

January 2025

Tactical asset allocation outlook

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

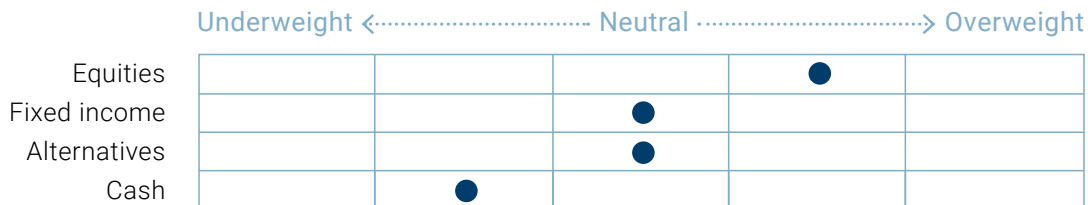
Key takeaways

- The current environment is favorable for U.S. equity returns. Stretched valuations remain a constraint to a larger overweight.
- We maintain a neutral position in fixed income. Yields are currently fairly valued. Fixed income continues to have a negative correlation with stocks, which supports diversification.
- We continue to have a neutral position in alternatives, as we believe the potential diversification benefits offset the potential challenges of lower inflation to assets like commodities and REITs.

KEY

● Current ● Previous (if changed)

OVERALL POSITIONS



KEY

● Current □ Previous (if changed)

WITHIN EQUITIES

Underweight ← Neutral → Overweight

U.S. equities

- U.S. large caps
- U.S. small caps
- U.S. growth
- U.S. value

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Developed markets

- U.K.
- Eurozone
- Japan
- DM Asia ex-Japan

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●				

Emerging markets

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WITHIN FIXED INCOME

Underweight ← Neutral → Overweight

- Investment-grade bonds
- Securitized bonds
- Emerging market bonds
- Developed market bonds
- TIPS
- Treasuries
- Municipal bonds
- High-yield bonds

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WITHIN ALTERNATIVES

Underweight ← Neutral → Overweight

- Absolute return strategies
- Commodities
- REITs
- Convertibles

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* Source: Columbia Threadneedle Investments as of September 30, 2024. Contact us for more current data.

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