

December 2024

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

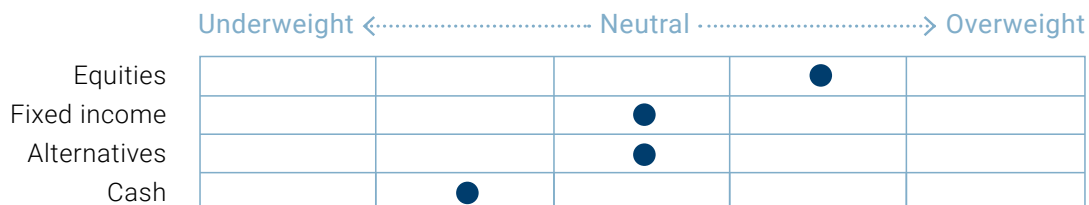
Key takeaways

- 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



WITHIN EQUITIES

Underweight <----- Neutral -----> Overweight

| | | | | |
|-------------------|---|---|---|--|
| 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

Underweight <----- Neutral -----> Overweight

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

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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