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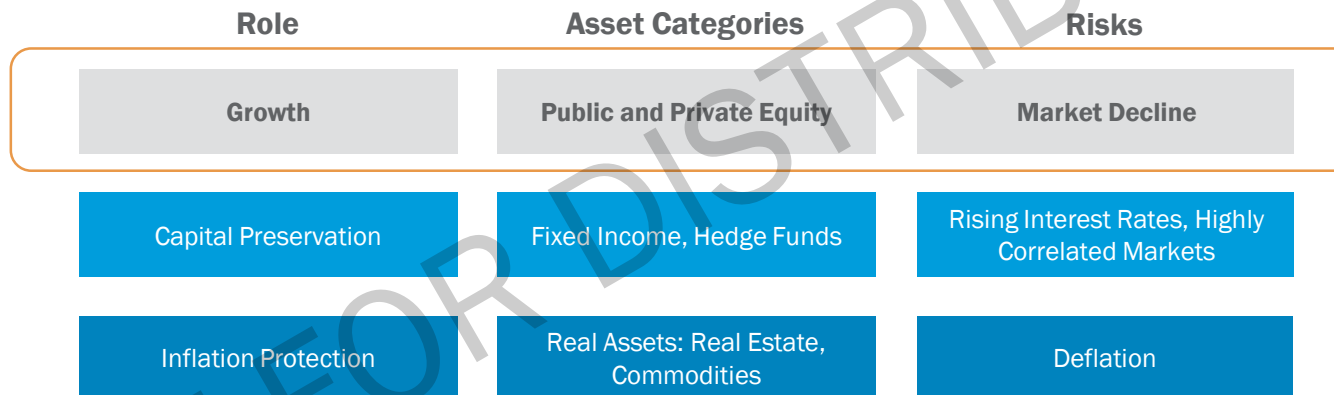
Quarterly Asset Class Report Global Equity

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March 31, 2020

Canterbury Consulting recommends and communicates asset-class strategy with the objective of constructing a diversified portfolio of long-only equity strategies designed to (in aggregate):

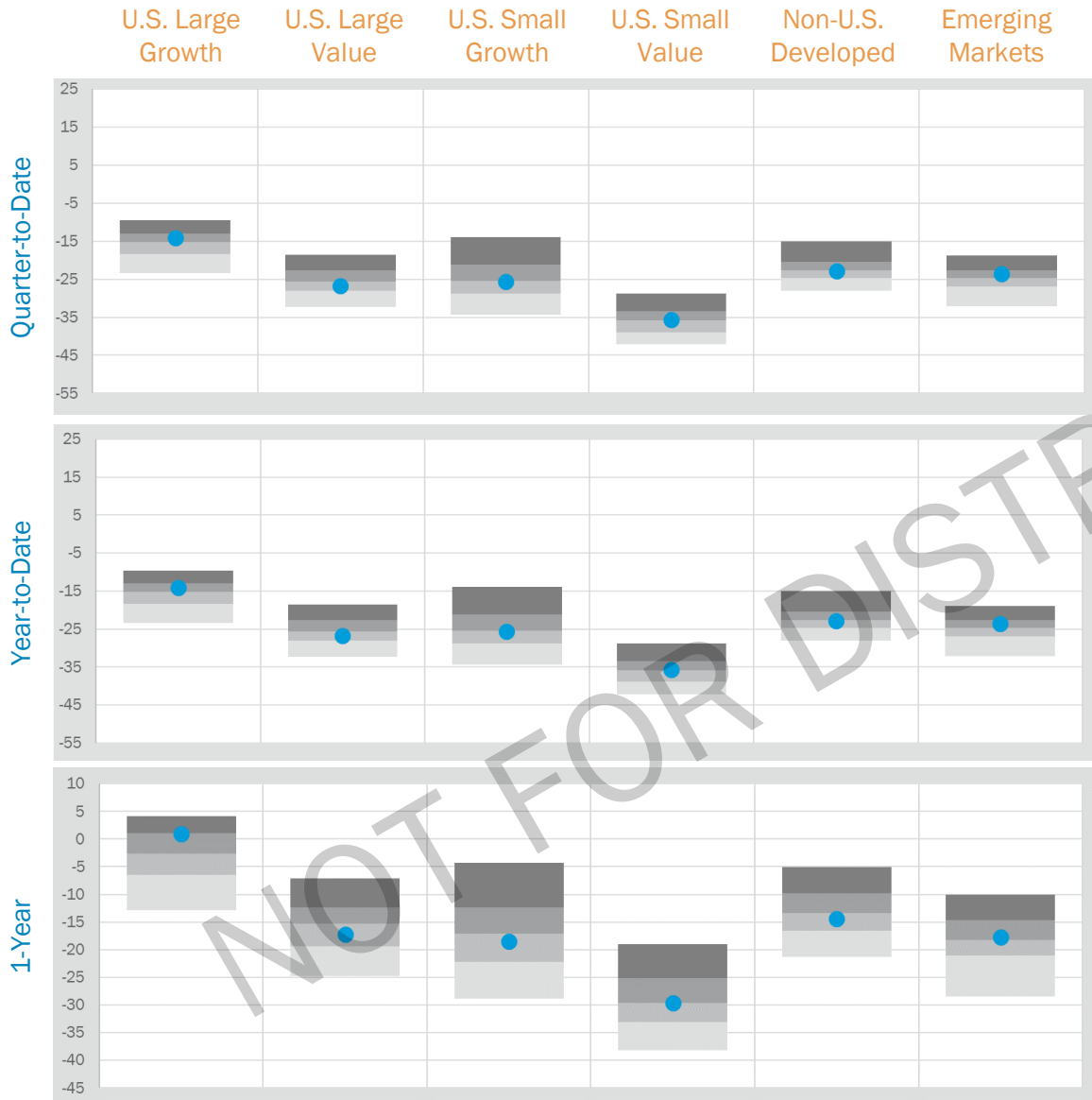
- Provide growth of portfolio assets in excess of inflation and spending rates
- Maintain comparable exposure to the global equity market
- Exhibit returns uncorrelated to fixed income markets



- Canterbury global equity portfolios are expected to deliver consistent net of fees excess returns and moderate tracking error versus the MSCI All Country World Index over longer periods of time.

Performance (%) as of March 31, 2020

Equity Review



Blue dots represent the returns of the respective Russell & MSCI benchmarks; gray floating bar charts represent the peer groups by quartile.

- Major U.S. index returns fell significantly in the quarter with U.S. small cap stocks underperforming U.S. large cap stocks. Over the recent 1-year time period, U.S. large cap stocks have significantly outperformed U.S. small cap stocks.
- Value stocks continued to lag growth stocks during the quarter. The performance spread between growth and value was more pronounced at the higher end of the market cap spectrum.
- Both non-U.S. developed and emerging markets dropped more than 20% in the quarter. Emerging markets faced more significant currency headwinds than non-U.S. developed markets, and lagged in both the quarter-to-date and one-year time periods.

Sources: Morningstar Direct, Russell, MSCI

Market Capitalization Mix

Equity: U.S. Market Cap		Current	10 Year Avg	Deviation from Mean*	Large	Neutral	Small
Valuation	Russell Top 200 Current P/E (Large Cap)	17.89	17.26	0.21		-	
	R2000 Current P/E (Small Cap)	32.43	38.63	-0.17		-	
	Avg P/E Ratio (Large/Small)	0.55	0.48	1.06			+
	Russell Top 200 EV/EBITDA^ (Large Cap)	11.39	10.73	0.34		-	
	R2000 EV/EBITDA (Small Cap)	21.00	15.35	1.55	+		
	Avg EV/EBITDA Ratio (Large/Small)	0.54	0.70	-0.10		-	
	Russell Top 200 P/S (Large Cap)	2.12	1.86	0.66		-	
	R2000 P/S (Small Cap)	0.82	1.10	-1.27			+
	Avg P/S Ratio (Large/Small)	2.59	1.72	0.27		-	
Solvency	Russell Top 200 Debt/EBITDA (Large Cap)	4.00	4.28	-0.91		-	
	Russell 2000 Debt/EBITDA (Small Cap)	10.37	5.80	3.38	++		
	Avg Debt/EBITDA Ratio (Large/Small)	0.39	0.76	-0.16		-	
Growth	Russell Top 200 LT EPS Gr (Fwd) (Large Cap)	7.10	9.37	-0.66		-	
	R2000 LT EPS Gr (Fwd) (Small Cap)	9.06	10.08	-0.31		-	
	Avg Growth Ratio (Large/Small)	0.78	0.93	-0.21		-	
Economy	Case Shiller Home Price (YoY)	3.08	4.30	-0.27		-	
	Total Leading Economic Indicators	112.10	97.39	1.55			+
	Currency (USD v Broad Basket)	99.05	88.78	1.21			+
	Curve Steepness 2's to 10's	0.42	1.36	-1.18	+		

*Deviation from mean represents how many standard deviations the current value is above or below the 10-year average, also known as the "Z-Score." '+' denotes one standard deviation, and '++' denotes two standard deviations in favor of the asset class.

^ EV/EBITDA, also known as the "enterprise multiple," is a ratio used to determine the value of a company. Unlike P/E, the enterprise multiple takes debt into account. This is often the ratio used by companies looking to acquire another business.

Equity Review

- There are various metrics used to value the equity universe. Canterbury prefers Price/Earnings, EV/EBITDA, and Price/Sales.
- All valuation metrics for both small caps and large caps fell in the quarter. The P/E multiple for large cap stocks is now trading around its long-term averages.
- Growth estimates declined for small caps and growth estimates for large caps showed a slight improvement. Small cap and large cap growth estimates are below their 10-year averages. These estimates tend to fluctuate daily.
- The interest rate spread between the 10-year and 2-year U.S. Treasury widened slightly in the quarter, but remains below its long-term average. At the end of the quarter, the Fed dropped its benchmark interest rate to zero and announced a new round of quantitative easing.

Source: Russel

Region Mix — U.S. vs. R.O.W.

Equity: Region (U.S./Global)		Current	10 Year Avg	Deviation from Mean*	U.S.	Neutral	R.O.W.
Valuation	S&P 500 Current P/E	17.04	17.84	-0.32		-	
	MSCI ACWI Current P/E	15.63	17.07	-0.63		-	
	Avg P/E Ratio (US /ACWI)	1.09	1.05	0.70		-	
	S&P 500 EV/EBITDA^	11.26	11.06	0.11		-	
	MSCI ACWI EV/EBITDA	10.00	10.12	-0.09		-	
	Avg EV/EBITDA Ratio (US/ACWI)	1.13	1.09	0.73		-	
	S&P 500 P/S	1.86	1.75	0.30		-	
	MSCI ACWI P/S	1.33	1.35	-0.08		-	
Avg P/S Ratio (US/ACWI)	1.39	1.29	1.50			+	
Solvency	S&P 500 Debt/EBITDA	3.98	4.18	-0.62		-	
	MSCI ACWI Debt/EBITDA	5.67	5.96	-0.77		-	
	Avg Debt/EBITDA Ratio (US/ACWI)	0.70	0.70	-0.07		-	
Growth	S&P 500 LT EPS Gr (Fwd)	6.88	9.06	-0.63		-	
	MSCI ACWI LT EPS Gr (Fwd)	4.35	9.81	-0.14		-	
	Avg Growth Ratio (US/ACWI)	1.58	1.00	1.49	+		
Economy	Currency (USD v Broad Basket)	99.05	88.78	1.21			+

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Equity Review

- Valuation multiples fell for both U.S. equities and equities outside of the U.S., and both were traded at or below their long-term averages.
- Debt levels remain below long-term averages for both U.S. and global (R.O.W.) stocks, suggesting healthy leverage conditions.
- Expected earnings growth remains below 10-year averages for both domestic and R.O.W. equities. Both estimates fell during the quarter.
- The U.S. dollar strengthened in the quarter and was a relative headwind to international returns.

Sources: MSCI, Standard & Poor's

Region Mix – Non-U.S. Developed vs. R.O.W.

Equity Review

Equity: Region (Non-U.S. Dev/Global)	Current	10 Year Avg	Deviation from Mean*	Non-U.S. Dev	Neutral	R.O.W.
Valuation	MSCI EAFE Current P/E	14.77	17.23	-0.93	-	
	MSCI ACWI Current P/E	15.63	17.07	-0.63	-	
	Avg P/E Ratio (EAFE/ACWI)	0.95	1.01	-0.96	-	
	MSCI EAFE EV/EBITDA [^]	8.34	9.22	-1.00	+	
	MSCI ACWI EV/EBITDA	10.00	10.12	-0.09	-	
	Avg EV/EBITDA Ratio (EAFE/ACWI)	0.83	0.92	-1.51	+	
	MSCI EAFE P/S	0.93	1.03	-0.71	-	
	MSCI ACWI P/S	1.33	1.35	-0.08	-	
Avg P/S Ratio (EAFE/ACWI)	0.69	0.77	-2.52	++		
Solvency	MSCI EAFE Debt/EBITDA	7.61	8.32	-0.94	-	
	MSCI ACWI Debt/EBITDA	5.67	5.96	-0.77	-	
	Avg Debt/EBITDA Ratio (EAFE/ACWI)	1.34	1.39	-0.91	-	
Growth	MSCI EAFE LT EPS Gr (Fwd)	0.84	5.91	-0.09	-	
	MSCI ACWI LT EPS Gr (Fwd)	4.35	9.81	-0.14	-	
	Avg Growth Ratio (EAFE/ACWI)	0.19	0.68	-0.20	-	
Economy	USD/EUR	1.10	1.22	-1.05	+	

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[^] EV/EBITDA, also known as the "enterprise multiple," is a ratio used to determine the value of a company. Unlike P/E, the enterprise multiple takes debt into account. This is often the ratio used by companies looking to acquire another business.

- Both non-U.S. developed and R.O.W. equity valuations fell below their long-term averages. Non-U.S. developed equities continue to remain more attractive from a valuation standpoint.
- Debt levels for non-U.S. developed stocks and R.O.W. equities continue to remain below their long-term averages.
- Earnings growth forecasts for both non-U.S. developed and R.O.W. equities have come down from last quarter. Non-U.S. developed growth estimates fell below 1%. These estimates tend to fluctuate significantly from quarter to quarter.
- The euro weakened versus the dollar. The dollar remains strong, relative to its historical average. A weaker dollar can benefit U.S. companies with revenues in Europe and costs in U.S. dollars.

Source: MSCI

Region Mix – Emerging Markets vs. R.O.W.

Equity Review

Equity: Region (EM/Global)		Current	10 Year Avg	Deviation from Mean*	EM	Neutral	R.O.W.
Valuation	MSCI EM Current P/E	11.96	13.36	-0.86		-	
	MSCI ACWI Current P/E	15.63	17.07	-0.63		-	
	Avg P/E Ratio (EM/ACWI)	0.77	0.79	-0.30		-	
	MSCI EM EV/EBITDA [^]	8.15	8.10	0.05		-	
	MSCI ACWI EV/EBITDA	10.00	10.12	-0.09		-	
	Avg EV/EBITDA Ratio (EM/ACWI)	0.81	0.81	0.09		-	
	MSCI EM P/S	1.03	1.17	-1.02	+		
	MSCI ACWI P/S	1.33	1.35	-0.08		-	
	Avg P/S Ratio (EM/ACWI)	0.77	0.88	-0.71		-	
Solvency	MSCI EM Debt/EBITDA	4.86	4.03	1.26			+
	MSCI ACWI Debt/EBITDA	5.67	5.96	-0.77		-	
	Avg Debt/EBITDA Ratio (EM/ACWI)	0.86	0.68	1.40			+
Growth	MSCI EM LT EPS Gr (Fwd)	-0.55	8.05	-0.55		-	
	MSCI ACWI LT EPS Gr (Fwd)	4.35	9.81	-0.14		-	
	Avg Growth Ratio (EM/ACWI)	-0.13	0.76	-1.64			+

- Both EM equities and R.O.W. equity valuations fell below or near their historical valuation multiples. EM equities appear to trade at an appropriate discount to R.O.W. equities.
- Elevated debt levels continue to be more of a concern for emerging markets than they are for R.O.W., particularly for those EM countries with dollar-denominated debt, if U.S. dollar strength continues.
- Growth estimates tend to fluctuate from quarter to quarter. Both EM and R.O.W. EPS growth estimates remain below their long-term averages. EM estimates have moved into negative territory.

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Source: MSCI