

CAPITAL MARKETS REVIEW

Reviewing the Quarter Ended

December 31, 2017

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CAPITAL MARKETS

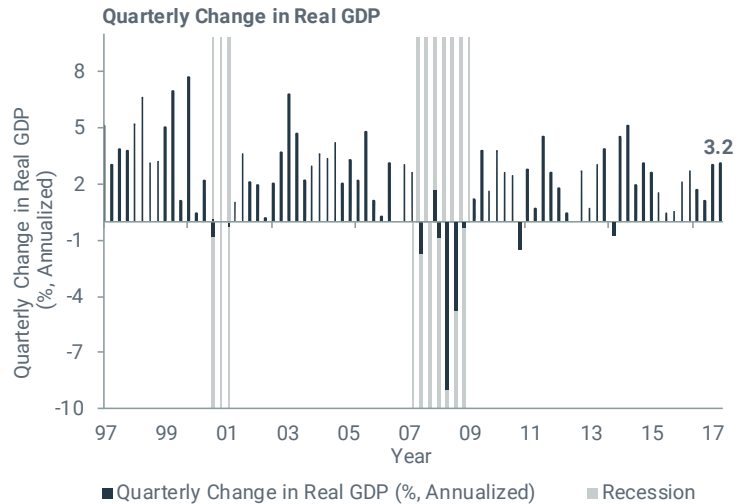
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The market and economic data attached are courtesy of the Investment Strategy Committee of Raymond James & Associates.



ECONOMIC REVIEW | Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 3.2 percent in the third quarter of 2017, according to the “third” estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 3.1 percent. With this third estimate for the third quarter, personal consumption expenditures (PCE) increased less than previously estimated but the general picture of economic growth remains the same.

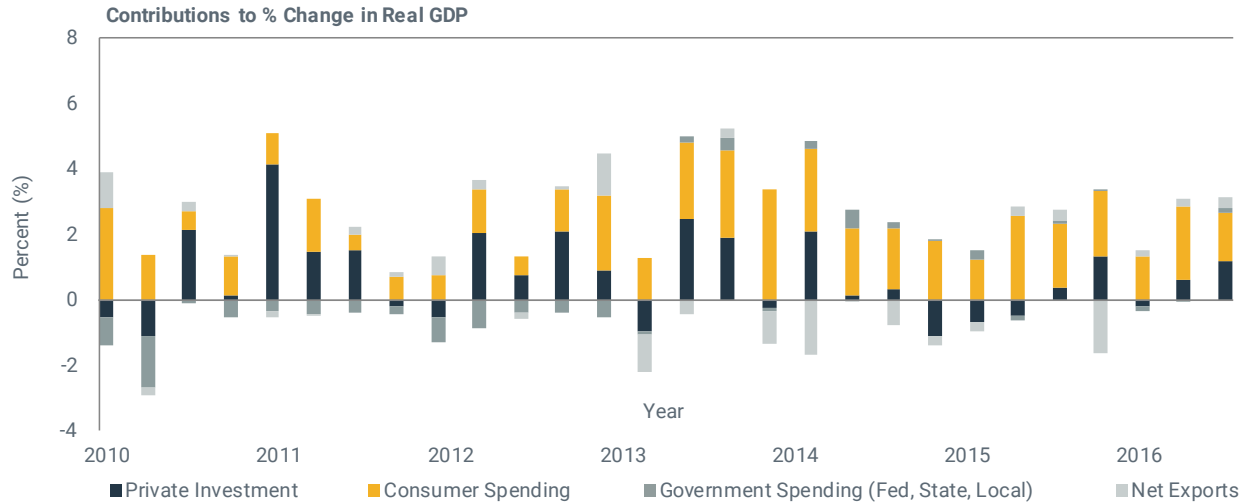


Source: Bloomberg, as of 9/30/2017



ECONOMIC REVIEW | Contributions to % Change in Real GDP

The increase in real GDP in the third quarter reflected positive contributions from personal consumption expenditures, private inventory investment, nonresidential fixed investment, exports, federal government spending and state and local government spending that were partly offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased.

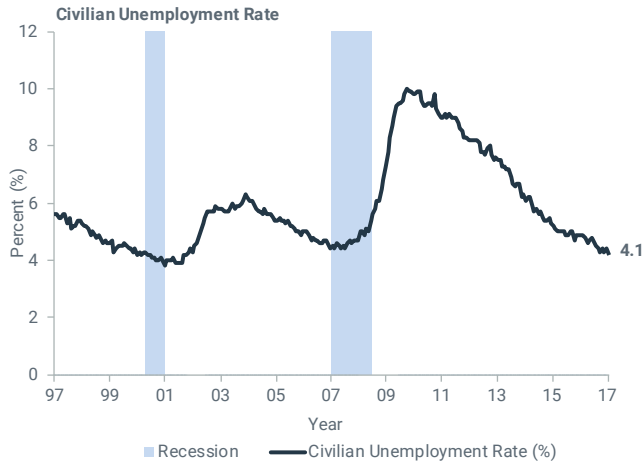


Source: Bloomberg, as of 9/30/2017

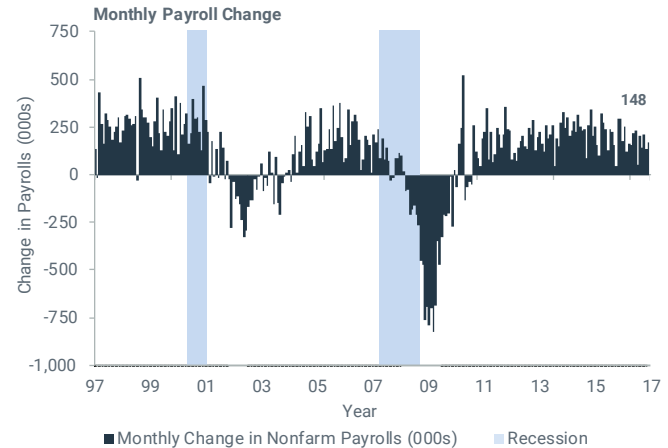


ECONOMIC REVIEW | Employment

In December, the unemployment rate was 4.1 percent for the third consecutive month while total non-farm payroll employment rose by 148,000 in December. The number of unemployed, at 6.6 million, was essentially unchanged over the month. Over the year, the unemployment rate and the number of unemployed were down by 0.6 percent and 926,000, respectively.



Source: Bloomberg, as of 12/31/17

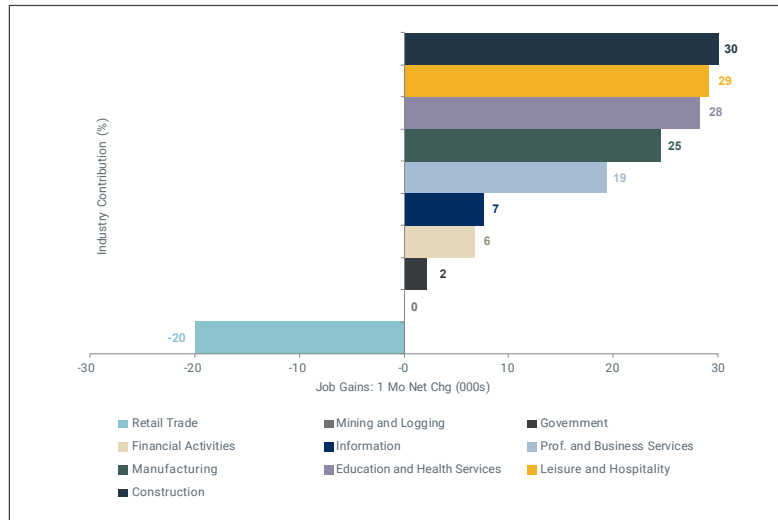


Source: Bloomberg, as of 12/31/17



ECONOMIC REVIEW | Major Industry Contributions to Job Growth

Job gains occurred in healthcare (trending up in ambulatory healthcare services and hospitals), construction (specialty trade contractors) and manufacturing (durable goods industries). Employment in retail trade declined, with general merchandise stores (one job sector within the retail industry) declining by 27,000 over the month.

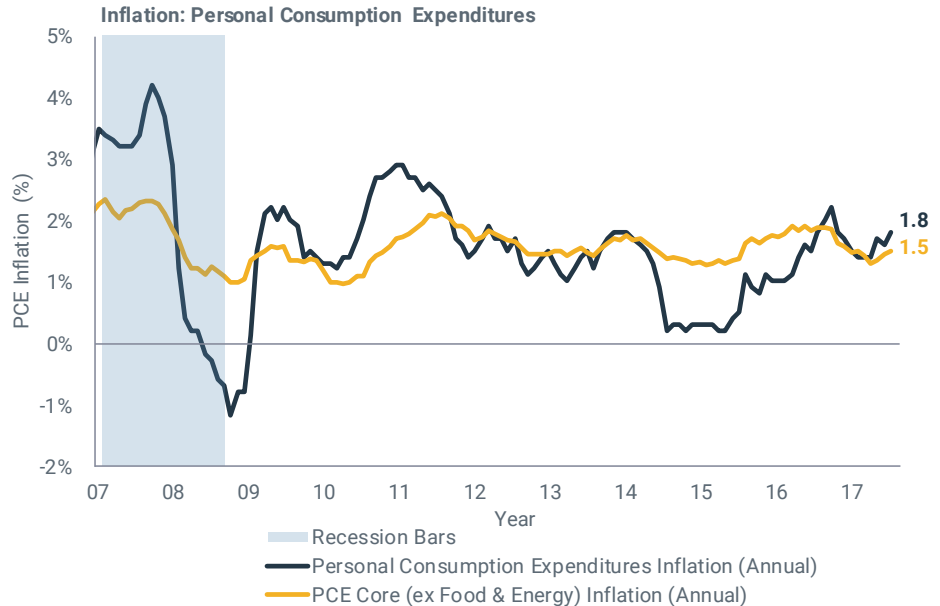


Source: Bureau of Labor Statistics, as of 12/31/2017, a preliminary estimate of the net number of jobs in the various industries in the latest month.



“ We continue to view recent economic gains, the labor market at or near full employment, inflation expectations stabilizing and the Fed’s balance-sheet normalization in the context of other global central banks still in stimulus mode. ”

– James Camp, CFA
Managing Director, Fixed Income
Eagle Asset Management



Source: Bloomberg, as of 11/30/17

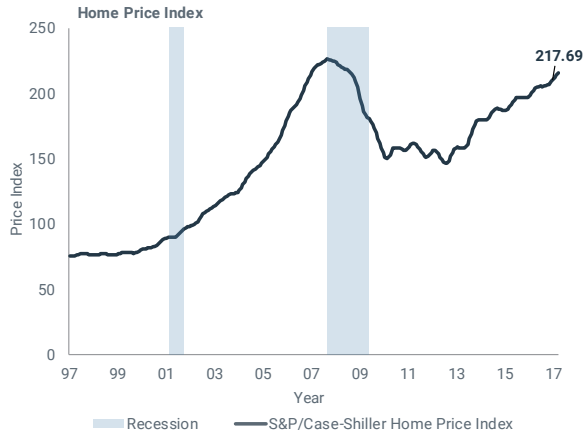
*Personal Consumption Expenditure (PCE) is the preferred measure of inflation by the Bureau of Economic Analysis.



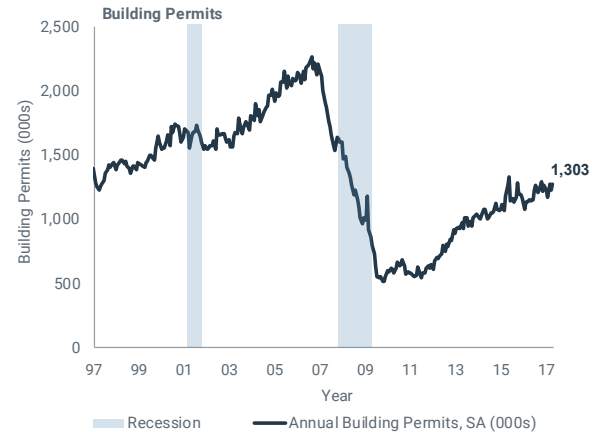
ECONOMIC REVIEW | Housing Market

“ Housing is also picking up again, with housing starts rising nearly 14 percent in November, and existing housing inventory is down 10 percent on a year-over-year basis. ”

– ClariVest Asset Management



Source: Bloomberg, as of 10/31/2017



Source: U.S. Census Bureau, as of 11/30/2017



ECONOMIC REVIEW | Consumer Confidence

“ Consumer confidence retreated in December after reaching a 17-year high in November. The decline was fueled by a somewhat less optimistic outlook for business and job prospects in the coming months. Consumers’ assessment of current conditions, however, improved moderately. Despite the decline in confidence, consumers’ expectations remain at historically strong levels, suggesting economic growth will continue well into 2018. ”

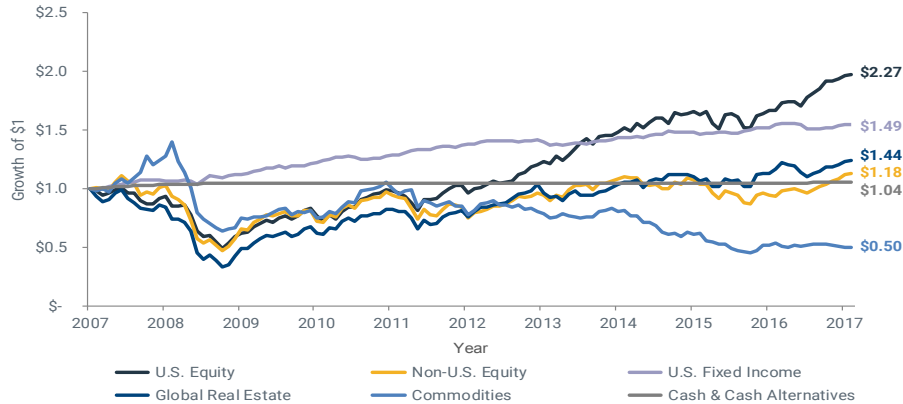
– Lynn Franco
Director of Economic Indicators
at The Conference Board



Source: Bloomberg, as of 12/31/2017



ECONOMIC REVIEW | Index Returns: Growth of a Dollar

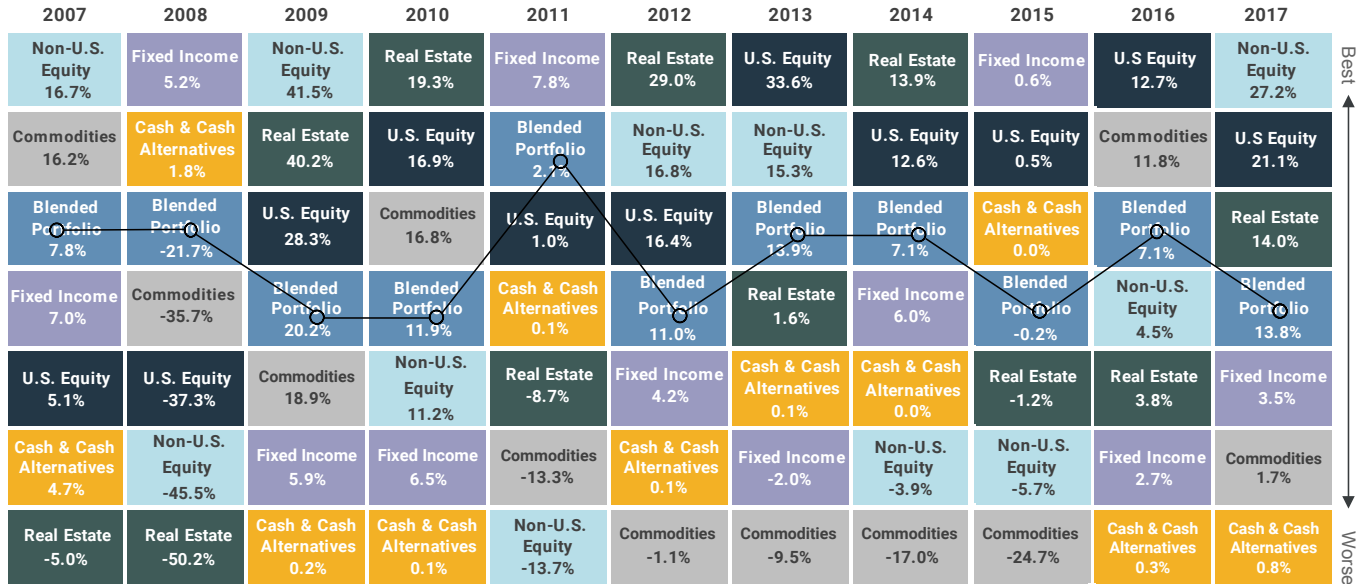


	QTD	1-Year	3-Year	5-Year	10-Year
U.S. Equity	6.34%	21.13%	11.12%	15.58%	8.60%
Non-U.S. Equity	5.00%	27.19%	7.83%	6.80%	1.84%
U.S. Fixed Income	0.39%	3.54%	2.24%	2.10%	4.01%
Global Real Estate (REITs)	3.56%	13.99%	5.33%	6.22%	4.34%
Commodities	4.71%	1.70%	-5.03%	-8.45%	-6.83%
Cash & Cash Alternatives	0.28%	0.84%	0.38%	0.24%	0.34%

Investors cannot invest directly in an index. Past performance is not indicative of future results. See asset class benchmarks in disclosure section.



ECONOMIC REVIEW | Annual Asset Class Total Returns



Source: Morningstar Direct, as of 12/31/2017

Blended Portfolio Allocation: 45% U.S. Equity / 15% Non-U.S. Equity / 40% Fixed Income

Investors cannot invest directly in an index. Past performance is not indicative of future results. See asset class benchmarks in disclosure section.



ECONOMIC REVIEW | Asset Class Returns

“ 2017 will go down as a remarkable year for global equity markets. Few investors expected gains of 20 percent-plus across the globe with near-record low volatility, all while enduring geopolitical tensions, natural disasters and a tighter monetary policy. ”

– ClariVest Asset Management



Source: Morningstar Direct, as of 12/31/2017

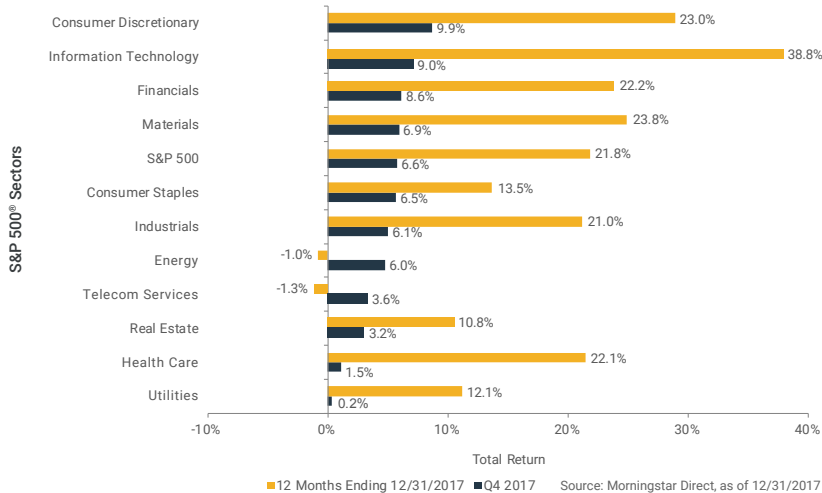
Investors cannot invest directly in an index. Past performance is not indicative of future results. See asset class benchmarks in disclosure section.



CAPITAL MARKETS | S&P 500® Sector Returns

“ Roughly 75 percent of S&P 500 Index stocks were positive in 2017 and nearly 40 percent were up 20 percent or more. ”

– Charles Schwartz, CFA
Portfolio Co-manager, Smaller Company Strategy Team
Eagle Asset Management



Returns are based on the GICS Classification model. Returns are cumulative total return for stated period, including reinvestment of dividends. Past performance is not indicative of future results. Please see slide 21 for index definitions.



CAPITAL MARKETS | Equity Styles

“ Our outlook for U.S. equities remains positive. The U.S. tax-cut package is expected to boost U.S. GDP growth in 2018, and we are optimistic about the beneficial effects of this tax cut despite some investor skepticism. ”

– Pat Dunkerley, CFA
Lead Portfolio Manager, Scout Mid Cap Equity Team
Scout Investments

Q4 2017 Total Return

	Value	Blend	Growth
Large	5.3%	6.6%	7.9%
Mid	5.5%	6.1%	6.8%
Small	2.0%	3.3%	4.6%

Source: Morningstar Direct, as of 12/31/2017

12-Month Total Return

	Value	Blend	Growth
Large	13.7%	21.7%	30.2%
Mid	13.3%	18.5%	25.3%
Small	7.8%	14.6%	22.2%

Source: Morningstar Direct, as of 12/31/2017

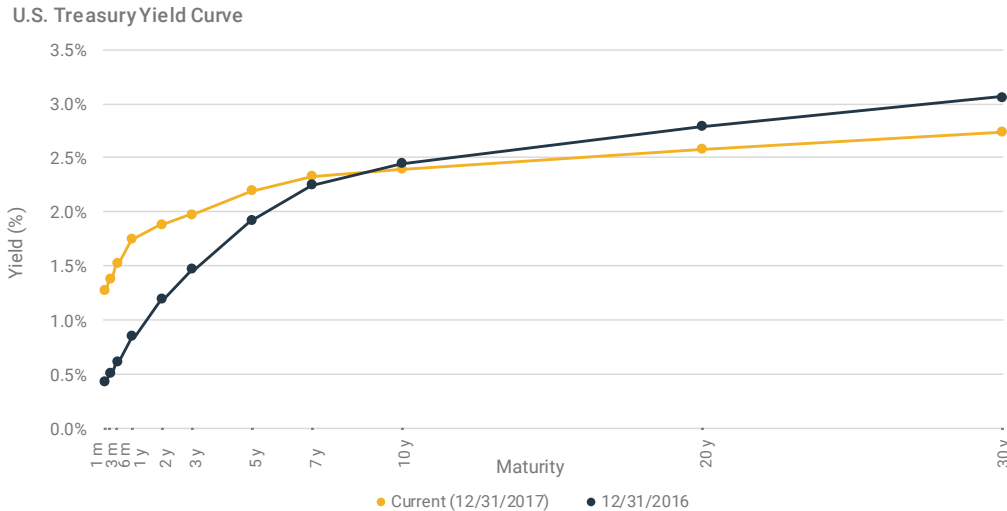
Style box returns based on the GICS Classification model. All values are cumulative total return for stated period including reinvestment of dividends. The indices used from left to right, top to bottom are: Russell 1000® Value Index, Russell 1000® Index, Russell 1000® Growth Index, Russell Mid-Cap Value® Index, Russell Mid-Cap Blend® Index, Russell Mid-Cap Growth® Index, Russell 2000® Value Index, Russell 2000® Index and Russell 2000 Growth® Index. Past performance is not indicative of future results. Please see slides 21-23 for index definitions.



CAPITAL MARKETS | The U.S. Treasury Yield Curve

“ The yield curve continued its yearlong trend of flattening. Shorter-term rates were fueled primarily by the Federal Reserve’s three interest-rate increases in 2017 but longer-term rates indicate the market remains more cautious. ”

– James Camp, CFA
Managing Director, Fixed Income
Eagle Asset Management



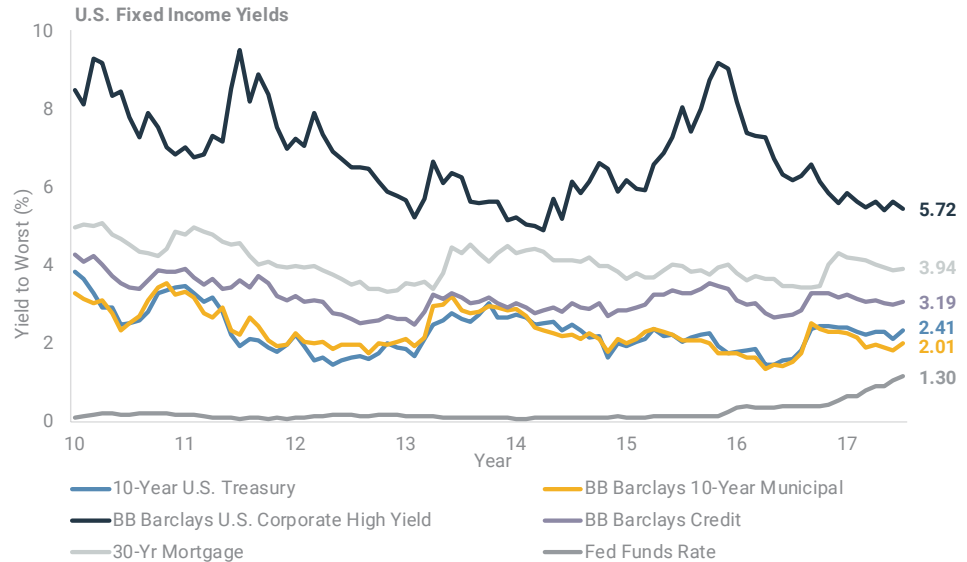
Source: Federal Reserve, as of 12/31/2017



CAPITAL MARKETS | Fixed Income Yields

“ Three rate increases by the Fed pushed short rates up sharply during the year but intermediate and long-term rates were flat to down. ”

– Reams Asset Management



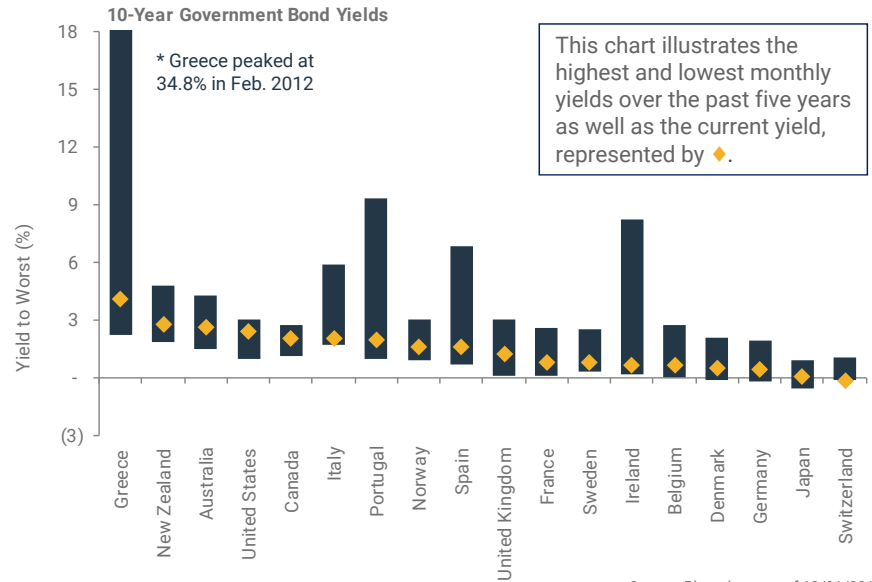
Source: Bloomberg, as of 12/31/2017



CAPITAL MARKETS | Global Sovereign Debt Yields

“ Despite the geopolitical tension, the global economy is in its best shape since the Great Recession. ”

– James Breech, PhD
President and CEO
Chief Investment Officer
Cougar Global Investments



Source: Bloomberg, as of 12/31/2017



CAPITAL MARKETS | S&P 500[®] Yield vs. Treasury Yield



Source: Bloomberg, as of 12/31/2017

Past performance is not indicative of future results. Please see asset class benchmarks in the disclosure section.



CAPITAL MARKETS | Price-to-Earnings and Price-to-Book Ratios

“ Price-to-earnings ratios are a bit above average but, compared to current interest and inflation rates, they are well within historical norms. ”

– David Blount, CFA, CPA
Portfolio Co-manager, Equity Income Team
Eagle Asset Management



The price-to-earnings ratio, or P/E, is a common measure of the value of stocks. It shows the relationship between a stock's price and the underlying company's earnings (or profits) per share of stock. In essence, it calculates how many dollars you pay for each dollar of a company's earnings. In very general terms, the higher the P/E ratio, the more likely the stock is to be overpriced.

The price-to-book ratio, or P/B, is a relative measure based on most recent price/accounting (book) value (quarterly, semiannual or annual data). Both price-to-earnings and price-to-book are accounting-based relative-value measures.

Past performance may not be indicative of future results.



CAPITAL MARKETS | Foreign Exchange Rates

“ Stock markets around the world continued to generate positive returns as investor confidence remained firmly in place in spite of a flattening yield curve in the United States and a divergence in monetary policies between the United States and the Eurozone. ”

– Michael Stack, CFA
Lead Portfolio Manager, Scout International Equity Team
Scout Investments



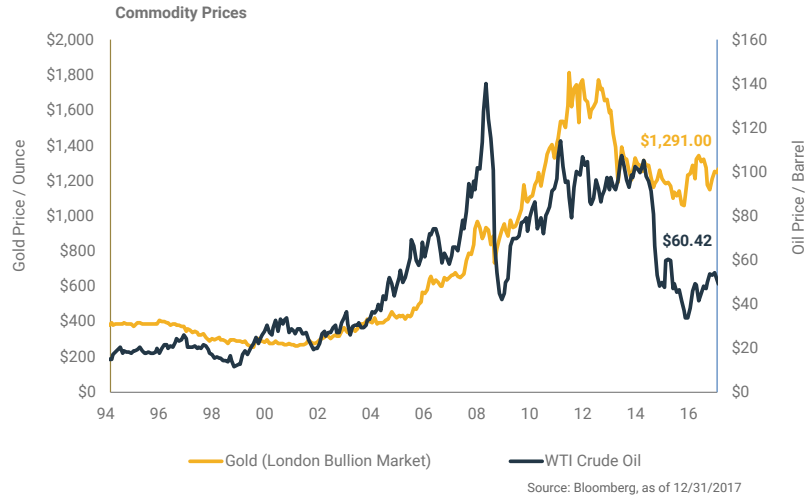
	12/31/2017	12/31/2016
Source: Bloomberg, as of 12/31/2017		
U.S. Dollar (\$) / Japanese Yen (¥)	112.6900	116.9600
Euro (€) / U.S. Dollar (\$)	1.2005	1.0517
British Pound (£) / U.S. Dollar (\$)	1.3513	1.2340



CAPITAL MARKETS | Commodity Prices

“ The outlook for the energy sector appears to us to be positive due to improved supply/demand fundamentals for oil. Global oil inventories gradually tightened through the second half of 2017 and appear poised to return to normalized levels in 2018. ”

– Eric Mintz, CFA
Portfolio Co-manager, Small and Mid Cap Growth Team
Eagle Asset Management



INDEX DESCRIPTIONS

ASSET CLASS	BENCHMARK
U.S. Equity	Russell 3000® TR
Non-U.S. Equity	MSCI ACWI ex US NR
U.S. Fixed Income	Bloomberg Barclays U.S. Aggregate Bond TR
Global Real Estate (prior to 2008)	NASDAQ Global Real Estate NR
Global Real Estate (2008-present)	FTSE EPRA/NAREIT Global Real Estate NR
Commodities	Bloomberg Commodity TR USD
Cash & Cash Alternatives	Citi Treasury Bill 3 Mon USD

Bloomberg Commodity Total Return Index: Formerly the Dow Jones-UBS Commodity Index TR (DJUBSTR), is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 3 Month U.S. Treasury Bills.

Bloomberg Barclays 10-Year Municipal Bond Index: A rules-based, market-value weighted index engineered for the long-term tax-exempt bond market. This index is the 10 year (8-12) component of the Municipal Bond Index.

Bloomberg Barclays 10-Year U.S. Treasury Index: Measures the performance of U.S. Treasury securities that have a remaining maturity of 10 years.

Bloomberg Barclays U.S. Aggregate Bond Index: Represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg Barclays Global Aggregate ex-U.S. Bond Index: Tracks an international basket of bonds that currently contains 65% government, 14% corporate, 13% agency and 8% mortgage-related bonds.

Bloomberg Barclays High Yield Bond Index: Covers the universe of fixed-rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures and 144-As are also included.



INDEX DESCRIPTIONS (continued)

Citi 3-Month Treasury-Bill Index: This is an unmanaged index of three-month Treasury bills.

FTSE EPRA/NAREIT Global Real Estate Index: designed to represent general trends in eligible listed real estate stocks worldwide. Relevant real estate activities are defined as the ownership, trading and development of income producing real estate.

MSCI EAFE Index (Europe, Australasia, Far East): a free-float adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. The EAFE consists of the country indices of 21 developed nations.

MSCI EAFE Small-Cap Index: an unmanaged, market-weighted index of small companies in developed markets, excluding the U.S. and Canada.

MSCI Emerging Markets Index: designed to measure equity market performance in 25 emerging market indexes. The three largest industries are materials, energy and banks.

NASDAQ Global Real Estate Index: the index measures the performance of real estate stocks which are listed on an Index Eligible Global Stock Exchange. The index is market-capitalization weighted.

Russell 2000® Index: measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 3000® Index: measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.



INDEX DESCRIPTIONS (continued)

Standard & Poor's 500 (S&P 500®): measures changes in stock market conditions based on the average performance of 500 widely held common stocks. Represents approximately 68% of the investable U.S. equity market.

S&P 500 Consumer Discretionary: comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples: comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Energy: comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

S&P 500 Financials: comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector

S&P 500 Health Care: comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 Industrials: comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

S&P 500 Information Technology: comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Materials: comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Telecom Services: comprises those companies included in the S&P 500 that are classified as members of the GICS® telecommunication services sector.

S&P 500 Utilities: comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.

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