the U.S. population was nearly a third smaller. The primary factor behind this view is that, while upper price points are now well-supplied, the availability of starter and affordable homes are exceptionally tight in most markets across the country. That is slowly improving as builders move down the value chain (given that the upper price categories are now well supplied and homes in those price segments are now moving slower) it should slowly improve over time.
- Yesterday, meanwhile, the National Association of Realtors (NAR) reported existing home sales that came-in short of forecasts. A month-over-month decline was expected given that sales had surged by over 11% in February, but the seasonally-adjusted 5.21 million annualized pace was still about 5% below year-ago levels. We note, however, that Q1 is always the weakest quarter for sales and seasonally adjusting the data can often result in large swings, but sales for the entire quarter were still down about 5% versus year-ago levels. Although very tight availability in the space will continue to limit sales upside, we are not overly concerned about the existing home market as it pertains to the broader pace of economic activity. Various forward-looking measures of home buying have been

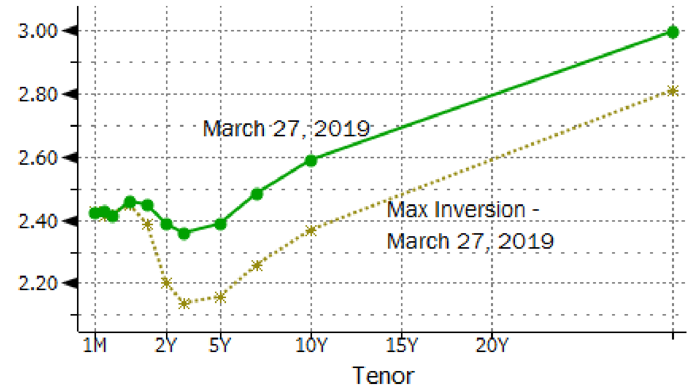
gaining steam lately, particularly mortgage applications for purchase (as opposed to refinancing), a key gauge in the sector that indicates existing home sales trends usually a month-or-two in advance. As with the new home sector, however, the existing home space also suffers from a significant dearth of availability the further down the price spectrum you go, particularly into affordable ranges. Overall, we believe existing-home sales are likely to see a 0% to 5% increase in 2019 after seeing a 3.5% decline in 2018.
- Supply-side problems in the housing market are a constraint that will likely linger for years to come, but they are a far better problem to have than the over-supply issues that contributed to the housing crisis.

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

Reading the Tea Leaves When the Treasury Curve Inverts

- First off, we need to point out that the mild inversion between 10-year Treasury note and 3-month T-bill yield (10yr/3mo) at the end of March lasted just over a week inverting by 5 basis points at the on March 27. Since then, the 10yr/3mo flipped positive and stands at +16 basis points this morning.
- 10yr/3mo reflects that the Fed may be approaching a rate cut cycle. This is informative for markets and investors in contemplating where we are in the rate cycle to a degree, but it doesn't necessarily stand as a 100% predictor of future rates in my view. Like we saw late last year with expectations for several hikes, Treasury markets can overshoot at times as they seek a new equilibrium.
- The relative global yield context matters as well. In Germany, for example, yields flashed negative out the sovereign curve through the 10-years segment. From a relative value perspective, a 1-year Treasury yielding 2.44% this morning is stands in stark contrast to short yields in other high-quality developed countries around the world. In the U.S. the very short end is anchored by near-term Fed rate policy and thus foreign buyers may be more willing to by a 6-month T-bill hoping yields come their way. While the 10s/3mo is certainly noteworthy, so is the fact that the spread between 30-years and 10-years is +40 basis points. Treasury markets are essentially pricing in positive term structure (rate risk) on the long-end, where the influence of central bank policy distortion is the least.
- We prefer to look at the 10-year vs 2-year (10s/2s) yield spread as the driver for our fixed income positioning in this cycle. Essentially, when investors are willing to accept a lower yield on 10-year Treasuries than on 2-year Treasuries, attitudinally they have turned very pessimistic. An investor would take a lower yielding 10-year simply to lock in the coupon for longer. This is either motivated by a sharp flight to quality that depresses yields all the way out the curve while the front end remains anchored by the fed funds rate, or investors desire to lock in level income for a much longer period (expectation of a downturn). We see both as indications that Treasury investors capitulated with sentiment rolling over. See our *Committee Perspectives: Fixed Income Investing* report dated September 24, 2018 for more how we might look to shape portfolios after 10s/2s invert.
- Time matters. We believe time is also a factor in how we would read the tea leaves. If 10s/2s invert for a day on a random flight to quality, it may be water under the bridge. If 10s/2s invert for a week and the move isn't purely technical, we would say an inversion occurred. The length of time the 10s/2s spread remains inverted also matters because of the potential feedback loop it sets off. For example, if months pass with 10s/2s inverted, banks will pull back on lending given the net interest margin they operate on (borrow short/lend long). Corporations and consumers similarly may change behavior over time. Initially, it is the caution that washes through investor risk appetite that can kick-off the change in sentiment that sustains an inversion beyond a few weeks.
- Finally, the initial brief inversion of 10ys/3mo spreads also reflects where we are late in the credit cycle. Some investors are already anticipating a credit crunch may be near, as seen in fed futures market that reflect a better chance of a policy rate cut than a hike in 2019. There are always some pessimists in the crowd, but unless sentiment shift positive enough to draw them back in on risk assets, we believe we reached the tightest spread levels of the current credit cycle back in 2018. In essence, the feedback loop is already setting up, with a segment of fixed income investors anticipating at significant enough credit crunch that the Fed would need to cut rates. The more investors turn cautious, the greater the chances that bond market momentum shifts toward quality and away from risk.
- *See charts on next page…*

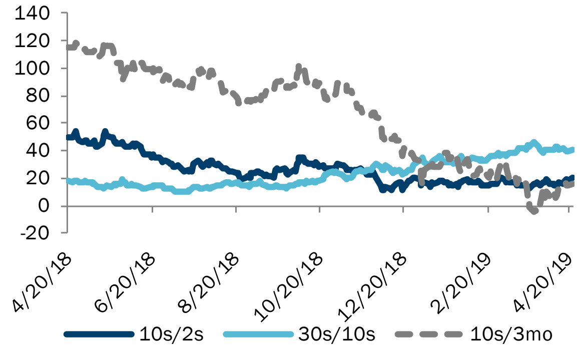
The Treasury Curve Inversion Faded



Source: Bloomberg L.P.

Treasury Curve Spreads

Spread in basis points



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As of March 31, 2019

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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.

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