

February 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

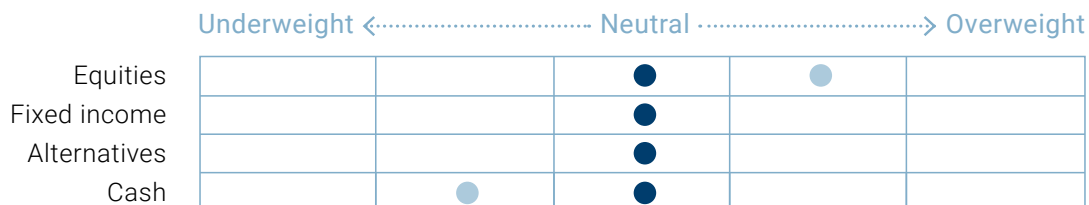
## Key takeaways

- While economic indicators remain supportive, increased volatility, valuation concerns and sentiment have shifted our equity positioning down to neutral.
- We maintain a neutral position in fixed income amid increased uncertainty about the path forward for the Fed. 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

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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 12/31/24. Contact us for more current data.

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