4Q17 REVIEW & 2018 OUTLOOK

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OVERVIEW

In 2017, all 46 OECD economies generated positive GDP growth for the first time in ten years. The robust synchronization of global growth led markets to set new all-time highs. U.S. stock market returns started the year off strong on the expectations of deregulation and pro-growth fiscal policies. As the year progressed, EPS estimates for S&P 500 companies with a larger percentage of sales overseas improved, but were largely unchanged for companies with higher domestic sales. International markets benefitted from a weak dollar (down 9.9%) helping international and emerging market (EM) stocks outperform U.S. equities (21.8% S&P 500; 25.0% EAFE; 37.3% EM). We believe the bull market is in the 8th or 9th inning. In the past we might have been a little more cautious, but economic data is stronger and broader than at this point in early 2017. In the Market Outlook section below, we point to seven economic trends that are gaining momentum and help explain why the market should continue to rally, perhaps into extra innings. Last January only 2-3 of these factors were in play. Additionally, we point to three key warning signs that usually signal a bear market and/or a recession. Some of these signs have turned from green to yellow, but none are turning red. The current market backdrop sets up for exuberance that leads to higher multiples, which we think will lead to 7% to 10% returns for the S&P 500 in 2018. We suspect the 7% market move in January is a little too far too fast. In most years, the market has a few 5% pullbacks (and usually a 10% pullback). We expect to trim large cap S&P 500 stocks going forward and replace them with more reasonably valued mid and small cap domestic stocks, international equities and emerging market equities as well as uncorrelated alternative investments.

4Q 2017 MARKET REVIEW: Tax Reform

U.S. Stock Markets: The S&P 500 rallied another 6.63% in the fourth quarter, posting a 21.80% return for 2017, continuing a rare 14-month streak of positive returns. Most of the gains for the quarter occurred in October and November after positive earnings reports. The market returned 1.10% in December as Congress reached agreement on a pro-growth tax bill. The market rallied 7% in the first few trading weeks of 2018 and is posting new highs, breaking through 2,800 on the S&P 500, 26,000 on the Dow Jones Industrial Average and 7,000 on the NASDAQ. Now that the tax bill has passed, we expect the market to focus primarily on earnings and secondarily on Fed actions and the dollar. For the first two quarters of 2017, companies posted double digit earnings growth over the prior year's quarters. The third quarter was impacted by hurricanes causing a dip in earnings growth. Fourth quarter earnings forecasts have been revised down, but not as significantly as feared, thanks to a recovery in oil company earnings. The market seems to be looking past the fourth quarter, expecting upward earnings revisions and guidance spurred by a permanent reduction in the corporate tax rate from 35% to 21%. The bad news is that sentiment has driven Price/Earnings multiples about 17% higher than normal from 16.0x to 18.7x forward 2018 earnings and 17.0x forward 2019 earnings when the S&P 500 is at the 2,800 level. This is not unusual in the latter stages of a market cycle and signals to us that we are in the 8th or 9th inning of the bull market.

Global Stock Markets: While international and emerging market stocks trailed domestic equity returns for a decade, these indices outperformed U.S. stocks in 2017 (21.8% S&P 500, 25.0% EAFE; 37.3% EM). International markets benefitted from a weak dollar (down 9.9% in 2017) as well as fundamental strength in developed and emerging market economies. After years of flat to down growth, EU growth is matching or exceeding U.S. GDP growth thanks to extensive quantitative easing and improvement in EU bank balance sheets. We

Table 1: Index Returns

Index Returns ending 12/31/2017	4Q17	2017
S&P 500	6.63%	21.80%
Russell 2000 (Small Cap)	3.34%	14.65%
MSCI EAFE (International)	4.23%	25.03%
MSCI EME (Emerging Markets)	7.44%	37.28%
BBG BARC Aggregate Bond	0.39%	3.54%
Oil bbl. Price Changes	16.93%	12.47%
Gold Returns	1.79%	13.09%
Commodities Returns (CRB Index)	5.89%	0.70%

Table 2: Sector Returns

S&P 500 Sector Returns as of 12/31/2017	4Q17	2017
Info. Tech	9.00%	38.80%
Financials	8.58%	22.13%
Healthcare	1.47%	22.06%
Consumer Staples	6.49%	13.49%
Consumer Discretion	9.86%	23.08%
Industrials	6.02%	20.98%
Energy	6.01%	-1.00%
Materials	6.92%	23.82%
Telecom	3.70%	-1.18%
Utilities	0.21%	12.06%
Real Estate	3.22%	10.84%

**Source for Table 1&2: Informa & Bloomberg*

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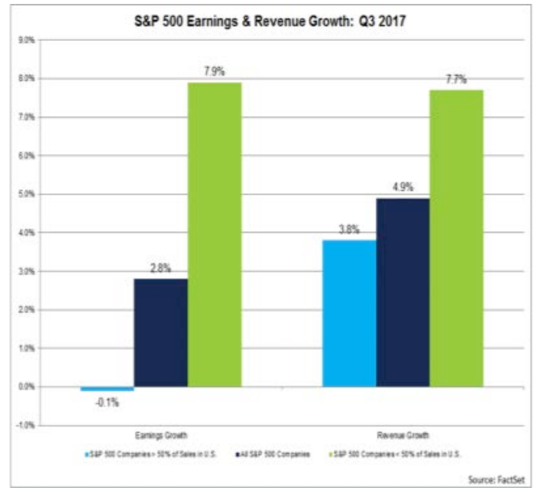
continue to recommend overweight allocations to international and emerging market equities as their valuations are cheaper and their growth is potentially higher relative to domestic equities, particularly large cap stocks. Perhaps the most impressive statistic in 2017 in our view was a 75% increase in the global trade growth rate from 2.4% in 2016 to 4.2%. We believe that growth in global trade will be the key to the sustainability of the bull market. The tax cut may be a bigger driver to U.S. corporate earnings and U.S. stock market returns in 2018, but international markets and trade were the predominant market driver in 2017 (please see Figure 1). We think global GDP and trade growth as well as a stable dollar may be the key to sustain market returns into 2019. In January the IMF increased its 2018 GDP growth outlook from 3.6% to 3.9%, partly due to the newly enacted tax legislation.

Figure 1: Impact of International Growth on S&P 500 Earnings



Global Bond Markets: (Please see Table 1) Global bond markets delivered results ahead of expectations as the Bloomberg Barclays U.S. Bond Aggregate (BBG Aggregate) returned 0.39% during the fourth quarter and 3.54% for 2017. Global bond indices performed better than U.S. bonds year-to-date, returning 7.39% and 13.65% for the BBG Global and EM Aggregate indices, respectively. The weak dollar boosted international bond returns. Taking out the currency impact, BBG Global returns were lower than the U.S. at 3.04%, but EM returns remained higher at 8.17%. Despite the rate increases and indications that the Fed may continue to raise rates in 2018, the 10-year Treasury remained between 2.1% and 2.6% in 2017 (2.4% as of December 31, but rising to 2.6% in early January 2018). We think part of the reason the 10-year Treasury has remained range-bound is that rates for 10-year sovereign debt overseas are at record lows and in some cases negative, which attracts foreign buyers of treasuries seeking higher yields.

2018 ECONOMIC OUTLOOK: Improving Global Economic Outlook

U.S GDP growth is coming in slightly ahead of expectations for 2017 at 2.5% vs. 2.4% forecast earlier in the year despite a weak 1.2% start to the year (please see Table 3). More surprising was that GDP growth was strongest in the third quarter at 3.2% despite the impact of hurricanes, which resulted in a net loss of 40,000 jobs for the month of September - the first monthly loss since 2010. The original third quarter GDP growth estimate was 2.6%. While some investors have expressed concern that the current business cycle has gone on too long, the current level of several economic indicators suggest that an economic downturn is at least 15 to 18 months or 5 to 6 quarters away (please see Table 4).

Global growth continues to surprise to the upside this year (Figure 2). The OECD expects that all 46 economies it tracks will see positive GDP growth for the first time in ten years during 2017. Furthermore, consumer and business confidence surveys across developed economies, as well as global leading economic indicators, are reaching new post-crisis peaks. Global Purchasing Manager Indices (PMIs) are also in strong expansion mode posting a post financial crisis high of 54.5.

Table 3: GDP Growth

	Q1	Q2	Q3	Q4	Year
2016	**0.6%**	**2.2%**	**2.8%**	**1.8%**	**1.5%**
2017	**1.2%**	**3.1%**	**3.2%**	*2.8%*	*2.5%*
2018	*2.6%*	*2.8%*	*2.7%*	*2.6%*	*2.7%*
2019					*2.2%*

Quarterly GDP = Q over Q growth. Year = annual Y over Y growth.
Source: Actual (Bold) Bureau of Economic Analysis as of 12/17
Projected (Italics) WSJ Economic Survey Juanuary 2018.

**Source: Informa & Bloomberg*

Table 4: Indicator Levels & Months to Recession

Table 4: Indicator Levels & Months to Recession

Indicator	Months Prior to Recession	Source
Unemployment Curve	18	IMF
GDP Curve	18	DoubleLine Capital
Inflation/CPI Curve	12-18	DoubleLine Capital
Leading Economic Indicators	15-18	Conference Board
Purchasing Managers Index	10-20	ISM
Inverted Yield Curve	18-24	CB&T
2s to 10s Treasury Spread	12-15	DoubleLine Capital
High Yield Bond Spreads	12	DoubleLine Capital

**Source: Informa & Bloomberg*

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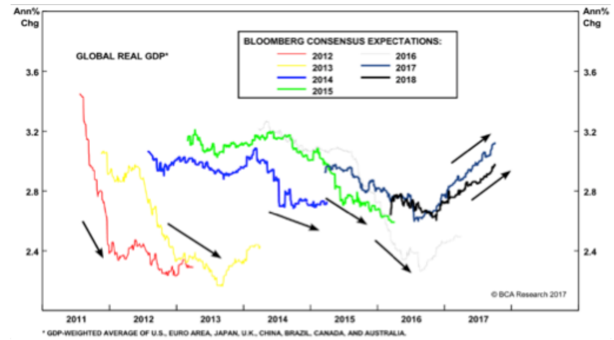
2018 Market Outlook: Refilling the Punch Bowl

Markets in 2017 were driven mostly by earnings improvements boosted by a broad recovery in global growth. We point to seven underlying economic currents that are transpiring simultaneously that explain why the market should continue to rally:

1. **Tax Reform**
2. **Dollar Weakness**
3. **International Growth/ Global Trade Growth**
4. **Global Fiscal Policy Stimulus**
5. **Global Monetary Stimulus**
6. **Resurgence in Capital Spending/ Productivity Growth**
7. **Surge/Stability of Oil Prices**

Figure 2: Global Growth Forecasts



**Source: BCA & Bloomberg*

Figure 3: Dollar vs. Currency Basket

Last January only 2-3 of these factors were in play. Global monetary stimulus had been applied in earnest since the 2008 crisis in the U.S., since 2012 for Japan and since 2014 for the EU. Both tax reform and global fiscal policy were hoped for last January. One or two of the seven trends may slow (monetary stimulus) or become volatile (dollar and oil), but it will be difficult to derail the momentum of many of the trends, which should remain pervasive for the next 12-24 months. Collectively these factors increase the potential breadth of global growth as we have seen in global PMIs, leading indicators, consumer sentiment, and other economic data.

1. **Tax Reform:** The tax reform bill stimulates corporate earnings as well as the economy in several ways. First, the top corporate tax rates are cut from 35% to 21% boosting the earnings of companies that generate a high proportion of their sales domestically. This should be a 10%+ boost to earnings for large cap earnings and a 15%+ pickup for small and mid-cap firms that generate more sales in the U.S. We believe the stock market has significantly priced-in the tax cut for large cap stocks and to a lesser extent for small and mid-cap stocks. Second, the bill enables companies to repatriate $2.6 trillion in overseas cash with a 15.5% tax rate. We anticipate a large part of that will be used to buy back shares. After taxes, this cash could buy back 9% of the S&P 500's $25 trillion market value. Third, besides buybacks, companies are signaling higher dividend payouts, greater capital investment and bonuses or wage increases to employees. Most of these uses of cash will be spent and circulate into the economy and drive additional corporate and consumer spending (i.e., GDP growth).

2. **Dollar Weakness:** The dollar fell 9.9% in 2017, spurring international sales for U.S. multinationals (Please see Figure 3). It is estimated that between 40% and 50% of the sales of S&P 500 companies are generated overseas. Economists estimate that a 10% decrease in the dollar can boost GDP by 0.3% to 0.5%, but the impact lags roughly nine months. We think dollar weakness is one of the more volatile factors helping the market and a sharp reversal of this trend could hurt GDP and earnings growth. We think the market outlook should still remain constructive for above average returns if the dollar can remain within 3%-5% of its current levels. We see three current trends that could incrementally lift the dollar higher: 1) Fed rate increases, 2) U.S. growth outpacing international growth, and 3) the repatriation of $2.6 trillion in overseas cash.

3. **International Growth/ Global Trade Growth:** International markets outgrew the U.S. in 2017. One of the strongest metrics last year was the humungous increase in global trade growth. The growth rate increased 75% from 2.4% in 2016 to 4.2% in 2017, which was also greater than global GDP growth of 3.6% thanks to cross-border component manufacturing.

4. **Global Fiscal Policy Stimulus:** In the face of bailouts and large fiscal deficits, many countries went through a period of fiscal austerity. That trend has been reversing in the last two years and the upswing is growing stronger. The U.S. and Japan are leading the way, but E.U. member states have also become active (please see Figure 4).

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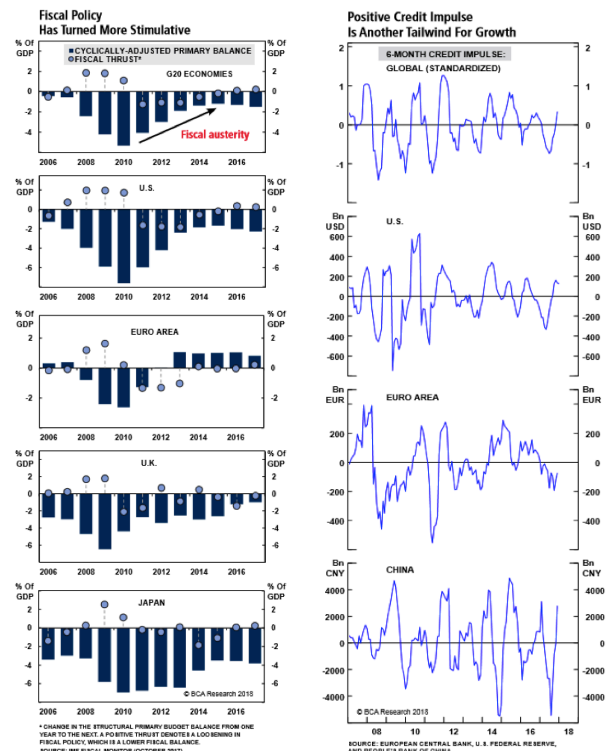
5. **Global Monetary Stimulus:** Global monetary policy remains easy, and the increase in lending and credit in the E.U. remains in the acceleration phase of the credit cycle. Additionally, Japan has reiterated a commitment to monetary stimulus as the U.S. enters a tightening phase (Please see Figure 5).
6. **Resurgence in Capital Spending/ Productivity Growth:** Increased capital spending leads to increases in productivity, which, along with labor force growth, is a key driver to GDP growth. Capacity typically becomes constrained late in the business cycle as economic activity picks up. The new tax policy is also constructive for higher CapEx spending and increases in interest rates spur companies to borrow to spend now versus waiting to spend when financing costs will be higher (please see Figures 6. and 7.)
7. **Surge/Stability of Oil Prices:** Like the dollar, oil prices are volatile and have a higher risk of breaking down thanks to the U.S. frackers, which can bring on incremental supply as prices rise. In recent meetings, OPEC indicated that its members would cooperate to meet supply targets. Global demand has been increasing faster than average and supply has been stable leading to price increases. Recent price increases from the low $50 range to the low $60 range has resulted in a 25% upward revision to oil company earnings in the fourth quarter.

Figure 5: Money Stimulus



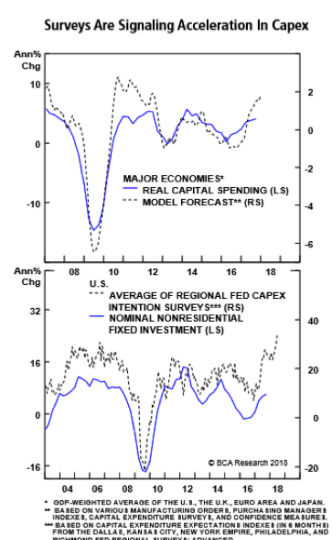
*Source: BCA *Source: BCA

Watching for Warning Signs: Key Signs Turning from Green to Yellow, but not Turning Red

There are three key signs that signal a recession, which typically coincides with a bear market. These signals tend to signal a recession or bear market 3 to 12 months ahead.

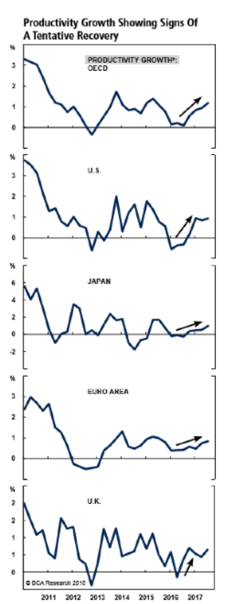
1. **Inverted Yield Curve**: An inverted yield curve is probably the strongest and most urgent warning sign, because most market participants recognize that the Fed is trying to put the brakes on the economy or that other signs point to a slowdown. It is typically in response to a significant pickup in inflation (3%+). Usually inversion occurs after a few large rate hikes (0.5%-1.0%) occurring within a few months of each other. Inversion makes it unprofitable for banks to lend money, so credit becomes expensive and/or dries up for many companies.
2. **Rise in Unemployment:** Each of the last 11 recessions since 1950 have coincided with a 0.3% rise in the unemployment rate, usually three successive 0.1% increases in the monthly unemployment announcement (please see Figure 8). The good news is the unemployment curve has a long forward momentum over time. Recent data suggests that unemployment is likely to continue to decline until mid-2019 (please see Figure 9).

Figure 6: Capital Spending



*Source for Figure 6&7: BCA

Figure 7: Productivity



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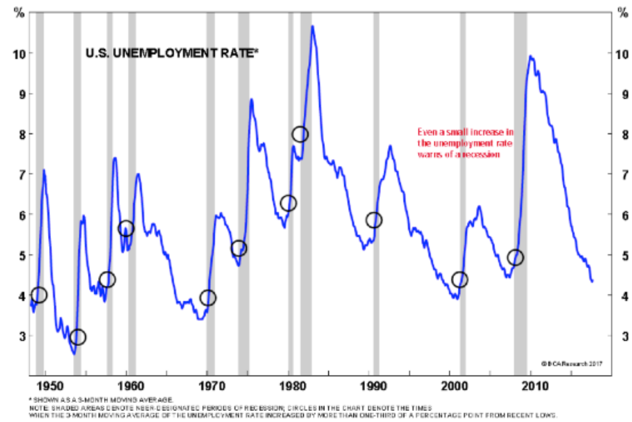
3. **Market Valuation**: While the Yield Curve and Unemployment Curve are turning yellow or remain green, respectively, Market Valuation is currently flashing yellow. At 2800, the S&P 500 has a Price/Earnings (P/E) multiple of the 18.7x 2018 earnings estimate of $150, which is about 17% higher than normal. We think the market is looking past 2018 and onto 2019, when earnings are expected to be $165, representing a 17.0x (about 6% above normal). Usually markets become volatile when multiples reach 19.5x to 20.0x next year's earnings, which would be the 2925-3000 level. Even so, the market can stay at elevated multiples for more than a year (please see Figure 10).

U.S. Bond Market: Bond market activity was a little puzzling in 2017. Despite four 0.25% hikes to the Federal Funds Rate since December, 2016 long term rates remained below the rates at year end 2016 for all but a few weeks of 2017. The treasury yield curve flattened since the beginning of the 2017, which is typical at the start of a rate hiking cycle. A few experts have opined that the current yield curve shape and timing of rate hikes creates an expectation that a recession and bear market correction would be roughly 18 to 24 months away. As a result of the flattening curve, the Bloomberg Barclays Aggregate return of 3.54% was a little stronger than our 1%-3% forecast.

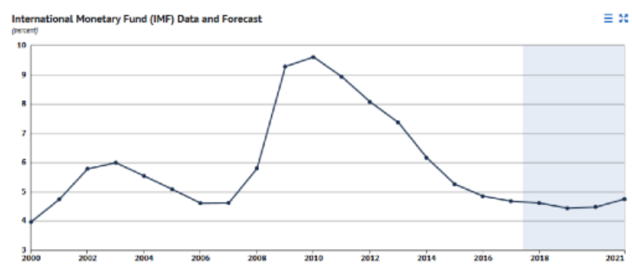
- **Keep an Eye on Inflation:** We expect fixed income returns to remain challenging in 2018 as the Fed takes action to normalize rates up to historic levels. Fed Futures forecast two rate hikes in 2018, but we think three is more likely. In recent comments the Fed has signaled that future rate hikes may be slower as monetary tightening may be handled by gradually reducing the Fed's balance sheet, which should have the same effect as rate hikes. In September, the Fed announced it would let $10 billion in securities mature each month without repurchasing replacement securities. For the first time in several years we think inflation may rise meaningfully above 2% spurred by wage growth and the recent strength in GDP readings above 3%. Wage increases typically start picking up late in the business cycle as unemployment reaches cycle lows. Wages are also being aided by the tax reform bill. Inflation usually proportionally mirrors increases in GDP lagged by 6 to 9 months. A few monthly core inflation readings with a 3% handle could cause the Fed to become more aggressive with rate hikes (more frequent or greater than 0.25% per increase), which could in turn push the yield curve towards inversion.
- **Implications for Investors:**
  - Over the next 2 to 3 years, the environment for intermediate to long term bonds is likely to remain a little bearish. We expect returns of 0% to 3% from core bonds depending on the speed of normalization.

Figure 8: Unemployment & Recessions



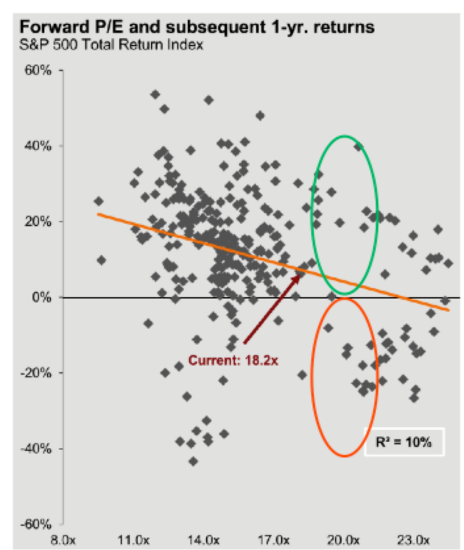
*Source: BCA

Figure 9: Unemployment Rate Forecast



*Source: International Monetary Fund (IMF)

Figure 10: P/E vs. 1-Yr. Return Forecast



*Source: J.P. Morgan Asset Management

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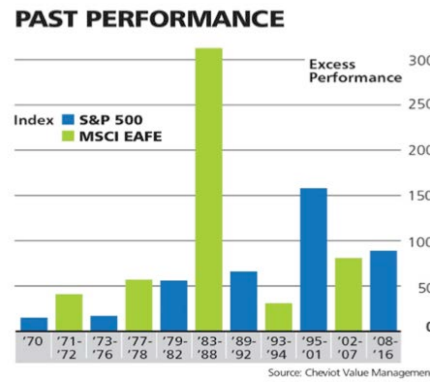
   - Munis should remain attractive as state budgets benefit from job creation and a higher rate of GDP growth.
   - We think credit, high-yield fixed income and emerging market fixed income offers better return potential than core domestic or developed international fixed income, but spreads for these fixed income asset classes continue to tighten making the risk/reward trade-off challenging.
- Over the longer term, normalized higher rates will benefit savers, retirees, charities and endowments that need higher income and wish to keep 40% to 60% of account assets in lower risk securities.

Figure 11: Cycles of U.S. and International Outperformance



**Source: Barron's*

International Stock and Bond Markets: Despite the S&P 500's impressive 2017 performance, international stock markets rallied even further. Out of 45 major country stock indices, the S&P 500's 2017 return of 21.8% ranks near the bottom at 34th in U.S. dollars (17th in local currency). The Developed International index (MSCI EAFE) returned 25.0% and the Emerging Markets index returned 37.3% year-to-date. Some of the return difference can be explained by the 9.9% drop in the dollar since year end, but overall many emerging markets and EU countries are growing faster than the U.S. Global bond indices performed better than U.S. bonds (3.54%) in 2017 returning 7.39% and 13.65% for the BBG Global and EM Aggregate indices, respectively. The weak dollar boosted international bond returns. Taking out the currency impact, BBG Global returns were lower than the U.S. at 3.04%, but EM remained higher at 8.17%.

Since the beginning of the year, we have increased exposure in client accounts to developed international and emerging market stocks, but only increased exposure to emerging market bonds. We have avoided developed market bonds, because most remain at negative yields and probably have more downside risk than upside potential in the near term. Given current growth prospects, the lower dollar and lag in business/market cycles, we think international equities trade at a 10% discount and EM equities trade at a 10%-15% discount to U.S. equities. These markets are still trading at lower multiples of 14.9x and 12.5x 2017 EPS

Table 5: S&P 500 Valuation

				Growth %
- S&P 500 Value 01/17/18:	2,800	- 2017 Estimate:	$131	11.3%
- S&P 500 Forward Multiple 18E:	18.7x	- 2018 Estimate:	$150	11.3%
- S&P 500 Forward Multiple 19E:	17.0x	- 2019 Estimate:	$165	10.8%

Implied S&P 500 Valuation

	$140	$145	$150	$155	$160	$165	$170
14.0x	1,960	2,030	2,100	2,170	2,240	2,310	2,380
14.5x	2,030	2,103	2,175	2,248	2,320	2,393	2,465
15.0x	2,100	2,175	2,250	2,325	2,400	2,475	2,550
15.5x	2,170	2,248	2,325	2,403	2,480	2,558	2,635
16.0x	2,240	2,320	2,400	2,480	2,560	2,640	2,720
16.5x	2,310	2,393	2,475	2,558	2,640	2,723	2,805
17.0x	2,380	2,465	2,550	2,635	2,720	2,805	2,890
17.5x	2,450	2,538	2,625	2,713	2,800	2,888	2,975
18.0x	2,520	2,610	2,700	2,790	2,880	2,970	3,060
18.5x	2,590	2,683	2,775	2,868	2,960	3,053	3,145

Implied S&P 500 Price Change

	$140	$145	$150	$155	$160	$165	$170
14.0x	-30%	-28%	-25%	-23%	-20%	-18%	-15%
14.5x	-28%	-25%	-22%	-20%	-17%	-15%	-12%
15.0x	-25%	-22%	-20%	-17%	-14%	-12%	-9%
15.5x	-23%	-20%	-17%	-14%	-11%	-9%	-6%
16.0x	-20%	-17%	-14%	-11%	-9%	-6%	-3%
16.5x	-18%	-15%	-12%	-9%	-6%	-3%	0%
17.0x	-15%	-12%	-9%	-6%	-3%	0%	3%
17.5x	-13%	-9%	-6%	-3%	0%	3%	6%
18.0x	-10%	-7%	-4%	0%	3%	6%	9%
18.5x	-8%	-4%	-1%	2%	6%	9%	12%

Source: Yardeni Research.CB&T. Note add ~2% in dividends for S&P 500 total return
Analysts' Consensus estimates are $131, $150, and $162 respectively
Yellow box - rational expectations; Green box - "irrational exuberance"

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ASSET ALLOCATION OUTLOOK

LAST QUARTER			THIS QUARTER	
WE BELIEVED →	**ACTIONS TAKEN →**	**RESULTS**	**WE BELIEVE →**	**ACTIONS WE ARE TAKING**
DOMESTIC EQUITIES			DOMESTIC EQUITIES	
Trump policies likely to take longer to pass - 1Q18 at earliest. 3Q17 EPS and GDP are going to be messy due to storms. A little nervous companies can make upwardly revised 4Q17 numbers.	Trimmed U.S. large cap stocks, moved to slightly underweight. Maintained overweight on small/mid cap stocks.	Tax reform legislation was passed in December. 3Q17 earnings were messy and 4Q17 earnings were revised marginally downward, but not as significantly as expected. Large cap stocks up 6.6% in 4Q17 (21.8% 2017); Small and Mid cap stocks did not keep pace in 4Q17 (up 5.1% in 4Q17, 14.7% in 2017).	We think the market rally will continue into 2018 with the potential for another 5%-10% total return for the S&P 500. We remain concerned, however, that the 7% January rally will result in a pullback. We remain optimistic that small & midcap will outperform on tax reform impact.	Trimming U.S. large cap stocks, moving to underweight Maintaining overweight on small/mid cap stocks.
INTERNATIONAL EQUITIES			INTERNATIONAL EQUITIES	
We believed the dollar should stay lower for a little longer as the Fed remains dovish, U.S. growth remains at or a little below expectations and international growth continues to improve.	We maintained our allocation to emerging markets and developed international stocks at overweight. Additionally we changed the mix of our developed market valuation from value to growth.	The dollar fell another 1% during 4Q17 (-10% for 2017). Emerging markets (+7% 4Q17, 37.3% 2017) outperformed, but developed international stocks (+4%) lagged during the quarter while posting a 25% increase for 2017.	We expect the dollar to remain rangebound in the near term. We expect additional rate increases from the Fed and that U.S. GDP growth will be stronger than most developed markets, which could pressure the dollar higher (2H18?).	We are maintaining our allocation to emerging markets and developed international stocks at overweight. We are watching the dollar and expect it to remain within 3%-5% of current levels. We may cut international/ EM exposure if the dollar rallies sharply.
FIXED INCOME			FIXED INCOME	
We expected a 0.25% Fed Funds rate increase in December and the Fed to remain dovish.	We remained underweight core bonds. We remained overweight credit/high yield bonds. We maintained our allocation to emerging market bonds and did not add to weights due to historically tight spreads.	The Fed raised the Fed Funds rate 0.25% December. Core bonds returned 0.39% in 4Q17, while high yield bonds generated a 0.41% return. International and EM bonds returned 1.08% and 1.88%, respectively, on an unhedged basis; and 0.80% and 0.62%, respectively, with currency hedged.	We expect a 0.25% Fed Funds rate increase in March and the Fed to remain constructive for at least the first half of the year. We are concerned GDP and wage growth could lead to a rise in inflation in 2H18, which could result in more hawkish Fed action.	We remain underweight core bonds. We remain overweight credit/high yield bonds. We are maintaining our allocation to emerging market bonds and are concerned the dollar could create volatility for EM bonds as spreads remain tight.
We believed munis were at fair value to a little overvalued.	We maintained an equal weight to munis and were concerned how tax policy would impact muni returns and funds flow.	Munis outperformed core bonds in the quarter (0.75% vs. 0.39%) and for the full year (5.45% vs. 3.54%).	We believe munis are at fair value to slightly undervalued at the beginning of 2018.	We are maintaining an equal weight to munis at this time, but believe certain facets of tax policy are more favorable for certain muni assets than previously thought (e.g. pre-refunded bonds).
ALTERNATIVE ASSETS			ALTERNATIVE ASSETS	
Volatility will remain near record lows, if tax reform legislation still remains stalled and 3Q17 earnings and 4Q17 guidance remains in line with estimates.	We maintained ~8% allocation to alternatives. We continued to watch Gold for a breakout.	Volatility remained subdued, but SG CTA alternatives index rallied 5.26% as alts funds increased weightings to U.S. equities. CB&T's Liquid Alpha alternatives CTF increased 2.22% in 4Q17, because it intentionally has little exposure to U.S. equities. Gold increased 1.79%.	After a record low period, volatility will increase in 2018. We think the trades talks, rate increases and GDP/ Inflation surprises will act as catalysts for higher volatility (2H18?).	We are maintaining ~8% allocation to alternatives. We expect to increase to 10% after equity exposure is reduced in alts models. We continue to watch Gold for a breakout.

For more details on CBandT's investment outlook, please visit our Investment Commentary page at: https://cbandt.com/wealth-trust/resources/.