

FEBRUARY 2021

SHORT-TERM TACTICAL OUTLOOK

A snapshot of current views on equity, fixed-income and alternative asset classes — updated monthly to help you tactically adjust for opportunities and risks

OVERALL POSITIONS

KEY
 Current
 Previous (if changed)

EQUITIES



FIXED INCOME



ALTERNATIVES



CASH



KEY TAKEAWAYS

- **Equity momentum has been strong, and volatility remains low.** The only things that keep us from having higher optimism in equity markets are the fear of overexuberance and lofty valuation levels. We believe tilts toward risky assets will be rewarded for a while as global growth reaccelerates.
- Fixed income provides diversification in the form of underlying duration; it's an attractive way to play recovery on the back of spread compression. **We believe that credit markets will continue to attract attention as investors hunt for higher yields. But we acknowledge reduced opportunities for upside.**
- While we see opportunities for alpha in some areas of the alternatives markets, **traditional markets are a more attractive opportunity to spend a risk budget** in this cooperative environment.

WITHIN EQUITIES

U.S. equities



U.S. large caps



U.S. small caps



U.S. growth



U.S. value



Developed markets



U.K.



Eurozone



Japan



DM Asia ex-Japan



Emerging markets



WITHIN FIXED INCOME

Investment-grade bonds



Securitized bonds



Emerging market bonds



Developed market bonds



TIPS



Treasuries



Municipal bonds



High-yield bonds



WITHIN ALTERNATIVES

Absolute return strategies



Commodities



REITs



Convertibles



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* In U.S. dollars as of December 31, 2020. Source: Ameriprise Q4 Earnings Release. Contact us for more current data.

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