Before the Bell

Morning Market Brief

March 15, 2019

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

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

- ***Quick Take***: U.S. futures are pointing to a higher open; Europe is trading in the green; Asia ended mostly higher overnight; West Texas Intermediate (WTI) oil trading at $58.27; 10-year U.S. Treasury yield at 2.61%.

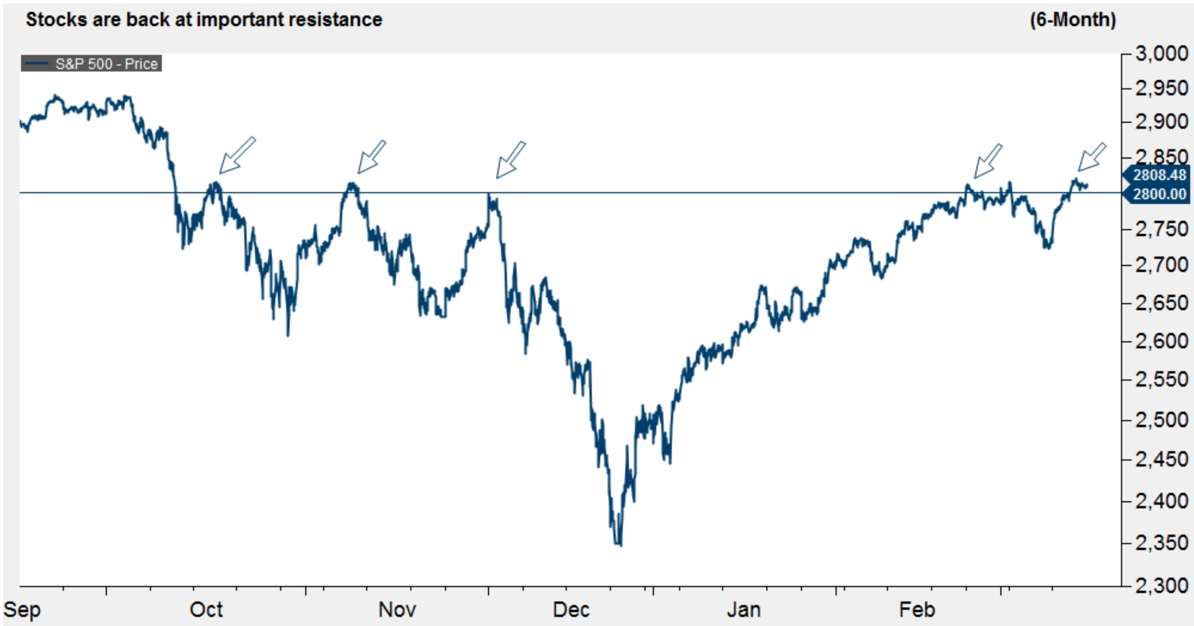
- ***The S&P 500 Is Back Above 2800, Again:*** U.S. equities finished flat yesterday, and the S&P 500 Index closed above the 2800 level for the second straight day. However, Thursday's session provided a bit of a breather for investors, as major stock averages rested following a three-day rally. Coming into trading today, the S&P 500 is on pace for another weekly gain and has only finished lower on a weekly basis twice this year.
- As we highlighted on Thursday, the broad-based U.S. stock barometer closed just beneath its March 4th high of 2816 on Wednesday, which it has touched no fewer than five times since hitting its all-time high in early October. This very specific trading level has proven tough for the Index to surpass.
- According to *FactSet*, a healthy pace of corporate buybacks and 'quadruple witching' today could have fueled some of this week's gains. The S&P 500 is up +2.4% thus far for the week on a total return basis.
- Since several option types all expire today, traders and short-term investors may have bought more stocks this week as they wait for option volatility to decline. As option expiration passes and a looming buyback blackout period begins before Q1'19 earnings season, stock prices could see less of a tailwind from both short-term and corporate buying activity. Looking out, the S&P 500 has moved in a roughly 75-point band this month, which in our view, is rather wide. Next week's FOMC meeting and a potentially pending resolution to trade frictions between the U.S. and China are likely the macro drivers to watch going forward. Below are a few additional points to consider as we all head into the weekend.

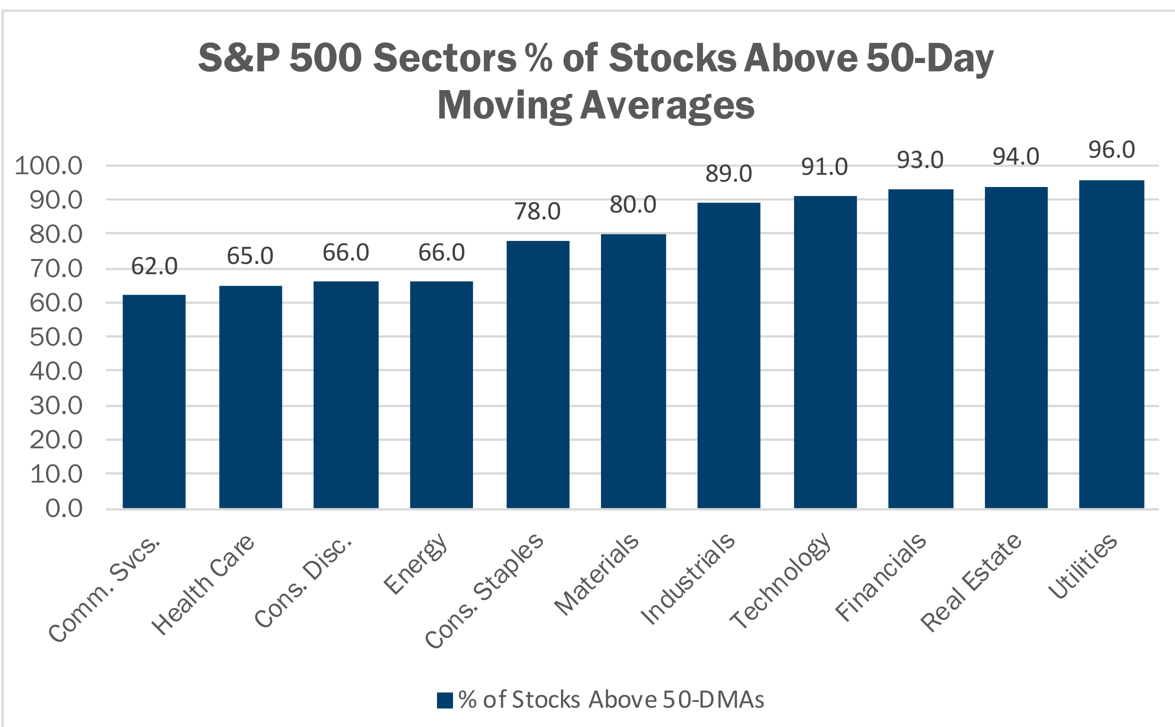
  - **The S&P 500 Index has held 2800 or better for two straight days and pushed above the technical threshold for the fifth time since October (please see the first *embedded FactSet chart* on page 2). We believe the Index will need to hold 2816 or better to make a more meaningful push higher from here.**
  - **U.S. stocks have recovered all of their December losses and are back to early October levels. Investors should make sure they are comfortable with what they own, as they have had adequate time to adjust without the penalties of December lows.**
  - **Flatter trading as of late has reduced overbought conditions across the S&P 500, but the number of stocks/sectors trading above their 50-day moving average remains elevated. Please see the second chart on page2, sourced from *Bespoke Investment Group* data, for more detail.**
  - **Domestically, stock gains this year are strongest across the Russell 2000 Index, NASDAQ, Industrials, and Energy. However, small-cap stocks and Energy remain in a correction (i.e., down 10% or more from their 52-week highs).**
  - **Internationally, mainland equities in China are driving strength in Asia and emerging markets. The Shanghai Composite A-Share Index is up nearly +13.0% over the last four weeks and higher by +21.0%**

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.

year-to-date on a price alone basis. Stimulus efforts from Beijing officials, as well as hopes that a trade deal is on the horizon, are lifting sentiment in the Asia-Pacific region.

- **Despite the Brexit drama this week, European equities are higher by +2.1% this month and performing in line with the U.S. this year.**
- **Following such a strong start this year, equity prices 'historically' finish the year with strong gains. If macro conditions unfold favorably, we believe history may be a reasonable assumption for this year.**





- ***Asia-Pacific:*** Asian equities finished higher on Friday. Per *The South China Morning Post* (which is a state-driven media outlet for China), the U.S. and Beijing have made "concrete progress" on the text of their trade agreement. Chinese Vice Premier Liu and U.S. Trade Representative Robert Lighthizer held a telephone conversation that is reported to have made some progress on this front. However, little new information was provided in the report, and President Trump indicated yesterday it could take up to three or four more weeks to know where a deal stands, according to *Reuters*.
- China's Premier Li Keqiang reaffirmed policy support in China which could include further cuts to the reserve requirement ratio (RRR) as well as other changes to interest rate policies that are supportive for growth. Importantly, Li said China's economy is facing additional downward pressures, but Beijing will not let growth slip below a reasonable range. According to *FactSet*, cuts in the VAT tax for manufacturers and other industries go in effect on April 1st while social security fees will be reduced on May 1st. Both measures could boost corporate profitability.
- The Bank of Japan (BOJ) left interest rate policy unchanged, as expected. The BOJ reiterated it would leave policy rates at extremely low levels for an extended time. Along with the Federal Reserve and European Central Bank, the BOJ is communicating to markets tightening policy is off the table for now.

- ***Europe:*** Markets across the region are trading in the green at midday. In this week's trilogy of Brexit votes, members of parliament (MPs) on Thursday backed a Brexit delay until at least June 30th, provided UK Prime Minister Thresa May's withdrawal plan can pass a vote on its third and final attempt. Attention will now turn back to Mrs. May's withdrawal plan, which the House of Commons will need to vote on before the March 21st European Union (EU) Summit. If the prime minister's plan fails to get enough support from MPs on a third attempt, Mrs. May could be forced to ask the EU for a longer extension. As we highlighted yesterday, the EU does not want to grant a Brexit extension to Britain only to rehash what's already been provided in the existing exit treaty.
- Nevertheless, over recent days, EU members appear more amenable to allowing the UK further time to work through its Brexit mess. Importantly, Mrs. May has been told by senior EU officials that conditions for a long delay are either a second referendum or softer Brexit, according to *The London Times*. **At this point, the Brexit situation remains very fluid and uncertain, with a no-deal option still not entirely off the table, despite MPs voting to remove the option under any circumstance in Wednesday's nonbinding vote. Interestingly, despite all the Brexit drama, European equities are performing well this week, and the British pound is slightly higher versus the U.S. dollar.**
- **Our take: Investors believe a no-deal Bexit is less likely at this point and the most probable path forward is for a long Brexit delay — which means status quo inclusion of the UK in the European Union continues**. **Importantly, economic and market disruptions would be minimal under this scenario, which we believe would be a plus for investors**.

- ***U.S.:*** Equity futures are pointing to a positive open this morning. According to the latest *Wall Street Journal* survey of economists, Q1 GDP could grow by just +1.3% q/q annualized, which is down from the +2.0% level the average economist forecast in February. Based on the Atlanta Fed's GDPNOW model, Q1 growth in the U.S. could come in as anemic as +0.4% If such GDP levels materialize for Q1, it will mark the slowest pace of growth since Q4'15. Importantly, just over 84% of economists surveyed in *The WSJ* poll now believe the economy is at risk of growing more slowly than expected compared to growing more quickly. Just under half think the next recession will begin in 2020, which was little changed from the last survey.
- As highlighted in *Bloomberg* recently, the largest tailwind to the market over recent months has come from a Federal Reserve now on the sidelines. Falling expectations for economic growth, a deceleration in earnings growth this year, and trade war headlines – the market has soundly said: Who cares? With global central banks now more dovish, and principally the Fed hitting the breaks, risk assets are in the midst of a V-shaped recovery from their December lows. In our view, the Fed pivot has been one of the most significant reasons why stocks have performed so well in 2019.
- Better performance in stocks appears to be finally attracting more investor dollars. According to *EPFR Global*, U.S. equity funds took in $25.4 billion in the week ending March 13th, its largest weekly haul of the year.

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

Americas	% chg.	% YTD	Value
S&P 500	-0.09%	12.55%	2,808.5
Dow Jones	0.03%	10.87%	25,709.9
NASDAQ	-0.16%	15.29%	7,630.9
Russell 2000	-0.40%	15.20%	1,549.6
Brazil Bovespa	-0.30%	12.19%	98,604.7
S&P/TSX Comp. (Canada)	-0.39%	12.97%	16,087.6
Mexico IPC	-0.37%	0.57%	41,777.8

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	1.25%	13.15%	3,383.8
FTSE 100 (U.K.)	0.62%	8.61%	7,230.1
DAX Index (Germany)	0.99%	10.83%	11,702.1
CAC 40 (France)	0.96%	14.23%	5,401.2
FTSE MIB (Italy)	0.88%	14.93%	21,060.2
IBEX 35 (Spain)	1.11%	9.65%	9,312.2
Russia TI	0.08%	5.15%	4,402.5

Asia/Pacific (Last Night)	% chg.	%YTD
Nikkei 225 (Japan)	0.77%	7.26%
HK Hang Seng (H. Kong)	0.56%	12.66%
Korea Kospi 100	0.95%	6.62%
Singapore STI	0.07%	4.69%
Shanghai Comp. (China)	1.04%	21.17%
Bombay Sensex (India)	0.71%	5.60%
S&P/ASX 200 (Australia)	-0.07%	11.20%

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.00%	11.49%	505.6

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.29%	9.68%	1,874.7

Emerging International	% chg.	%YTD
MSCI Emerging Mkts	-0.22%	8.79%

*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	-0.31%	11.51%	868.5
Consumer Staples	-0.28%	8.73%	564.3
Energy	0.06%	15.41%	485.2
Financials	0.41%	11.69%	439.7
Real Estate	0.04%	15.54%	221.0
Health Care	-0.25%	6.33%	1,060.2
Industrials	-0.35%	15.95%	625.9
Materials	-0.79%	9.99%	346.6
Technology	0.20%	16.78%	1,266.2
Communication Services	-0.39%	14.59%	158.5
Utilities	-0.13%	10.33%	294.0

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.00%	12.67%	25.1
FTSE NAREIT Comp.	0.24%	15.11%	19,103.5
DJ US Select Dividend	-0.24%	10.73%	2,060.0
DJ Global Select Dividend	0.42%	8.72%	224.8
S&P Div. Aristocrats	-0.16%	10.33%	2,644.7

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.12%	1.54%	2,078.1
Barclays HY Bond	0.08%	6.52%	2,033.8

Commodities		
Futures & Spot (Intra-day)	% chg.	% YTD
CRB Raw Industrials	-0.27%	2.05%
NYMEX WTI Crude (p/bbl.)	-0.58%	28.32%
ICE Brent Crude (p/bbl.)	-0.74%	24.03%
NYMEX Nat Gas (mmBtu)	-1.09%	-3.95%
Spot Gold (troy oz.)	0.51%	1.59%
Spot Silver (troy oz.)	1.11%	-0.88%
LME Copper (per ton)	-1.32%	7.85%
LME Aluminum (per ton)	-0.20%	0.78%
CBOT Corn (cents p/bushel)	0.00%	-3.33%
CBOT Wheat (cents p/bushel)	-0.33%	-11.61%

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.1%	-1.3%	1.13
British Pound (£/$)	0.0%	3.8%	1.32

	% chg.	% YTD	Value
Japanese Yen ($/¥)	0.04%	-1.76%	111.66
Australian Dollar (A$/$)	0.18%	0.40%	0.71

	% chg.	% YTD
Canadian Dollar ($/C$)	0.0%	2.3%
Swiss Franc ($/CHF)	-0.1%	-2.2%

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.

ECONOMIC NEWS OUT TODAY:

Economic Releases for Friday, March 15, 2019. All times Eastern. Consensus estimates via Bloomberg.

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
8:30 AM	MAR	Empire Manufacturing Index	10.0	+3.7	+8.8	
9:15 AM	FEB	Industrial Production (MoM)	+0.4%		-0.6%	
9:15 AM	FEB	Capacity Utilization	78.5%		78.2%	
9:15 AM	FEB	Manufacturing Output (MoM)	+0.1%		-0.9%	
10:00 AM	Mar P	U. of M. Consumer Sentiment	95.6		93.8	

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

Fixed Income News & Views will return on Monday. For fixed income commentary, please see today's *Morning Research Notes.*

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 – Director

Energy/Utilities
Justin H. Burgin – Vice President

Financial Services/REITs
Lori Wilking-Przekop – Sr Director

Health Care
Daniel Garofalo – Director

Industrials/Materials
Frederick M. Schultz – Director

Technology/Telecommunication
Curtis R. Trimble – Director

Quantitative Strategies/International
Andrew R. Heaney, CFA – Director

STRATEGISTS

CHIEF MARKET STRATEGIST
David M. Joy – Vice President

GLOBAL MARKET STRATEGIST
Anthony M. Saglimbene – Vice President

Thomas Crandall, CFA, CAIA – Director, Asset Allocation

Daniel Balter, CFA – 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 – Director – ETFs & CEFs

Mark Phelps, CFA – Director – Multi-Asset Solutions

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

Benjamin L. Becker, CFA – Director – International/Global Equity

Alex Zachman – Analyst – Core Equity

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

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

Steven T. Pope, CFA, CFP® – Director – Non-Core Fixed Income

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

Blake Hockert – 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 – Sr Director

Stephen Tufo – Director, 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 Analyst

James P. Johnson, CFA, CFP® – Analyst

David Hauge, CFA – Analyst

Bishnu Dhar – Sr. Research Analyst

Parveen Vedi – Sr. Research Associate

Darakshan Ali – Research Process Trainee

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 December 31, 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.