Ameriprise Financial

Fourth Quarter 2023 Conference Call

January 25, 2024

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Forward-looking statements

Some of the statements made in our January 24, 2024 earnings release and/or in this January 25, 2024 presentation constitute forward-looking statements. These statements reflect management's estimates, plans, beliefs and expectations, and speak only as of January 25, 2024. These forward-looking statements involve a number of risks and uncertainties.

A list of certain factors that could cause actual results to be materially different from those expressed or implied by any of these forward-looking statements is set forth under the heading "Forward-looking statements" in our January 24, 2024 earnings release, a copy of which is available on our website, and risks described under the heading "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2023. We undertake no obligation to update publicly or revise these forward-looking statements for any reason. In addition, the financial results and values presented in our fourth quarter earnings release and/or in this presentation are based upon asset valuations that represent estimates as of January 25, 2024 and may be revised in our Form 10-K for the year ended December 31, 2023.

Non-GAAP Financial Measures
This presentation contains certain non-GAAP financial measures that our management feels best reflect the underlying performance of our operations. Reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measure have been provided along with the presentation and can be found on our website at www.ir.ameriprise.com.

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Consolidated Fourth Quarter 2023 Results

GAAP	Q4 2023	Q4 2022	Better/(Worse)
Net Revenues ($M)	$3,992	$3,663	9%
Expenses ($M)	$3,498	$2,846	(23)%
Net Income ($M)	$377	$649	(42)%
Diluted EPS	$3.57	$5.83	(39)%
Return on Equity, ex. AOCI [1]	39.9%	53.0%	(1,310) bps

Adjusted Operating	Q4 2023	Q4 2022	Better/(Worse)
Net Revenues ($M)	$3,948	$3,642	8%
Expenses ($M)	$2,968	$2,719	(9)%
Earnings ($M)	$761	$732	4%
Diluted EPS	$7.20	$6.57	10%
Return on Equity, ex. AOCI [1]	48.5%	48.6%	(10) bps

[1] Calculated on a trailing 12 month basis.
All periods have been restated for Long Duration Targeted Improvements.

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Q4 2023 Business & Financial Results

Walter Berman
Chief Financial Officer

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Strong EPS growth of 14%[(1)] in the quarter and 24%[(1)] in the year demonstrating the strength of our business model

- Solid operating fundamentals across our business in the quarter
  - Assets under management and administration reached $1.4 trillion, up 15%
  - Consistent revenue growth throughout the year at 8%
  - G&A expense[(1)] increased only 2%, while continuing growth investments and executing on enhancing operational efficiency
  - Excellent margin[(1)] of 26.4%
  - Best-in-class ROE of 48.5%

- Strong balance sheet fundamentals and diversified sources of free cash flow have supported consistent capital return
  - $1.5 billion of excess capital
  - Returned $587 million of capital to shareholders in the quarter and $2.5 billion for the full year
  - Net unrealized loss improved by $1.8 billion to $1.5 billion

- Successfully expanded our Financial Institutions channel by closing on a partnership with Comerica Bank in November

(1) Results exclude a regulatory accrual, severance and mark-to-market impacts on share-based compensation expense. Full year results also exclude unlocking.

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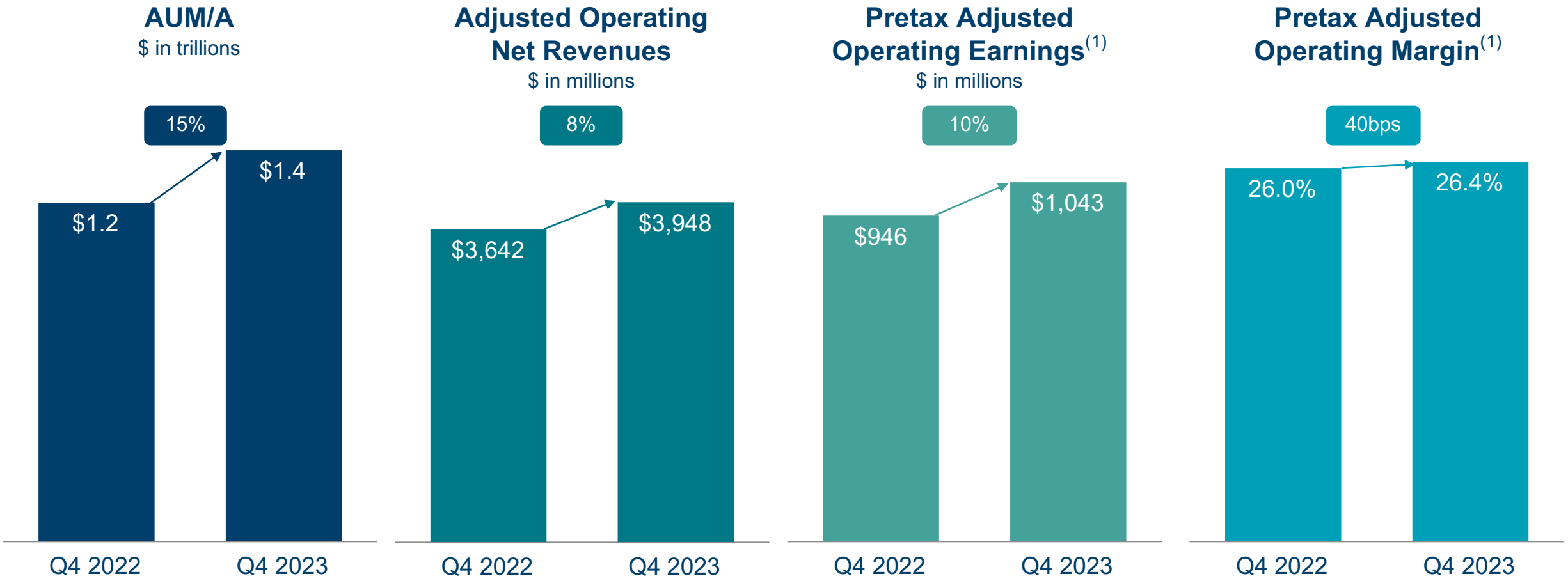
Business momentum across the firm



(1) Results exclude regulatory accrual, severance and mark-to-market impacts on share-based compensation expense.

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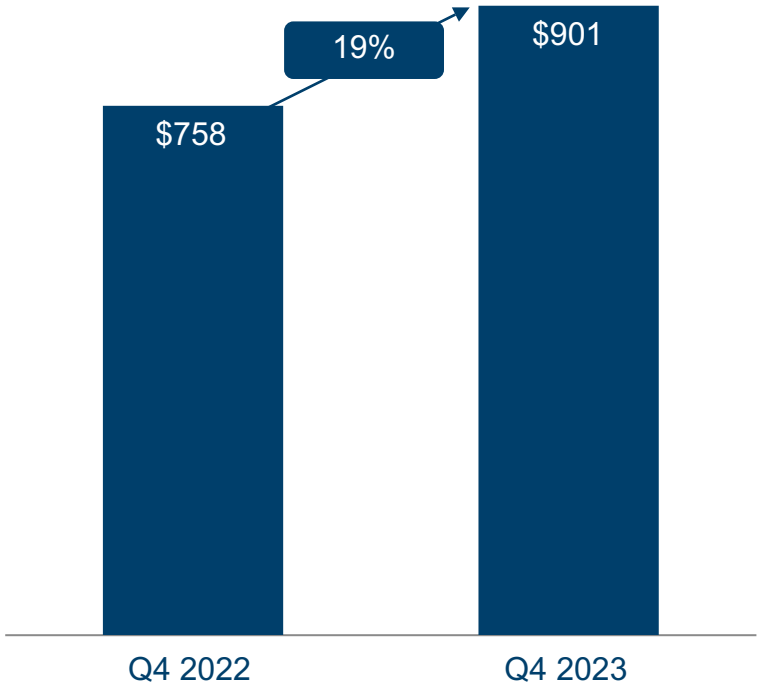
Wealth Management: Strong metrics driving growth over the quarter and year

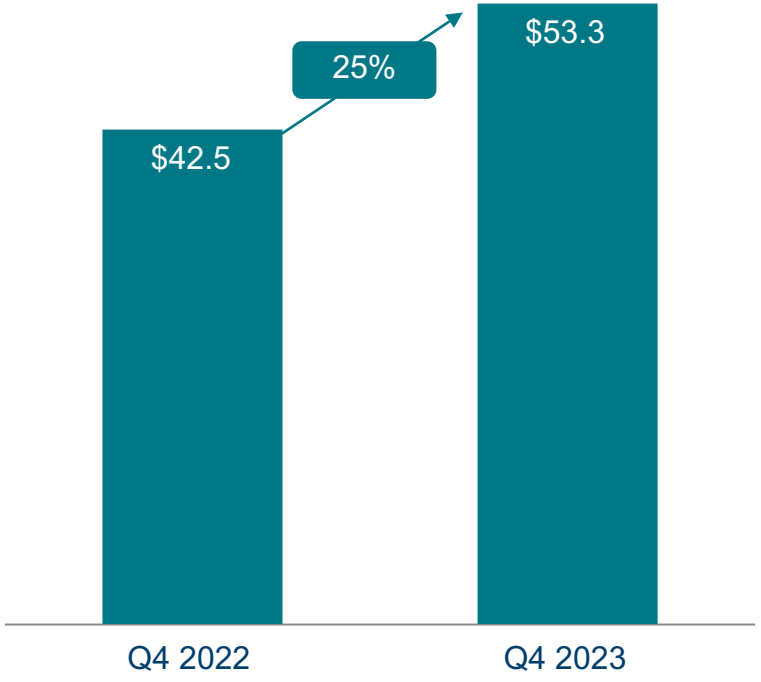
Total Client Assets

$ in billions



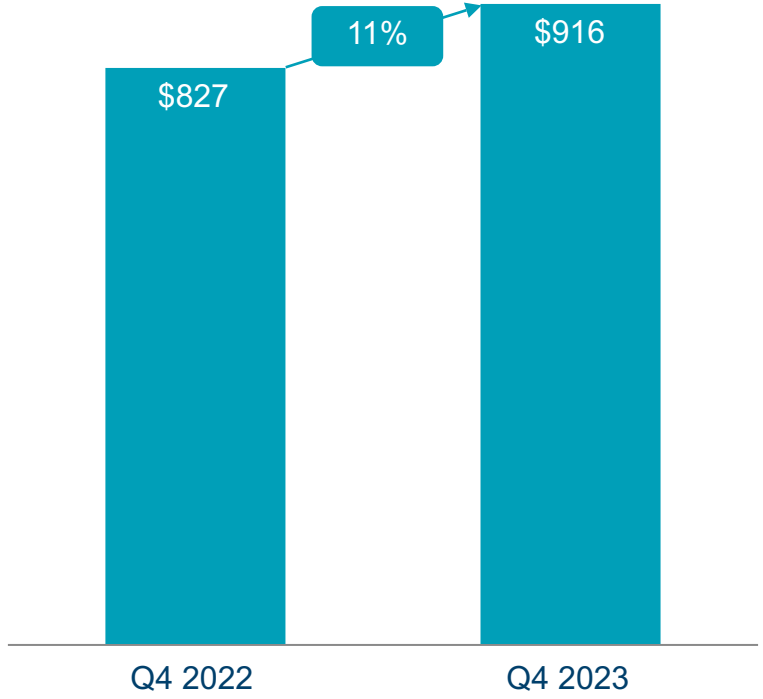
TTM Total Client Flows(1)

$ in billions



TTM Revenue Per Advisor

$ in thousands



(1) Includes $14.7 billion of client flows from the partnership with Comerica.

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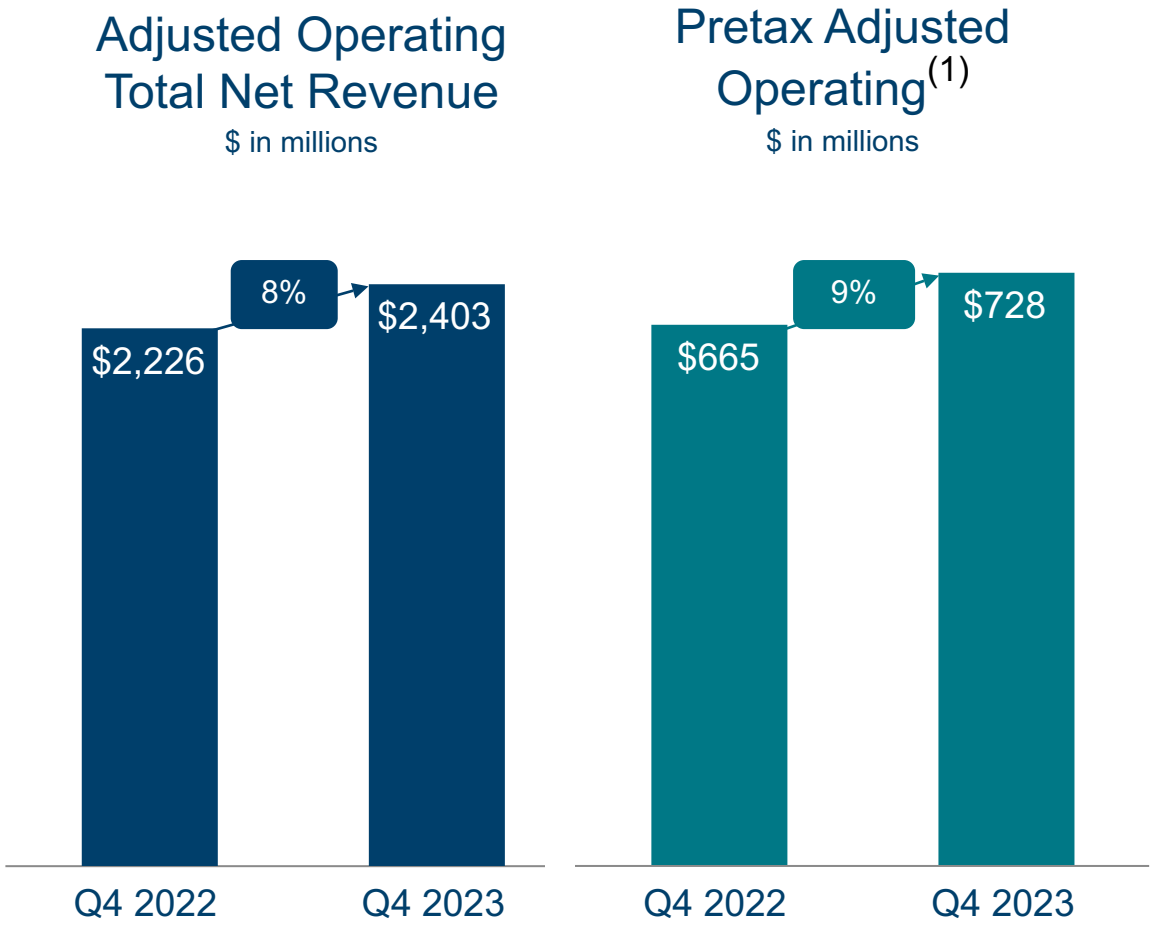
Wealth Management earnings increased 9%[1]



- Solid revenue and pretax earnings growth
  - Continued client net inflows and improved transactional activity
  - Stable and sustainable interest earnings
  - Equity market appreciation in the quarter was not fully reflected in our earnings
- Continued strong organic client flows
  - Underlying client flows of $8 billion
  - Initial transfer of $15 billion of client flows from Comerica partnership
  - Stable underlying client cash, up 4% sequentially
- Expenses continue to be well managed with G&A[1] down 1% in the quarter and up only 4% for the full year
- Margin[1] was up 40 bps to 30.3%, consistent with the full year

(1) Results exclude regulatory accrual.

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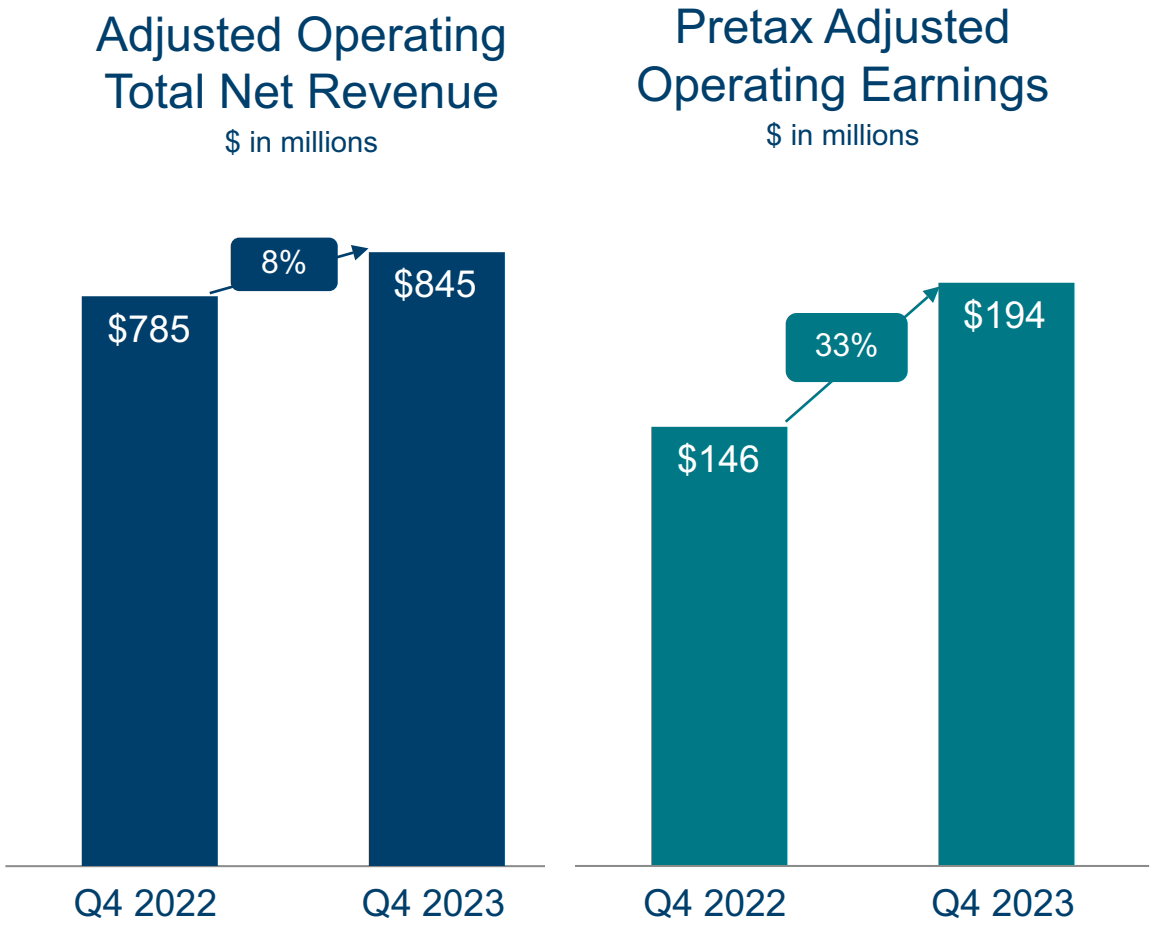
Asset Management: strong financial results in a continued challenging environment



- Assets Under Management increased 9% to $637 billion from market appreciation and FX
- Net outflows of $5.2 billion
  - Continued industry pressure on retail flows
  - Elevated institutional outflows, which reflected proactive portfolio manager actions to improve profitability resulted in $2 billion of outflows
- Revenue growth driven by market appreciation and performance fees, which more than offset the cumulative impact of outflows
- Underlying fee rate remained stable at 46 bps
- G&A expenses declined 4% excluding FX impacts and performance fee compensation
- Net pretax adjusted operating earnings increased 33% and margin was 32%, within our target range

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Retirement & Protection Solutions delivered good earnings and strong free cash flow



- Pretax earnings were $202 million, reflecting continued solid performance with a differentiated risk profile
- Sales trends improved in the quarter
  - Protection sales improved 6% to $72 million with the majority of the sales in higher-margin, accumulation-focused VUL
  - VA sales increased 15% with strong momentum in our structured product and a nice pick up in our variable annuity without living benefits
- Business is highly profitable with strong returns and continues to generate consistent free cash flow
  - Estimated RBC ratio of over 600%
  - Paid $600 million in dividends to the parent company in 2023

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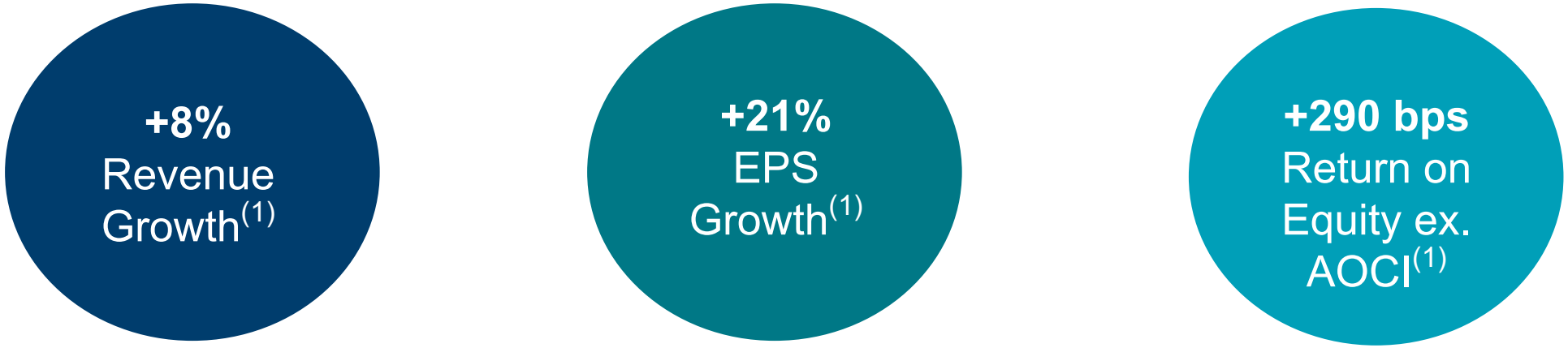
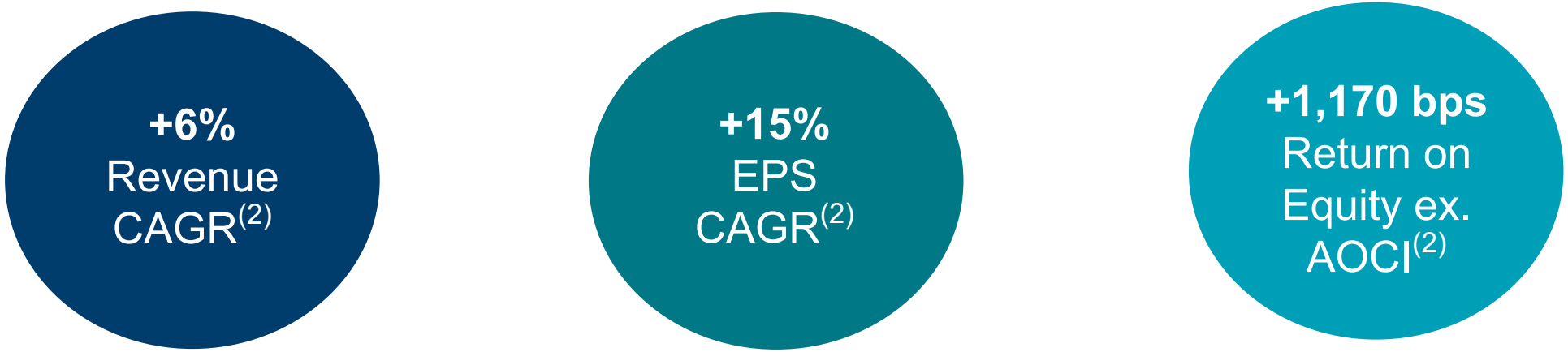
Consistently delivering strong operating performance through multiple market cycles

2023 vs. 2022



2023 vs. 2018



(1) Results exclude unlocking impacts which reflect the company's annual review of insurance and annuity valuation assumptions and model changes.
(2) Results exclude unlocking impacts. 2018 excludes financial results from Auto & Home and have not been recast to reflect adoption of long duration targeted investments (LDTI).

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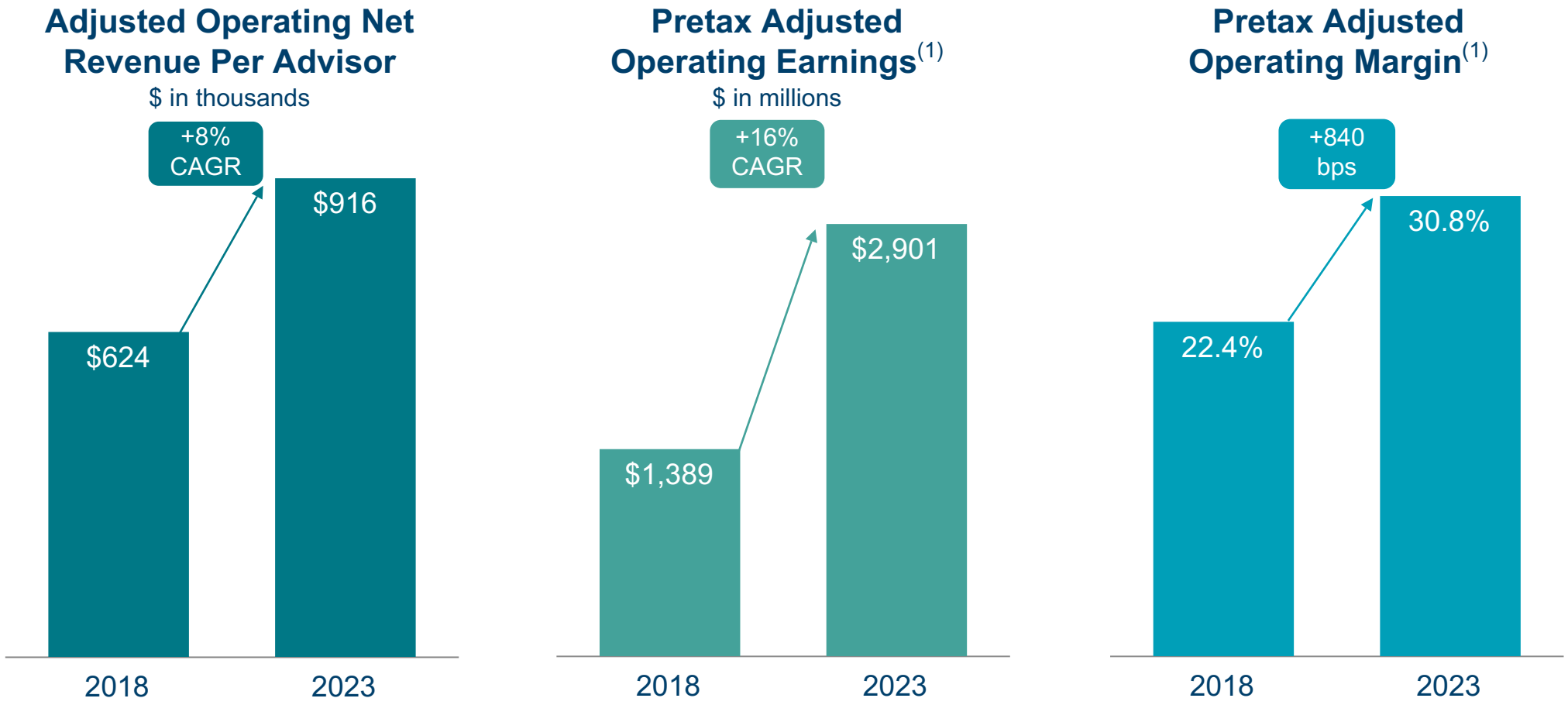
Wealth Management was a major contributor to successful AMP performance

Two-thirds of AMP 2023 pretax adjusted operating earnings were from Advice & Wealth Management



(1) Results exclude regulatory accrual.

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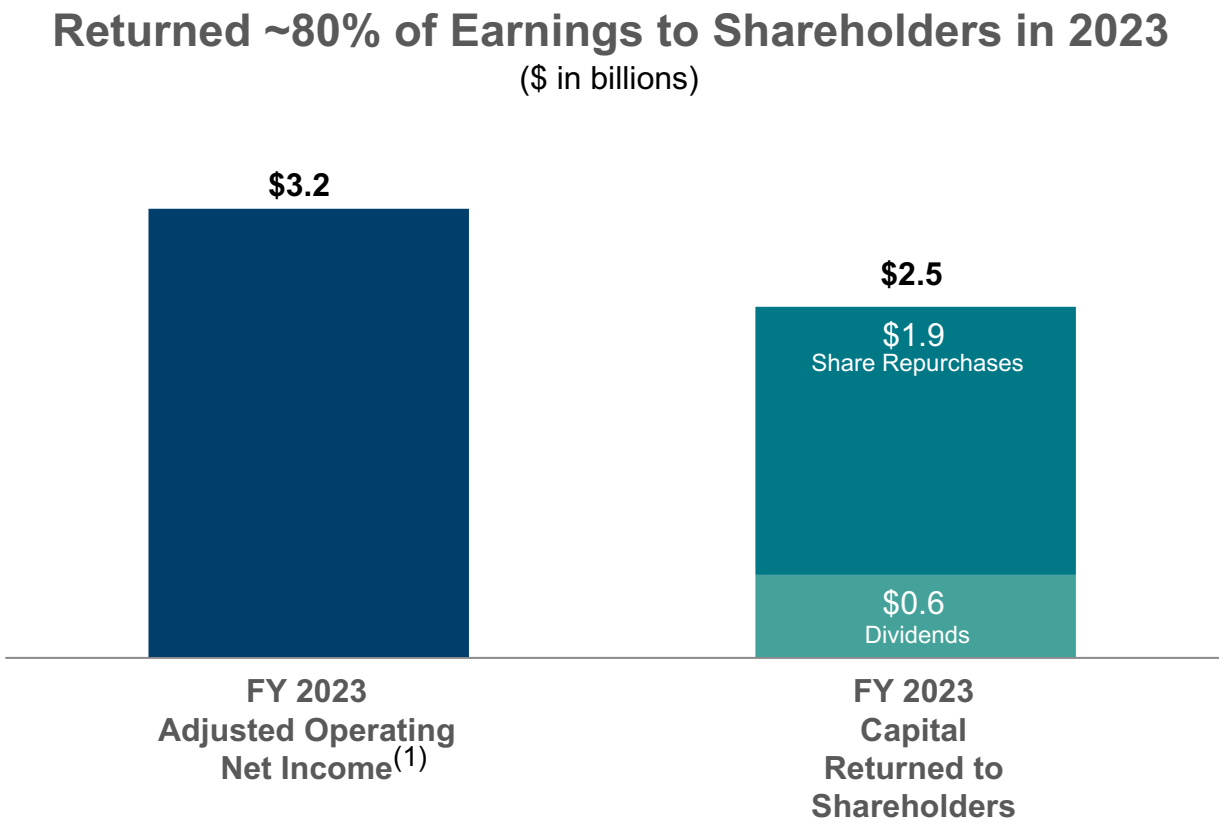
Created significant shareholder value through differentiated capital return



- Strong balance sheet fundamentals and capital management
  - Strong excess capital position of $1.5 billion
  - Holding company available liquidity of $1.8 billion
  - Diversified, AA-rated investment portfolio with limited duration match is well positioned to navigate potential stress scenarios with a $1.8 billion reduction in the net unrealized loss
  - VA hedge effectiveness(2) of 95% in a volatile market environment in 2023
- Earnings contribution across business segments leads to sustainable ~90% free cash flow generation that supports consistent capital return to shareholders
- Returned $12 billion of capital to shareholders since 2018
  - Repurchased 41 million shares at an average price of $215
  - Net reduction in share count of 25%

(1) Results exclude unlocking impacts which reflect the company's annual review of insurance and annuity valuation assumptions and model changes.
(2) Excludes structured variable annuities.

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Reconciliation Tables

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Reconciliation tables

Adjusted Operating Earnings Per Diluted Share

(in millions, except per share amounts, unaudited)	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022	% Better/ (Worse)	Per Diluted Share Quarter Ended December 31, 2023	Per Diluted Share Quarter Ended December 31, 2022	% Better/ (Worse)
Net income	$ 377	$ 649	(42)%	$ 3.57	$ 5.83	(39)%
Adjustments:						
Net realized investment gains (losses) [1]	—	(7)		—	(0.06)	
Market impact on non-traditional long-duration products [1]	(471)	(83)		(4.45)	(0.75)	
Mean reversion-related impacts [1]	—	2		—	0.02	
Integration/restructuring charges [1]	(15)	(15)		(0.14)	(0.13)	
Net income (loss) attributable to consolidated investment entities	—	(2)		—	(0.02)	
Tax effect of adjustments [2]	102	22		0.96	0.20	
Adjusted operating earnings	$ 761	$ 732	4%	$ 7.20	$ 6.57	10%
Pretax impact of regulatory accrual, severance, and mark-to-market impact on share-based compensation expense [3]	(63)	(23)		(0.59)	(0.21)	
Tax effect of regulatory accrual, severance, and mark-to-market impact on share-based compensation expense [4]	4	1		0.04	0.01	
Adjusted operating earnings excluding regulatory accrual, severance, and mark-to-market impact on share-based compensation expense	$ 820	$ 754	9%	$ 7.75	$ 6.77	14%
Weighted average common shares outstanding:						
Basic	103.5	108.9				
Diluted	105.7	111.4				

[1] Pretax adjusted operating adjustment.

[2] Calculated using the statutory tax rate of 21%.

[3] 2023 includes a regulatory accrual, severance expense and mark-to-market impact on share-based compensation expense. 2022 includes only mark-to-market impact on share-based compensation expense.

[4] Calculated using a tax rate of 0%, 21%, and 5%, respectively.

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Reconciliation tables

Adjusted Operating Earnings Per Diluted Share

(in millions, except per share amounts, unaudited)	Year-to-date December 31, 2023	Year-to-date December 31, 2022	% Better/ (Worse)	Per Diluted Share Year-to-date December 31, 2023	Per Diluted Share Year-to-date December 31, 2022	% Better/ (Worse)
Net income	$ 2,556	$ 3,149	(19)%	$ 23.71	$ 27.70	(14)%
Adjustments:						
Net realized investment gains (losses) [1]	(32)	(93)		(0.30)	(0.82)	
Market impact on non-traditional long-duration products [1]	(608)	483		(5.63)	4.25	
Mean reversion-related impacts [1]	—	(1)		—	(0.01)	
Integration/restructuring charges [1]	(62)	(50)		(0.58)	(0.44)	
Net income (loss) attributable to consolidated investment entities	—	(4)		—	(0.04)	
Tax effect of adjustments [2]	147	(71)		1.36	(0.61)	
Adjusted operating earnings	$ 3,111	$ 2,885	8%	$ 28.86	$ 25.37	14%
Pretax impact of annual unlocking	(99)	135		(0.91)	1.19	
Tax effect of annual unlocking [2]	21	(28)		0.19	(0.25)	
Adjusted operating earnings excluding unlocking	$ 3,189	$ 2,778	15%	$ 29.58	$ 24.43	21%
Pretax impact of regulatory accrual, severance, and mark-to-market impact on share-based compensation expense [3]	(101)	(10)		(0.94)	(0.09)	
Tax effect of regulatory accrual, severance, and mark-to-market impact on share-based compensation expense [4]	6	—		0.06	—	
Adjusted operating earnings excluding unlocking and regulatory accrual, severance, and mark-to-market impact on share-based compensation expense	$ 3,284	$ 2,788	18%	$ 30.46	$ 24.52	24%
Weighted average common shares outstanding:						
Basic	105.7	111.3				
Diluted	107.8	113.7				

[1] Pretax adjusted operating adjustment.

[2] Calculated using the statutory tax rate of 21%.

[3] 2023 includes a regulatory accrual, severance expense and mark-to-market impact on share-based compensation expense. 2022 includes only mark-to-market impact on share-based compensation expense.

[4] Calculated using a tax rate of 0%, 21%, and 5% respectively.

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Reconciliation tables

Pretax Adjusted Operating Earnings

(in millions, unaudited)	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022	% Better/ (Worse)
Total net revenues	$ 3,992	$ 3,663	9%
Adjustments:			
Net realized investment gains (losses)	—	(7)	
Market impact on non-traditional long-duration products	(2)	(3)	
Mean Reversion related impacts	—	—	
CIEs revenue	46	31	
Adjusted operating total net revenues	$ 3,948	$ 3,642	8%
Total expenses	$ 3,498	$ 2,846	(23)%
Adjustments:			
CIEs expenses	46	34	
Integration/restructuring charges	15	15	
Market impact on non-traditional long-duration products	469	80	
Mean reversion-related impacts	—	(2)	
Adjusted operating expenses	$ 2,968	$ 2,719	(9)%
Regulatory accrual, severance, and mark-to-market impact on share-based compensation expense [1]	63	23	
Adjusted operating expenses excluding regulatory accrual, severance, and mark-to-market impact on share-based compensation expense	$ 2,905	$ 2,696	(8)%
Pretax income	$ 494	$ 817	
Pretax adjusted operating earnings	$ 980	$ 923	
Pretax adjusted operating earnings excluding regulatory accrual, severance, and mark-to-market impact on share-based compensation expense	$ 1,043	$ 946	10%
Pretax income margin	12.4 %	22.3 %	
Pretax adjusted operating margin	24.8 %	25.3 %	
Pretax adjusted operating margin excluding regulatory accrual, severance, and mark-to-market impact on share-based compensation expense	26.4 %	26.0 %	

[1] 2023 includes a regulatory accrual, severance expense and mark-to-market impact on share-based compensation expense. 2022 includes only mark-to-market impact on share-based compensation expense.

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Reconciliation tables

Return on Equity (ROE) Excluding Accumulated Other Comprehensive Income "AOCI"

(in millions, unaudited)	Twelve Months Ended December 31, 2023	2022	2018
Net income	$ 2,556	$ 3,149	$ 2,098
Less: Adjustments [1]	(555)	264	(63)
Adjusted operating earnings	3,111	2,885	2,161
Less: Annual unlocking [2]	(78)	107	(46)
Adjusted operating earnings excluding unlocking	3,189	2,778	$ 2,207
Less: Auto & Home, net of tax [2]	—	—	(8)
Adjusted operating earnings excluding unlocking and Auto & Home	$ 3,189	$ 2,778	$ 2,215
Total Ameriprise Financial, Inc. shareholders' equity	$ 4,116	$ 4,170	$ 5,735
Less: Accumulated other comprehensive income, net of tax	(2,297)	(1,769)	(98)
Total Ameriprise Financial, Inc. shareholders' equity excluding AOCI	6,413	5,939	5,833
Less: Equity impacts attributable to the consolidated investment entities	(4)	—	1
Adjusted operating equity	$ 6,417	$ 5,939	$ 5,832
Return on equity excluding AOCI	39.9 %	53.0 %	36.0 %
Adjusted operating return on equity excluding AOCI [3]	48.5 %	48.6 %	37.1 %
Adjusted operating return on equity excluding AOCI and unlocking [3]	49.7 %	46.8 %	37.8 %
Adjusted equity return on adjusted equity excluding AOCI, unlocking, and Auto & Home [3]	49.7 %	46.8 %	38.0 %

[1] Adjustments reflect the sum of after-tax net realized investment gains/losses, net of the reinsurance accrual; the market impact on non-traditional long-duration products (including variable and fixed deferred annuity contracts and UL insurance contracts), net of hedges and related reinsurance accrual; mean reversion related impacts; block transfer reinsurance transaction impacts; the market impact of hedges to offset interest rate and currency changes on unrealized gains or losses for certain investments; gain or loss on disposal of a business that is not considered discontinued operations; integration and restructuring charges; income (loss) from discontinued operations; and net income (loss) from consolidated investment entities. After-tax is calculated using the statutory tax rate of 21%.

[2] After-tax is calculated using the statutory tax rate of 21%.

[3] Adjusted operating return on equity, excluding AOCI is calculated using adjusted operating earnings in the numerator, and Ameriprise Financial shareholders' equity, excluding AOCI and the impact of consolidating investment entities using a five-point average of quarter-end equity in the denominator. After-tax is calculated using the statutory tax rate of 21%.

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Reconciliation tables

Ameriprise General and Administrative Expense

(in millions, unaudited)	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022	% Better/ (Worse)
Total G&A Expense	$ 1,001	$ 941	(6)%
Less: Regulatory accrual, severance, and mark-to-market impact on share-based compensation expense [1]	63	23	
Total G&A Expense excluding regulatory accrual, severance, and mark-to-market impact on share-based compensation expense	$ 938	$ 918	(2)%

[1] 2023 includes a regulatory accrual, severance expense and mark-to-market impact on share-based compensation expense. 2022 includes only mark-to-market impact on share-based compensation expense.

Ameriprise Adjusted Operating Revenue

(in millions, unaudited)	Year-to-date December 31, 2023	Year-to-date December 31, 2022	% Better/ (Worse)
Total net revenues	$ 15,535	$ 14,258	9%
Adjustments:			
Net realized investment gains (losses)	(32)	(93)	
Market impact on non-traditional long-duration products	2	(1)	
Mean Reversion related impacts	—	(1)	
CIEs revenue	178	99	
Adjusted operating total net revenues	$ 15,387	$ 14,254	8%
Annual unlocking	1	(1)	
Adjusted operating total net revenues excluding unlocking	$ 15,386	$ 14,255	8%

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Reconciliation tables

Advice & Wealth Management Operating Margin

(in millions, unaudited)	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022	% Better/ (Worse)
Adjusted operating net revenues	$ 2,403	$ 2,226	8%
Adjusted operating expenses	1,705	1,561	(9)%
Less: Regulatory accrual	30	—	
Adjusted operating expenses excluding accrual for regulatory matter	1,675	1,561	(7)%
Pretax adjusted operating earnings	$ 698	$ 665	5%
Pretax adjusted operating earnings excluding accrual for regulatory matter	$ 728	$ 665	9%
Pretax adjusted operating margin	29.0 %	29.9 %	(90)bps
Pretax adjusted operating margin excluding accrual for regulatory matter	30.3 %	29.9 %	40bps

Advice & Wealth Management General and Administrative Expense

(in millions, unaudited)	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022	% Better/ (Worse)
Total G&A Expense	$ 431	$ 406	(6)%
Less: Regulatory accrual	30	—	
Total G&A Expense excluding accrual for regulatory matter	$ 401	$ 406	1%

(in millions, unaudited)	Year-to-date December 31, 2023	Year-to-date December 31, 2022	% Better/ (Worse)
Total G&A Expense	$ 1,652	$ 1,540	(7)%
Less: Regulatory accrual	50	—	
Total G&A Expense excluding accrual for regulatory matter	$ 1,602	$ 1,540	(4)%

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Reconciliation tables

Asset Management Net Pretax Adjusted Operating Margin

(in millions, unaudited)	4 Qtr 2023
Adjusted operating total net revenues	$ 845
Distribution pass through revenues	(180)
Subadvisory and other pass through revenues	(100)
Net adjusted operating revenues	$ 565
Pretax adjusted operating earnings	$ 194
Adjusted operating net investment income	(15)
Amortization of intangibles	4
Net adjusted operating earnings	$ 183
Pretax adjusted operating margin	23.0 %
Net pretax adjusted operating margin [1]	32.4 %

[1] Calculated as net adjusted operating earnings as a percentage of net adjusted operating revenues.

Asset Management General and Administrative Expense

(in millions, unaudited)	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022	% Better/ (Worse)
Total G&A Expense	$ 419	$ 408	(3)%
Less: Impact of performance fee compensation	23	3	
Less: Impact of foreign exchange translation	9	—	
Total G&A Expense excluding impact of foreign exchange translation and performance fee compensation	$ 387	$ 405	4%

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Reconciliation tables

Adjusted Operating Earnings Per Diluted Share

(in millions, except per share amounts, unaudited)	Year-to-date December 31, 2023	Year-to-date December 31, 2018	CAGR	Per Diluted Share Year-to-date December 31, 2023	Per Diluted Share Year-to-date December 31, 2018	CAGR
Total net revenues	$ 15,535	$ 12,835	4%			
Adjustments:						
Net realized investment gains (losses)	(32)	10				
Market impact on non-traditional long-duration products	2	(7)				
Market impact of hedges on investments	—	11				
CIEs revenue	178	127				
Adjusted operating total net revenues	$ 15,387	$ 12,694				
Annual Unlocking	1	78				
Adjusted operating total net revenues excluding unlocking	$ 15,386	$ 12,616				
Auto & Home	—	1,110				
Adjusted operating total net revenues excluding unlocking and Auto & Home	$ 15,386	$ 11,506	6%			
Net income	$ 2,556	$ 2,098	4%	$ 23.71	$ 14.20	11%
Adjustments:						
Net realized investment gains (losses) [1]	(32)	10		(0.30)	0.07	
Market impact on non-traditional long-duration products [1]	(608)	(48)		(5.63)	(0.32)	
Mean reversion-related impacts [1]	—	(33)		—	(0.22)	
Market impact of hedges on investments [1]	—	11		—	0.07	
Integration/restructuring charges [1]	(62)	(19)		(0.58)	(0.13)	
Net income (loss) attributable to consolidated investment entities	—	(1)		—	(0.01)	
Tax effect of adjustments [2]	147	17		1.36	0.12	
Adjusted operating earnings	$ 3,111	$ 2,161		$ 28.86	$ 14.63	
Pretax impact of annual unlocking	(99)	(58)		(0.91)	(0.39)	
Tax effect of annual unlocking [2]	21	12		0.19	0.08	
Adjusted operating earnings excluding unlocking	$ 3,189	$ 2,207		$ 29.58	$ 14.94	
Auto & Home pretax earnings	—	(10)		—	(0.07)	
Tax effect of Auto & Home [2]	—	2		—	0.01	
Adjusted operating earnings excluding unlocking and Auto & Home	$ 3,189	$ 2,215	8%	$ 29.58	$ 15.00	15%
Weighted average common shares outstanding:						
Basic	105.7	145.6				
Diluted	107.8	147.7				

[1] Pretax adjusted operating adjustment.

[2] Calculated using the statutory tax rate of 21%.

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Reconciliation tables

Advice & Wealth Management Operating Margin

(in millions, unaudited)	Year-to-date December 31, 2023	Year-to-date December 31, 2018	CAGR
Adjusted operating net revenues	$ 9,418	$ 6,189	9%
Adjusted operating expenses	6,567	4,800	
Less: Regulatory accrual	50	—	
Adjusted operating expenses excluding accrual for regulatory matter	6,517	4,800	
Pretax adjusted operating earnings	$ 2,851	$ 1,389	
Pretax adjusted operating earnings excluding accrual for regulatory matter	$ 2,901	$ 1,389	16%
Pretax adjusted operating margin	30.3 %	22.4 %	
Pretax adjusted operating margin excluding accrual for regulatory matter	30.8 %	22.4 %	

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Reconciliation tables

Pretax Adjusted Operating Earnings Mix Shift

(in millions, unaudited)	Year-to-date December 31, 2023
Advice & Wealth Management	$ 2,851
Asset Management	720
RPS	685
Subtotal pretax adjusted operating earnings	$ 4,256
Advice & Wealth Management	67 %
Asset Management	17 %
RPS	16 %
Total	100 %

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