Before the Bell

Morning Market Brief

May 22, 2019

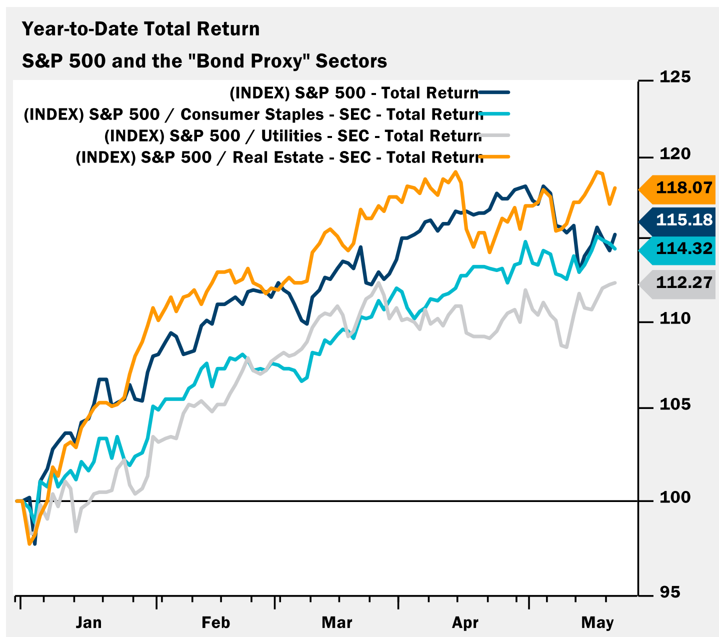
FOR IMPORTANT DISCLOSURES, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT

MORNING MARKET COMMENTARY: *Lori Wilking-Przekop, Senior Director, WMS Research, Equity*

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

- ***Quick Take***: U.S. futures are pointing to a lower open; Europe is trading lower; Asia finished mixed overnight; West Texas Intermediate (WTI) oil trading lower at $62.20 per barrel; 10-year U.S. Treasury yield at 2.41%.

- ***Real Estate: A Norris Trophy Contender***: Next month, the NHL will present the league's top defenseman with the Norris Trophy. If the S&P 500 had its own Norris Trophy, we believe Real Estate could be a top contender this year. With trade tensions between the U.S. a nd China intensifying this month, Real Estate is the best performing S&P 500 sector month-to-date. The sector has posted a total return of 0.9%, outpacing the S&P 500 Index, which has generated a negative 2.6% total return. We attribute the Real Estate's favorable performance in May to its domestic focus and limited exposure to global trade. Nareit, the real estate industry's trade group, recently noted in a blog post, *"Gimme Shelter: REITs and Trade Disputes"* that REITs (as measured by the FTSE Nareit All Equity REIT Index) have become less correlated with international equity markets (particularly those in Asia) in Q2'19, while, the S&P 500 Index has become more correlated. In our view, this shift is not surprising as the Information Technology sector, which has the highest weighting in the S&P 500, generates nearly 15% of its revenue from China according to data from FactSet. This week's *Income Investing* column in *Barron's* also noted REITs could be less volatile in the current environment of escalating trade tensions.



Notations:

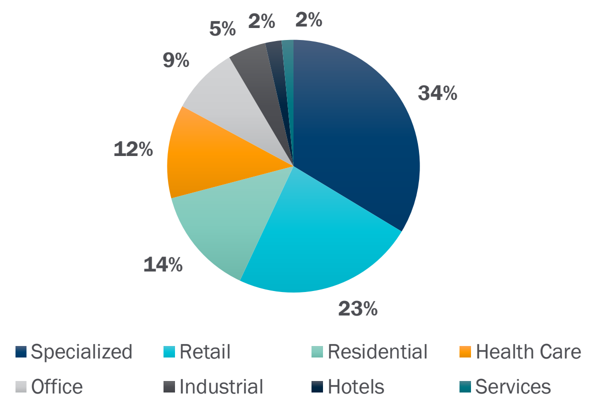
- For further information on any of the topics mentioned, please contact your Financial Advisor.
- Unless specifically stated otherwise, comments contained in this document should not be construed as an investment opinion or recommendation of any securities mentioned. Charts depicted are from FactSet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

On a year-to-date basis, Real Estate has outpaced the broader S&P 500 as well as the Index's other "bond-proxy sectors," Consumer Staples and Utilities. In our view, these sectors have benefitted from their domestic focus, as well as the Fed's surprising dovish turn in late March. On 03/20/19, the FOMC pivoted away from raising interest rates in 2019 and indicated it would halt its balance sheet normalization policies, Real Estate's gain outpaced the S&P 500 as well as Consumer Staples and Utilities. We believe the catalyst for Real Estate's relative outperformance has been an easing of the imminent recession fears which spiked in Q4'18 and better than expected Q1'19 earnings.

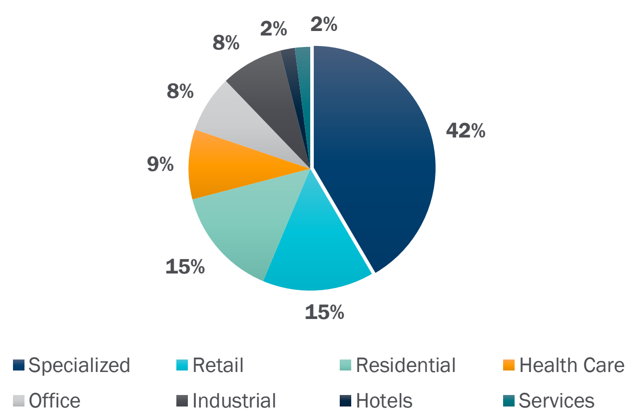
According to FactSet, Real Estate's Q1'19 earnings increased by 6.4% y/y, surpassing analysts' 03/31/19 forecast of 2.6% growth. The upside "surprises" were broad-based, across several industries including data centers, industrial, office, and residential. Although analysts' full-year EPS estimate (or funds from operations (FFO) in REIT parlance) for Real Estate has declined modestly since the end of Q1'19 (+2.5% versus to +2.7%), the downward revision is narrower than Consumer Staples (+0.3% versus +0.8%) and Utilities (+6.3% versus +6.8%). Due in part to the inherent seasonality in leasing activities, as well as the potential for construction delays, we believe some REIT management teams took a conservative approach to full-year guidance. In our opinion, the equity market downturn in December, which seems like a distant memory amid this year's rally, likely factored into REITs' 2019 outlooks.

Since the carve-out from Financials in September 2016, the sub-sector landscape within the Real Estate sector has shifted due to consolidation activities, changing market capitalizations, and broader secular trends. The specialized sub-sector, which consists of tower REITs and data centers, has seen its weighting expand due to the growth of cloud computing and the transition to 5G. Whereas, the weighting of the retail sub-sector has shrunk due to market share erosion of brick-and-mortar retailers and the privatization of a leading mall operator.

Real Estate Sub-Sector Breakdown 09/2016



Real Estate Sub-Sector Breakdown 05/2019



Source: FactSet and American Enterprise Investment Services Inc.
Note: Total does not add due to rounding.

In our view, the Real Estate sector is well positioned to capitalize on several secular trends such as the growth of e-commerce (industrial REITs), aging demographics (health care REITs), and the increasing purchasing power of Millennials/Gen Z (residential REITs). These secular trends have infused the Real Estate sector with catalysts growing faster than the overall economy. Due to REITs' payout requirement, we believe the Real Estate sector can offer investors both growth and income. In our opinion, these attributes along with the sector's domestic focus, could drive continued outperformance in the current environment of elevated trade tensions and slowing global economic growth.

For details on the Real Estates sector's income attributes, please see the Committee Perspectives report, we published this morning.

- ***Asia-Pacific:*** Equities in Asia finished mixed on Wednesday. Markets in China declined. Investors continued to weigh President Xi Jinping's comments comparing the increasing trade tensions with the U.S. to a "new Long March" and reports that the Trump Administration is considering banning up to five Chinese surveillance firms. *Bloomberg* is reporting the founder of Tencent Holdings is encouraging China to become more independent in technology and "chart its own course" sparking concerns that the trade war could morph into a tech war. Markets in Japan were mixed, as concerns relating to U.S./China trade relations overshadowed the day's economic data. The decline in exports was modestly below the consensus forecast, whereas, core machinery orders surprised to the upside.

- ***Europe:*** Markets are trading lower at midday, as concerns regarding U.S./China trade relations and the possible tech fallout pressured equities. *Bloomberg* noted the pound remained volatile as reports are surfacing that UK Prime Minister Theresa May is facing increasing pressure to resign in the coming days. The European Parliament will hold continent wide elections 05/23 through 05/26.

- ***U.S.:*** Equity futures are pointing to a lower open amid trade concerns, mixed earnings reports in the retail sector, and a negative court ruling for Qualcomm. At 2:00 PM ET, the FOMC will release the minutes from its latest meeting. We believe the minutes could get increasing scrutiny from investors as St. Louis Fed President and FOMC voter James Bullard stated the Fed's December rate hike "may have slightly overdone it."

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

Americas	% chg.	% YTD	Value
S&P 500	0.85%	15.18%	2,864.4
Dow Jones	0.77%	11.98%	25,877.3
NASDAQ	1.08%	17.86%	7,785.7
Russell 2000	1.33%	15.15%	1,545.2
Brazil Bovespa	2.76%	7.51%	94,484.6
S&P/TSX Comp. (Canada)	0.15%	15.97%	16,426.5
Mexico IPC	-0.76%	4.66%	43,190.1

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.73%	14.76%	3,361.7
FTSE 100 (U.K.)	-0.19%	11.00%	7,315.1
DAX Index (Germany)	-0.66%	14.25%	12,063.8
CAC 40 (France)	-0.70%	15.08%	5,347.9
FTSE MIB (Italy)	-0.94%	11.90%	20,504.4
IBEX 35 (Spain)	-0.55%	9.38%	9,188.7
Russia TI	0.65%	9.82%	4,594.3

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.05%	7.43%	21,283.4
HK Hang Seng (H. Kong)	0.18%	8.22%	27,705.9
Korea Kospi 100	0.18%	1.35%	2,064.9
Singapore STI	0.00%	5.91%	3,183.1
Shanghai Comp. (China)	-0.49%	16.08%	2,891.7
Bombay Sensex (India)	0.36%	8.78%	39,110.2
S&P/ASX 200 (Australia)	0.16%	18.25%	6,510.7

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.60%	12.66%	507.3

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.18%	10.55%	1,861.6

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.49%	4.07%	999.0

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
Consumer Discretionary	0.57%	18.07%	918.4
Consumer Staples	-0.31%	14.32%	590.4
Energy	1.07%	13.47%	473.6
Financials	0.86%	14.69%	450.0
Real Estate	0.84%	18.07%	224.6
Health Care	0.82%	3.57%	1,030.0
Industrials	1.18%	17.98%	635.0
Materials	1.51%	8.80%	342.1
Technology	1.20%	21.47%	1,312.7
Communication Services	0.96%	19.18%	164.4
Utilities	0.06%	12.27%	297.6

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.00%	16.85%	26.0
FTSE NAREIT Comp.	0.93%	18.19%	19,614.9
DJ US Select Dividend	0.66%	11.31%	2,070.8
DJ Global Select Dividend	-0.53%	3.84%	214.7
S&P Div. Aristocrats	0.93%	12.04%	2,685.6

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.06%	3.40%	2,116.2
Barclays HY Bond	0.09%	8.32%	2,068.2

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.05%	-2.57%	468.1
NYMEX WTI Crude (p/bbl.)	-1.36%	37.13%	62.3
ICE Brent Crude (p/bbl.)	-0.73%	33.18%	71.7
NYMEX Nat Gas (mmBtu)	-0.88%	-11.90%	2.6
Spot Gold (troy oz.)	0.20%	-0.41%	1,277.3
Spot Silver (troy oz.)	0.31%	-6.43%	14.5
LME Copper (per ton)	-0.65%	0.27%	5,965.0
LME Aluminum (per ton)	-0.18%	-5.40%	1,762.3
CBOT Corn (cents p/bushel)	-1.08%	-0.19%	390.0
CBOT Wheat (cents p/bushel)	-1.62%	-9.16%	471.0

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.1%	-2.5%	1.12
British Pound (£/$)	-0.3%	-0.7%	1.27

	% chg.	% YTD	Value
Japanese Yen ($/¥)	0.15%	-0.58%	110.33
Australian Dollar (A$/$)	0.07%	-2.28%	0.69

	% chg.	% YTD	Value
Canadian Dollar ($/C$)	0.3%	2.0%	1.34
Swiss Franc ($/CHF)	0.4%	-2.5%	1.01

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%

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.

BY THE NUMBERS: ECONOMIC ACTUALS AND FORECAST:

Current Projections:

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Est. 2019	Est. 2020	Quarterly Actual Q1-2019	Quarterly Est. Q2-2019	Quarterly Est. Q3-2019	Quarterly Est. Q4-2019
Real GDP (YOY)	2.5%	2.9%	1.6%	2.2%	2.9%	2.4%	1.6%	3.2%	2.0%	2.8%	2.4%
Unemployment Rate	5.6%	5.0%	4.7%	4.1%	3.9%	3.6%	3.5%	3.8%	3.7%	3.6%	3.6%
CPI (YoY)	1.6%	0.1%	1.3%	2.1%	2.4%	2.1%	2.2%	1.6%	2.1%	2.2%	2.4%
Core PCE (YoY)	1.6%	1.3%	1.7%	1.6%	1.9%	1.8%	2.0%	1.7%	1.6%	1.7%	1.8%

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 Last Updated: May 2, 2019

ECONOMIC NEWS OUT TODAY:

Economic Releases for Wednesday, May 22, 2019. All times Eastern.

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
2:00 PM	May 1	FOMC Meeting Minutes				

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

- **This week:** Highlights this week include the European Commission elections determining representatives that may need to navigate Brexit, lacking reforms post-financial crisis, rising populism, and the ever-present national agendas. Also, this afternoon minutes from the Fed's May 1 policy meeting are scheduled for release. Finally, we anticipate market activity winds down Thursday and into Friday's early 2:00 PM ET bond market close ahead of the three-day Memorial Day Holiday weekend.

Year-end 2019 10-year Treasury Forecast = 3.00% (2.00% to 3.25% scenario range);
We forecast a possible quarter point Fed rate hike to 2.50% to 2.75% by year-end.

Our Fixed Income Recommendations for the following objectives:

Capital Preservation	Total Return	Income
Key points: • Three-month T-bills yield nearly 2.50%. Real returns are possible once again. • To the extent portfolios reached for yield, return to the basics in high investment grade bonds with short maturities.	Key points: • Rebuild core fixed income as the anchor of a portfolio • Target a 6-year duration • Tactical overweight to Investment Grade Corporates. • Avoid leveraged credit exposure.	Key points: • Yield has returned to core bond markets; Treasuries, agency mortgage-backed, and investment grade corporates. • Yields are near cycle highs; look to term out maturities aligned with income liabilities.
We recommend: Return to short Treasury and high-quality bond investments including a laddered portfolio approach.	**We recommend: Rebuild core fixed income allocations for stability and diversification in blended portfolios.**	**We recommend: Be sure portfolios are not too short. Asset liability matching approaches are best.**

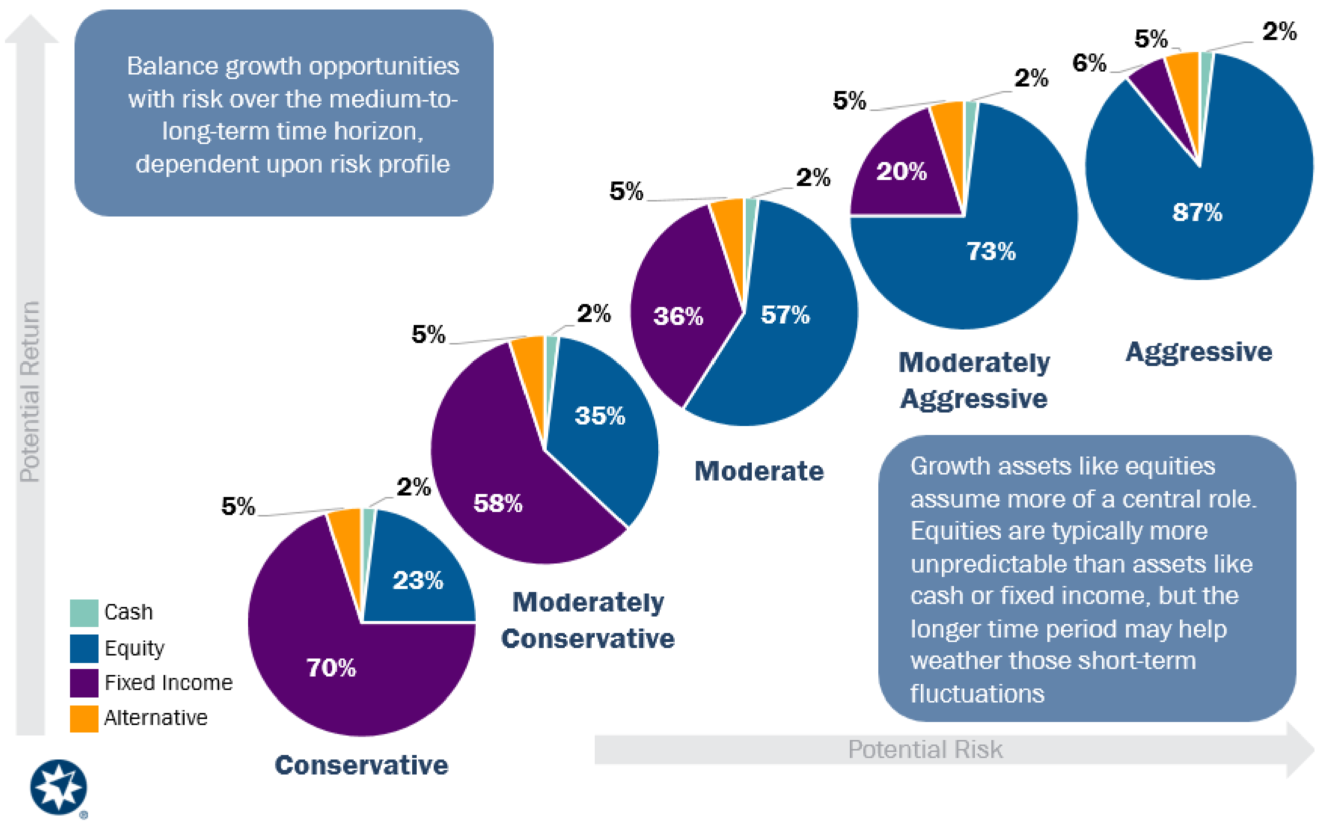
Source: Ameriprise Quarterly Capital Market Digest (4/18/19)

A Perfect Time to Revisit Risk Tolerances – Today!

- The fourth quarter of last year caught many investors by surprise with a -13.5% total return on the S&P 500 Index. Renewed volatility over the past two weeks serves as a reminder that a properly tuned risk tolerance can reduce anxiety over stretched risk-taking and enable investors to benefit from long-term market performance for portfolios with long-term investment horizons such as retirement. We believe market volatility may reoccur in future quarters, and recommend investors take time to discuss any necessary changes in risk tolerance now while market liquidity is strong, rather than in while prices are falling.

- **More volatility ahead; gear risk tolerances accordingly**: From an investment perspective, the right risk tolerance is one that an investor can maintain through an entire cycle. This is especially critical given that the past decade has been more tranquil than the previous four decades using VIX as a guidepost. VIX, the Chicago Board of Options Exchange Volatility Index averaged 20 from 1970 to 2009, and just 17 from 2010 to 2018. We believe the past nine years may be a more sanguine timeframe than looking at risk over the full cycle. Looking ahead, it may be wise to consider dialing back risk by notching back on risk tolerance for select investment goals, portfolios, or across an investor's holdings to better match risk tolerance with our expectations for higher volatility ahead.
- **Avoid mistakes**: Gearing risk tolerances to what an investor would have liked to have earned over the past three, five or ten years misses the 'risk' in risk tolerance. Taking this approach focuses on just the upside of investing without a balance to the risk/return of investing. Should markets shift and volatility escalate, investors that are too aggressive tend to withdraw from the market and delay reinvesting; potentially leading to underperformance from an investment perspective. The properly tuned risk tolerance enables investors to remain invested, sidelining human behavior as an error factor.
- **The right allocation for each risk tolerance**: For long-term investment portfolios, conservative allocations start with predominantly fixed income with a slice of equity risk. The allocations evolve across the spectrum adding equities (risk assets) to the mix for each incremental risk tolerance until the portfolio contains modest fixed income exposure for an aggressive risk tolerance. See our 2019 Asset *Allocation Overview* presentation for more on investing over various time horizons and risk tolerances.

Strategic Allocations for 8-15 Years



Source: 2019 IRG Asset Allocation Overview

- **Review investment selections**: Investors should also review investment selection in 2019. In the late stage of the credit cycle, fixed income investors should look at exposures that comprise fixed income allocations to ensure they are anchored in high-quality core bonds and that leverage is minimized for credit exposures. While leverage may enhance returns in good times, it can accelerate losses in through challenging times. See our report *Corporate Debt Markets Evolve* dated April 5 for more information.

- **Rebalance to maintain appropriate risk**: An extension of this is regular rebalancing also helps portfolios stay on target with a given level of risk, and to ensure neither too much risk is assumed, or to little risk so that portfolios stays on course. Regular rebalancing is a key dimension of asset allocation and managing risk to the appropriate risk tolerance. Collectively, targeting the right risk tolerance and regularly rebalancing ensures the investment portfolio remains invested; capturing performance over the long-term toward an investor's goal. See our report dated April 5, 2019 titled *Committee Perspectives: Managing Portfolio Drift* by Tom Crandall, CFA, CAIA, for more information on this topic.

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As of March 31, 2019

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

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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.

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