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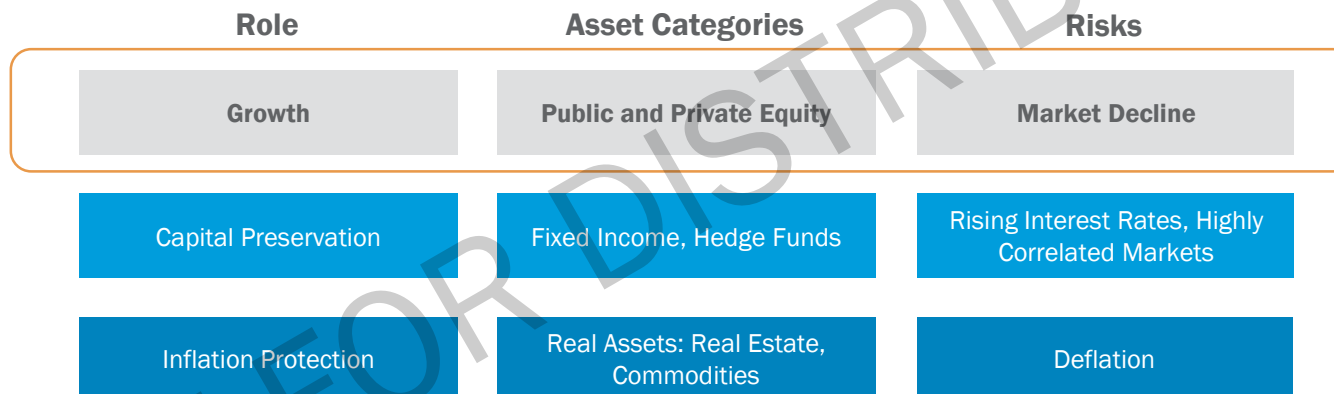
Quarterly Asset Class Report Global Equity

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September 30, 2022

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):

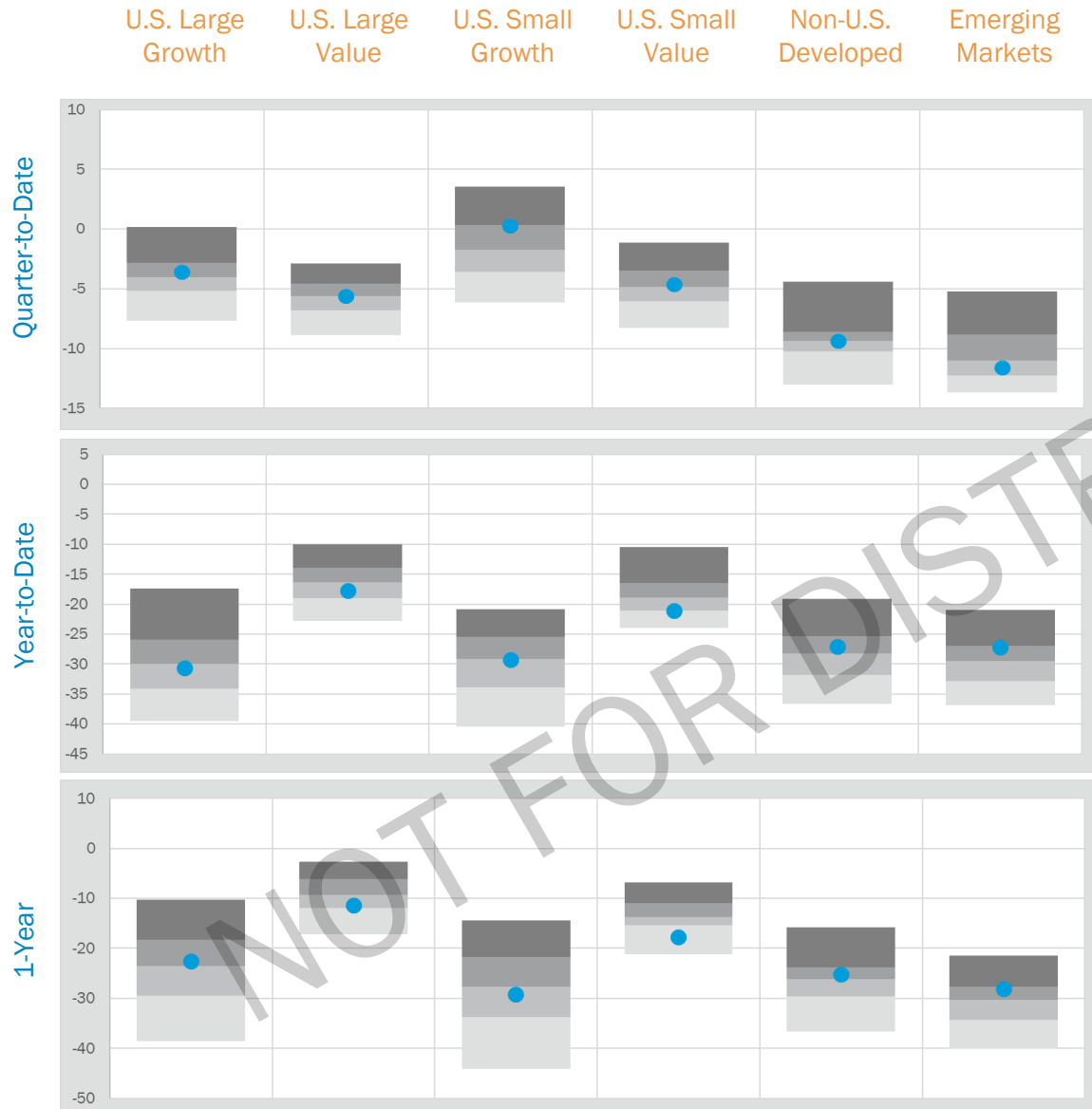
- Provide growth of portfolio assets in excess of inflation and spending rates
- Maintain comparable exposure to the global equity market
- Exhibit returns uncorrelated to fixed income markets



- Canterbury global equity portfolios are set up with a goal 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 September 30, 2022

Equity Review



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

- Three of the four major U.S. indices continued their decline in the third quarter.
- Small growth and large growth companies outperformed their value counterparts in the quarter. However, small value and large value companies are outperforming over the 1-year and YTD periods.
- Non-U.S. developed equities and emerging markets (EM) equities were also negative in the quarter. Non-U.S. developed equities held up relatively better in the quarter versus EM equities.

Sources: Morningstar Direct, Russell, MSCI

Market Capitalization Mix

Equity Review

Equity: U.S. Market Cap

	Current	10 Year Avg	Deviation from Mean*	Large	Neutral	Small
Valuation	Russell Top 200 Current P/E (Large Cap)	17.91	20.01	-0.56	-	
	R2000 Current P/E (Small Cap)	106.56	61.05	4.41	++	
	Avg P/E Ratio (Large/Small)	0.17	0.36	-1.26	+	
	Russell Top 200 EV/EBITDA [^] (Large Cap)	12.50	12.59	-0.04		-
	R2000 EV/EBITDA (Small Cap)	11.88	17.59	-1.46		+
	Avg EV/EBITDA Ratio (Large/Small)	1.05	0.72	2.14		++
	Russell Top 200 P/S (Large Cap)	2.41	2.29	0.21		-
	R2000 P/S (Small Cap)	1.04	1.20	-1.10		+
	Avg P/S Ratio (Large/Small)	2.33	1.90	1.04		+
Solvency	Russell Top 200 Debt/EBITDA (Large Cap)	3.54	4.19	-2.16	++	
	Russell 2000 Debt/EBITDA (Small Cap)	4.83	6.61	-0.94		-
	Avg Debt/EBITDA Ratio (Large/Small)	0.73	0.66	0.68		-
Growth	Russell Top 200 LT EPS Gr (Fwd) (Large Cap)	11.56	9.42	0.33		-
	R2000 LT EPS Gr (Fwd) (Small Cap)	16.57	10.01	2.03		++
	Avg Growth Ratio (Large/Small)	0.70	0.94	-0.30		-
Economy	Case Shiller Home Price (YoY)	16.06	8.00	1.52		+
	Total Leading Economic Indicators	116.20	104.74	1.30		+
	Currency (USD v Broad Basket)	112.12	92.92	2.69		++
	Curve Steepness 2's to 10's	-0.45	1.00	-2.07	++	

*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.

- There are various metrics used to value the equity universe. Canterbury prefers Price/Earnings, EV/EBITDA, and Price/Sales.
- The P/E metric for large caps remain below its 10-year average. Due to negative earnings, the small cap P/E ratio tends to be quite volatile in any given quarter. The small cap P/E ratio ex-negative earnings is 12.24x.
- The interest rate spread between the 10-year and two-year U.S. Treasury moved into negative territory in the quarter and is now two standard deviations below its long-term average.

Source: Russell

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	17.58	20.07	-0.70		-	
	MSCI ACWI Current P/E	14.45	19.02	-1.31			+
	Avg P/E Ratio (US /ACWI)	1.22	1.05	1.98			+
	S&P 500 EV/EBITDA [^]	12.21	12.78	-0.25		-	
	MSCI ACWI EV/EBITDA	9.82	11.31	-0.87		-	
	Avg EV/EBITDA Ratio (US/ACWI)	1.24	1.13	2.02			++
	S&P 500 P/S	2.17	2.09	0.17		-	
	MSCI ACWI P/S	1.58	1.57	0.04		-	
	Avg P/S Ratio (US/ACWI)	1.37	1.33	1.03			+
Solvency	S&P 500 Debt/EBITDA	3.56	4.14	-1.50	+		
	MSCI ACWI Debt/EBITDA	4.92	5.91	-1.81			+
	Avg Debt/EBITDA Ratio (US/ACWI)	0.72	0.70	0.77		-	
Growth	S&P 500 LT EPS Gr (Fwd)	11.17	9.00	0.26		-	
	MSCI ACWI LT EPS Gr (Fwd)	9.79	9.95	-0.01		-	
	Avg Growth Ratio (US/ACWI)	1.14	0.96	0.30		-	
Economy	Currency (USD v Broad Basket)	112.12	92.92	2.69			++

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Equity Review

- Earnings multiples and EV multiples continued to fall for U.S. equities and non-U.S. equities. Earnings multiples remain below long-term averages.
- Debt levels continue to be below long-term averages for both U.S. and global (R.O.W.) stocks, suggesting less concerning leverage conditions.
- Domestic equities long-term growth estimates remain above their long-term averages and R.O.W. equities growth estimates is roughly in line with long-term averages.
- The U.S. dollar continued to strengthen 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	11.55	19.20	-1.31	+	
	MSCI ACWI Current P/E	14.45	19.02	-1.31		+
	Avg P/E Ratio (EAFE/ACWI)	0.80	1.00	-1.62	+	
	MSCI EAFE EV/EBITDA [^]	6.98	9.78	-2.40	++	
	MSCI ACWI EV/EBITDA	9.82	11.31	-0.87		-
	Avg EV/EBITDA Ratio (EAFE/ACWI)	0.71	0.87	-2.13	++	
	MSCI EAFE P/S	1.08	1.16	-0.43		-
	Avg P/S Ratio (EAFE/ACWI)	0.68	0.74	-1.20	+	
Solvency	MSCI EAFE Debt/EBITDA	6.66	8.22	-1.49	+	
	MSCI ACWI Debt/EBITDA	4.92	5.91	-1.81		+
	Avg Debt/EBITDA Ratio (EAFE/ACWI)	1.35	1.39	-0.48		-
Growth	MSCI EAFE LT EPS Gr (Fwd)	9.13	7.32	0.06		-
	MSCI ACWI LT EPS Gr (Fwd)	9.79	9.95	-0.01		-
	Avg Growth Ratio (EAFE/ACWI)	0.93	0.75	0.07		-
Economy	USD/EUR	0.98	1.17	-2.04	++	

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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.

- The non-U.S. developed and the R.O.W. P/E ratios fell in the quarter. Most of the valuation metrics for both non-U.S. developed and R.O.W. equity valuations are below their long-term averages.
- Debt levels for both non-U.S. developed and R.O.W. stocks remained below their long-term averages in the quarter.
- Earnings growth forecasts slightly improved for both non-U.S. developed equities and R.O.W. equities.
- The euro fell to a two decade low versus the dollar in the quarter, falling below parity.

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	9.81	14.19	-1.62	+		
	MSCI ACWI Current P/E	14.45	19.02	-1.31			+
	Avg P/E Ratio (EM/ACWI)	0.68	0.75	-1.34	+		
	MSCI EM EV/EBITDA^	7.40	8.68	-0.86		-	
	MSCI ACWI EV/EBITDA	9.82	11.31	-0.87		-	
	Avg EV/EBITDA Ratio (EM/ACWI)	0.75	0.77	-0.38		-	
	MSCI EM P/S	1.03	1.21	-0.84		-	
	MSCI ACWI P/S	1.58	1.57	0.04		-	
	Avg P/S Ratio (EM/ACWI)	0.65	0.78	-1.97	+		
Solvency	MSCI EM Debt/EBITDA	4.25	4.50	-0.44		-	
	MSCI ACWI Debt/EBITDA	4.92	5.91	-1.81			+
	Avg Debt/EBITDA Ratio (EM/ACWI)	0.86	0.77	1.42			+
Growth	MSCI EM LT EPS Gr (Fwd)	6.48	9.03	-0.11		-	
	MSCI ACWI LT EPS Gr (Fwd)	9.79	9.95	-0.01		-	
	Avg Growth Ratio (EM/ACWI)	0.66	0.90	-0.50		-	

- The EM equities and R.O.W equities valuation multiples fell in the quarter, with most of the valuations at or below historical averages. EM equities appear to be attractively valued from a relative valuation standpoint.
- Debt levels for EM countries remain around long-term averages and remain below historical averages for R.O.W. equities.
- Growth expectations fell for EM and rose slightly for R.O.W. equities. R.O.W. equities growth expectations are near historical averages.

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Source: MSCI