MONTHLY Outlook & Tactical Update

NOVEMBER | 2018

COUGAR GLOBAL INVESTMENTS
AN AFFILIATE OF CARILLON TOWER ADVISERS

Cougar Global Investments, a global tactical asset allocation strategist since 1993, employs a unique investment philosophy based upon the avoidance of loss.

Rigorous research, advanced statistical modeling and macroeconomic scenario analysis are combined with the tactical use of highly-liquid ETFs to create investor-centric portfolios focused on minimizing downside risk.

Cougar Global's process allows the investment team to adapt to changing market and economic conditions by reviewing the asset mix for each strategy monthly and rebalancing as necessary. This monthly, proprietary forecasting scenario process forms the foundation of Cougar Global's approach.

- ✔ **MANAGER** Outlook
- ✔ **MACRO ECONOMIC** Scenario Analysis
- ✔ **ASSET ALLOCATION** Shifts

EFFECTIVE November 26, 2018

Following October, November is proving to be another volatile month for financial markets and a difficult one for investors. Previously high flying technology stocks suffered steep losses, with investors concerned that their best days may be long gone. To add to this sense of panic, oil prices have fallen over 30% in the space of seven weeks, with West Texas Intermediate going from $76 to $53 a barrel on concerns of oversupply and weak demand. Finally, cryptocurrency mania is taking a big hit, with bitcoin collapsing to almost $4,000 from an all-time high of close to $20,000. The U.S. Dollar has rallied as investors flock to safe assets, such as cash and Treasuries.

The value of Cougar Global's conservative diversified approach to managing money becomes much more apparent during periods of panic. In times like these, it is important to stay calm, take stock of the fundamental outlook and avoid any knee-jerk reactions to volatility. That being said, with the bull market in U.S. stocks almost ten years old, the time to be complacent about risk within your portfolio is surely over.

The most significant fundamental development over the course of the month was the U.S. midterm election – a major political event that will likely determine the course of policy over the next two years and beyond. The elections produced a widely expected result, with a split Congress. Democrats took a majority in the House, and Republicans retained a majority in the Senate. There are some meaningful consequences of the results. Infrastructure spending is top of the agenda, as there is overlap between Democrats and Republicans on the need to improve U.S. infrastructure. Affordable Care Act repeal is less likely, and prescription drug prices are likely to face downward pressure. Financial institutions, particularly banks, are likely to face increased oversight under a Democratic House. Deficit spending may be somewhat constrained, with a potential for a government shutdown next year around issues associated with raising the debt ceiling.

For U.S. stocks, in our opinion, there's potential for an upside surprise going into 2019. Strong consumer sentiment, low unemployment, low taxes and now the removal of political uncertainty – which a divided Congress brings – could prove to be a positive for U.S. large-, mid- and small-cap stocks. However, this potential for upside needs to be weighed against reasons for being cautious. Global real GDP growth outside the U.S. is slowing, and this has a very real impact on U.S. companies too. Approximately 44% of revenues for companies in the S&P 500 come from outside the U.S. There are also signs that rising cost pressures are impacting profitability for U.S. companies going into 2019. This is in addition to rising interest rates and the U.S. China trade war, which shows no signs of abating any time soon. Accordingly, we continue to moderate our positive outlook. Our probability of **Growth** stands at **29%** (vs. 35% in October), **Stagnation** at **60%** (vs. 56%), **Inflation** at **4%** (vs. 2%), **Recession** at **0%** (unchanged) and **Chaos** at **7%** (unchanged).

We did not make any changes to our portfolios in November. In our judgment, international markets – particularly Emerging Markets – are most exposed to downside risk looking into 2019, with the U.S. markets providing significantly more diversified and higher quality exposure. Accordingly, we have no exposure to international markets, with all our holdings currently in U.S.

In times like these, it is important to stay calm, take stock of the fundamental outlook and avoid any knee-jerk reactions to volatility.

MACRO ECONOMIC Scenario Analysis

NOVEMBER | 2018

On a monthly basis, the Cougar Global investment team establishes the probabilities of the future path of the U.S. economy over the next 12 months and quantifies its independent global research into the following five scenarios:

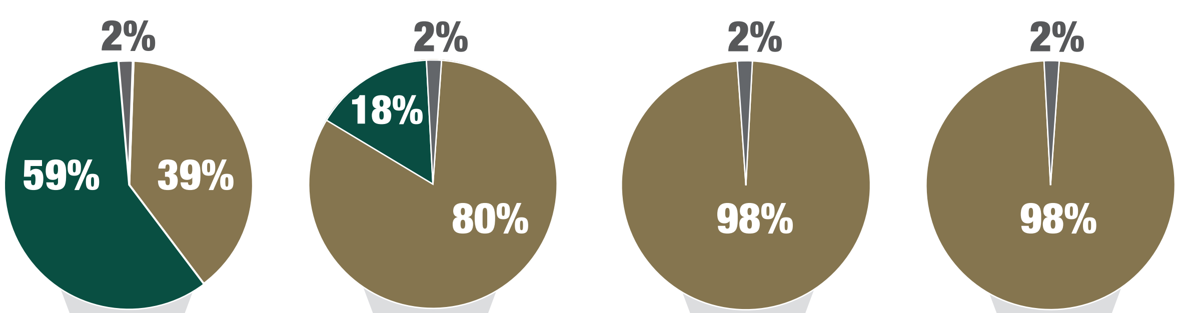
Scenario	October	Current	Change
GROWTH	35%	29%	-6%
INFLATION	2%	4%	+2%
STAGNATION	56%	60%	+4%
CHAOS	7%	7%	0%
RECESSION	0%	0%	0%

Oct. MES as of Oct. 16, 2018
Current MES as of Nov. 26, 2018

ASSET ALLOCATION Shifts

NOVEMBER | 2018

Global Tactical Strategy Conservative | Global Tactical Strategy Conservative Growth | Global Tactical Strategy Moderate Growth | Global Tactical Strategy Growth



Asset Class	Symbol	Conservative Previous Month	Conservative Current Month	Conservative Change	Conservative Growth Previous Month	Conservative Growth Current Month	Conservative Growth Change	Moderate Growth Previous Month	Moderate Growth Current Month	Moderate Growth Change	Growth Previous Month	Growth Current Month	Growth Change
S&P 500	IVV	29	29	0	50	50	0	44	44	0	40	40	0
S&P 400	IJH	5	5	0	15	15	0	27	27	0	29	29	0
S&P 600	IJR	5	5	0	15	15	0	27	27	0	29	29	0
TOTAL EQUITIES		**39**	**39**	**0**	**80**	**80**	**0**	**98**	**98**	**0**	**98**	**98**	**0**
U.S. Aggregate Bonds	AGG	39	39	0	18	18	0	0	0	0	0	0	0
Floating Rate Bonds	FLOT	5	5	0	0	0	0	0	0	0	0	0	0
Short-Term Treasuries	SHY	15	15	0	0	0	0	0	0	0	0	0	0
TOTAL FIXED INCOME		**59**	**59**	**0**	**18**	**18**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash	CASH	2	2	0	2	2	0	2	2	0	2	2	0

Total US Equity | Total Int'l Equity | Total Fixed Income | Cash | Gold

DISCLOSURES

Risks: An investment in Exchange Traded Funds (ETFs) involves the risk of losing money and should be considered as part of an overall program, not a complete investment program. An investment in ETFs involves additional risks: non-diversified, the risks of price volatility, competitive industry pressure, international political and economic developments, possible trading halts and index tracking error. Performance is directly related to the performance of underlying ETFs and the ability of each strategy to achieve its investment objective is directly related to the ability of the underlying ETFs to meet their investment objectives.

Tactical allocation investing presents specific risks, such as currency fluctuations, differences in financial accounting standards as well as potential political and economic instability. As with all equity investing, there is the risk that an unexpected change in the market or an ETF's holdings may have an adverse effect on its value and total return. The biggest risk of equity investing is that returns can fluctuate and investors can lose money.

Investing in small and mid-cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. Stocks of smaller or newer or mid-sized companies may be more likely to realize more substantial growth as well as suffer more significant losses than larger or more established issuers. Small and mid-cap companies generally involve greater risks than investing in larger capitalization companies. They often have narrower commercial markets, more limited managerial and financial resources, and more volatile trading than larger, more established companies. International investing involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility. Stock investing involves risk, including the risk of loss. The prices of small and mid-cap stocks are generally more volatile than large cap stocks.

Investing in emerging markets can be riskier than investing in well-established foreign markets. Emerging and developing markets may be less liquid and more volatile because they tend to reflect economic structures that are generally less diverse and mature and political systems that may be less stable than those in more developed countries.

Because these strategies normally will hold a focused portfolio of fewer holdings than many other diversified strategies, the increase or decrease of the value of a single security may have a greater impact on the total return.

There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Bond investors should carefully consider risks such as: interest rate risk, credit risk, liquidity risk and inflation risk.

High-yield (below investment grade) bonds are not suitable for all investors and may present greater credit risk than other bonds. High Yield/Junk Bonds are not investment grade securities, involve substantial risks and generally should be part of the diversified portfolio of sophisticated investors.

Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments. Commodities risk is the risk that investments in commodities, such as gold, or in commodity-linked instruments, will subject an underlying fund's portfolio to volatility that may also deviate from price movements in equity and fixed income securities. Commodities trading is generally considered speculative because of the significant potential for investment loss. Among the factors that could affect the value of the fund's investments in commodities are cyclical economic conditions, sudden political events, changes in sectors affecting a particular industry or commodity, and adverse international monetary policies. Markets for precious metals and other commodities are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

Asset allocation and diversification do not ensure a profit or protect against a loss. All investments are subject to risk. There is no assurance that any investment strategy will be successful or that any securities transaction, holdings, sectors or allocations discussed will be profitable. Strategies discussed are subject to change at any time due to market conditions or opportunities. Past performance does not guarantee or indicate future results. There is no guarantee that these investment strategies will work under all market conditions.

Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity and redemption features.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and are subject to availability and change in price.

Mortgage-Backed Securities are subject to credit, default risk, prepayment risk that acts much like call risk when you get your principal back sooner than the stated maturity, extensions risk, the opposite of prepayment risk, and interest rate risk. Government bonds and Treasury bills are guaranteed by the U.S. Government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

MES Notes: Cougar Global Investments calculates the Macro Economic Scenario Analysis (MES) by assigning probabilities to each of the five economic scenarios (Growth, Stagnation, Inflation, Chaos and Recession) over a one-year forecast horizon. The MES is based on quantitative data sourced from various firms and then weighted and may be adjusted based upon Cougar Global Investments thought capital. MES is subject to change. These are hypothetical examples and are not representative of any specific situation. Actual economic results may vary. Economic forecasts set forth may not develop as Cougar MES indicates and there can be no guarantee that these strategies promoted will be successful. Past performance is no guarantee of future results.

Macro Economic Scenarios:
GROWTH - U.S. economy is growing at or above its potential growth rate
RECESSION - U.S. economy is shrinking (negative quarter over quarter growth rate)
STAGNATION - U.S. economy is growing more slowly than its potential growth rate
INFLATION - Consumer Price Index (CPI) inflation rate is higher than U.S. economy's potential growth rate
CHAOS - A high-impact, low-probability event (aka "black swan")
Current Consensus: Wall Street Journal Economic Forecasting Survey – a survey of quarterly U.S. Real GDP forecasts over the next 12 months
Cougar Global Investments MES Source: Cougar Global Investments
This research material has been prepared by Cougar Global Investments.

Opinions and estimates offered constitute Cougar's judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. Under no circumstances does the information contained within represent a recommendation to buy, hold or sell any security and it should not be assumed that the securities transactions or holdings discussed were or will prove to be profitable. All holdings are subject to change daily.

In March 2018, Abe Sheik was name co-CIO. In October 2018, Dr. James Breech stepped down from his role as co-CIO and Abe Sheik was name CIO. The investment process and philosophy remains unchanged.

About Cougar Global Investments: Cougar Global Investments Limited (Cougar Global) is an investment manager that utilizes tactical asset allocation to construct globally diversified portfolios. Effective 4/30/15, Cougar Global was acquired by Raymond James Financial, Inc. (NYSE:RJF) and in 2016 Cougar Global became an affiliate of Carillon Tower Advisers, Inc., a wholly owned subsidiary of Raymond James Financial, Inc. Prior to 4/30/15, Cougar Global was an independent investment management firm not affiliated with any parent organization. Cougar Global is registered as a Portfolio Manager with the Ontario Securities Commission (OSC) and with the United States Securities and Exchange Commission (SEC) as a Non-Resident Investment Advisor. Prior to 01/02/2013, the firm was named Cougar Global Investments LP.

COUGAR
GLOBAL INVESTMENTS
AN AFFILIATE OF CARILLON TOWER ADVISERS

Scotia Plaza, 40 King Street West, Suite 2706 | Toronto, Ontario, Canada M5H 3Y2 | 416.368.5255 | 800.387.3779 | cougarglobal.com

CG18-0611 Exp. 12/31/18