

NOVEMBER 2020

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

- **Signals for equities are on balance neutral at the moment.** Momentum and trend signals are supportive, and even the brief episodes of downward market action in September and October have not been enough to impact the recovery trend seen since the spring. On the other hand, volatility signals are suggesting greater caution, and valuation continues to look stretched for many equity markets.
- **Opportunities in fixed income continue to look attractive,** ranging from municipal bonds in the U.S. to local emerging market debt internationally. Fixed-income markets also continue to provide diversified outcomes in a volatile world — spread and credit components are trading in line with equity, and the underlying duration is providing a ballast on risk-off days.
- While truly non-directional strategies represent excellent opportunities to diversify, many alternative strategies have inherent market beta. **Right now, we favor direct exposure to traditional equity and fixed-income assets and believe policy-level allocations to alternatives are appropriate.**

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 September 30, 2020. Source: Ameriprise Q3 Earnings Release. Contact us for more current data.

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Alternative investments involve substantial risks and are more volatile than traditional investments, making them more appropriate for investors with an above-average tolerance for risk. **Foreign investments** are subject to risks, including political, economic, market, social and others within a particular country, as well as to currency instabilities and less stringent financial and accounting standards generally applicable to U.S. issuers. There are risks associated with **fixed-income investments**, including credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer term securities. In general, **equity** securities tend to have greater price volatility than **debt** securities. The market value of securities may fall, fail to rise or fluctuate, sometimes rapidly and unpredictably. **Market** risk may affect a single issuer, sector of the economy, industry or the market as a whole.

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