CanterburyConsulting

Quarterly Asset Class Report
Global Equity

canterburyconsulting.com

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Role in the Portfolio

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

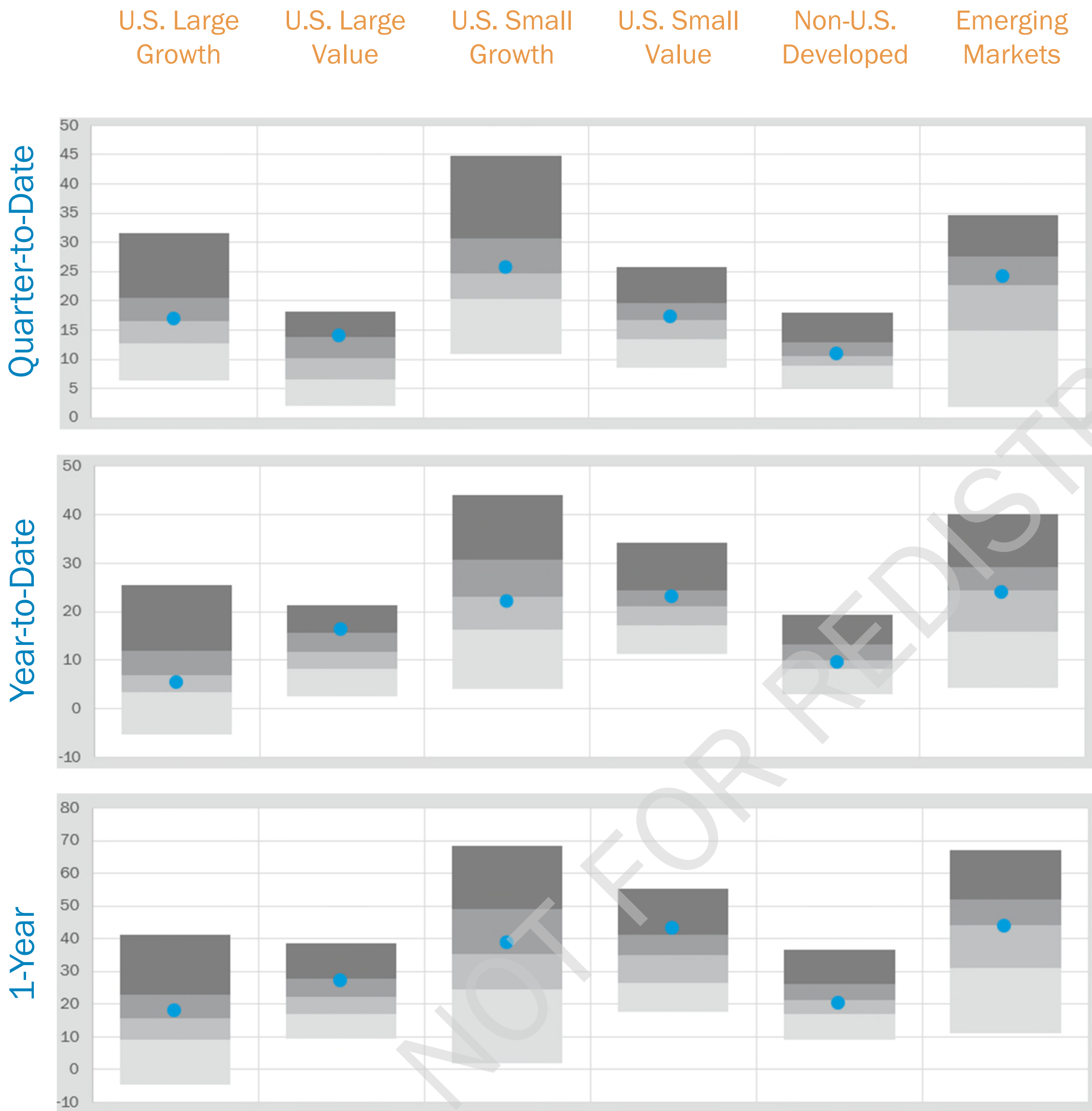
- Provide growth of portfolio assets in excess of inflation and spending rates
- Maintain comparable exposure to the global equity market
- Exhibit returns uncorrelated to fixed income markets

Role	Asset Categories	Risks
Growth	**Public and Private Equity**	**Market Decline**
Capital Preservation	Fixed Income, Hedge Funds	Rising Interest Rates, Highly Correlated Markets
Inflation Protection	Real Assets: Real Estate, Commodities	Deflation

- 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 (%)

Equity Review (As of 6/30/2026)



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

- Leadership shifted away from value and towards growth during the quarter, with U.S. small cap growth posting the strongest quarter-to-date gains. U.S. value lagged sharply, particularly in large caps, while EM posted strong gains and non-U.S. developed lagged the broader rally.
- The style gap inverted this quarter as U.S. growth outperformed U.S. value quarter-to-date. On a 1-year basis, large-cap value outperformed growth, while small-cap value outperformed small-cap growth.
- Large-cap value proved difficult for active managers this quarter, with a handful of stocks accounting for much of the Russell 1000 Value's performance.
- Over the past year, EM outperformed both developed international and U.S. markets.

Sources: Morningstar Direct, Russell, MSCI

Market Capitalization Mix

Equity Review (as of 6/30/2026)

Equity: U.S. Market Cap

		Current	10 Year Avg	Deviation from Mean*	Large	Neutral	Small
Valuation	Russell Top 200 Current P/E (Large Cap)	29.06	23.70	1.27			+
Valuation	R2000 Current P/E (Small Cap)	94.87	46.81	3.09	++		
Valuation	Avg P/E Ratio (Large/Small)	0.31	0.50	-1.11	+		
Valuation	Russell Top 200 EV/EBITDA^ (Large Cap)	20.48	15.65	1.73			+
Valuation	R2000 EV/EBITDA (Small Cap)	17.22	14.36	1.37	+		
Valuation	Avg EV/EBITDA Ratio (Large/Small)	1.19	1.09	0.69		-	
Valuation	Russell Top 200 P/S (Large Cap)	4.35	2.88	2.20			++
Valuation	R2000 P/S (Small Cap)	1.44	1.25	1.08	+		
Valuation	Avg P/S Ratio (Large/Small)	3.03	2.30	1.67			+
Solvency	Russell Top 200 Debt/EBITDA (Large Cap)	1.67	2.21	-1.79	+		
Solvency	Russell 2000 Debt/EBITDA (Small Cap)	5.79	4.96	1.62	+		
Solvency	Avg Debt/EBITDA Ratio (Large/Small)	0.29	0.45	-2.12	++		
Growth	Russell Top 200 LT EPS Gr (Fwd) (Large Cap)	18.87	12.83	3.06	++		
Growth	Russell 2000 LT EPS Gr (Fwd) (Small Cap)	14.54	13.44	0.59		-	
Growth	Avg Growth Ratio (Large/Small)	1.30	0.96	3.00	++		
Economy	Currency (USD v Broad Basket)	101.19	98.55	0.53		-	
Economy	Curve Steepness 2's to 10's	0.29	0.36	-0.12		-	

**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.
- Valuations for both large- and small-cap equities rose during the quarter and remain well above long-term historical averages.
- Large-cap leverage remained stable and below historical norms, while small-cap debt levels saw a slight increase and continues to sit above long-term averages.
- The Treasury yield curve tightened in the quarter and now sits below its long-term average slope.

Source: Russell

Region Mix — U.S. vs. R.O.W.

Equity Review (as of 6/30/2026)

	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	28.01	23.88	1.03			+
Valuation	MSCI ACWI Current P/E	23.88	20.12	1.14	+		
Valuation	Avg P/E Ratio (US /ACWI)	1.17	1.19	-0.24		-	
Valuation	S&P 500 EV/EBITDA^	18.98	15.32	1.53			+
Valuation	MSCI ACWI EV/EBITDA	16.19	12.77	1.94	+		
Valuation	Avg EV/EBITDA Ratio (US/ACWI)	1.17	1.20	-0.60		-	
Valuation	S&P 500 P/S	3.54	2.56	2.09			++
Valuation	MSCI ACWI P/S	2.73	1.87	2.48	++		
Valuation	Avg P/S Ratio (US/ACWI)	1.29	1.37	-2.00	+		
Solvency	S&P 500 Debt/EBITDA	2.05	2.47	-1.49	+		
Solvency	MSCI ACWI Debt/EBITDA	2.34	2.76	-1.34			+
Solvency	Avg Debt/EBITDA Ratio (US/ACWI)	0.88	0.89	-0.64		-	
Growth	S&P 500 LT EPS Gr (Fwd)	18.07	12.78	2.92	++		
Growth	MSCI ACWI LT EPS Gr (Fwd)	17.13	12.07	2.40			++
Growth	Avg Growth Ratio (US/ACWI)	1.05	1.07	-0.12		-	
Economy	Currency (USD v Broad Basket)	101.19	98.55	0.53		-	

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- Valuation multiples expanded for U.S. and non-U.S. equities, moving further above long-term averages.
- Corporate debt levels remained below long-term averages across both U.S. and international (R.O.W.) markets, with little change from the prior quarter.
- U.S. long-term earnings growth expectations rose meaningfully, moving further above historical norms, with R.O.W. estimates also rising meaningfully above their long-term averages.
- The U.S. dollar strengthened over the quarter and moved further above its long-term average.

Sources: MSCI, Standard & Poor's

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

Equity Review (as of 6/30/2026)

	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	18.87	16.61	0.70		-	
	MSCI ACWI Current P/E	23.88	20.12	1.14	+		
	Avg P/E Ratio (EAFE/ACWI)	0.79	0.83	-0.51		-	
	MSCI EAFE EV/EBITDA^	11.95	10.23	1.75			+
	MSCI ACWI EV/EBITDA	16.19	12.77	1.94	+		
	Avg EV/EBITDA Ratio (EAFE/ACWI)	0.74	0.81	-1.07	+		
	MSCI EAFE P/S	1.77	1.29	2.65			++
	MSCI ACWI P/S	2.73	1.87	2.48	++		
	Avg P/S Ratio (EAFE/ACWI)	0.65	0.69	-1.02	+		
Solvency	MSCI EAFE Debt/EBITDA	2.98	3.10	-0.34		-	
	MSCI ACWI Debt/EBITDA	2.34	2.76	-1.34			+
	Avg Debt/EBITDA Ratio (EAFE/ACWI)	1.27	1.12	2.47			++
Growth	MSCI EAFE LT EPS Gr (Fwd)	11.40	9.94	0.62		-	
	MSCI ACWI LT EPS Gr (Fwd)	17.13	12.07	2.40			++
	Avg Growth Ratio (EAFE/ACWI)	0.67	0.82	-1.44			+
Economy	EUR/USD	1.14	1.12	0.34		-	

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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.

- Valuations for non-U.S. developed and R.O.W. equities rose in the quarter and continue to remain above long-term historical averages.
- Debt levels across both non-U.S. developed and R.O.W. markets remained below long-term averages, and saw a slight down tick in the quarter
- Earnings growth expectations for non-U.S. developed equities rose during the quarter. Growth estimates remained above historical averages for a third consecutive quarter for R.O.W. equities.
- The euro was little changed in the quarter and remains above its long-term average.

Source: MSCI

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

Equity Review (as of 6/30/2026)

	Equity: Region (EM/Global)	Current	10 Year Avg	Deviation from Mean*	EM	Neutral	R.O.W.
Valuation	MSCI EM Current P/E	18.55	15.27	1.25			+
	MSCI ACWI Current P/E	23.88	20.12	1.14	+		
	Avg P/E Ratio (EM/ACWI)	0.78	0.76	0.29		-	
	MSCI EM EV/EBITDA^	13.42	9.84	2.38			++
	MSCI ACWI EV/EBITDA	16.19	12.77	1.94	+		
	Avg EV/EBITDA Ratio (EM/ACWI)	0.83	0.77	1.16			+
	MSCI EM P/S	2.17	1.40	3.20			++
	MSCI ACWI P/S	2.73	1.87	2.48	++		
	Avg P/S Ratio (EM/ACWI)	0.80	0.75	0.64		-	
Solvency	MSCI EM Debt/EBITDA	2.11	2.59	-1.96	+		
	MSCI ACWI Debt/EBITDA	2.34	2.76	-1.34			+
	Avg Debt/EBITDA Ratio (EM/ACWI)	0.90	0.94	-0.58		-	
Growth	MSCI EM LT EPS Gr (Fwd)	23.01	15.06	2.36	++		
	MSCI ACWI LT EPS Gr (Fwd)	17.13	12.07	2.40			++
	Avg Growth Ratio (EM/ACWI)	1.34	1.23	0.73		-	

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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.

- Valuations for both EM and R.O.W. equities expanded during the quarter, narrowing EM's valuation discount relative to R.O.W. equities.
- Debt levels in EM and R.O.W. markets decreased modestly during the quarter, moving further below long-term historical averages.
- Long-term earnings growth expectations increased substantially for both EM and R.O.W. equities and continue to remain above long-term averages.

Source: MSCI

Portfolio Characteristics

Equity Review (as of 6/30/2026)

Recommended Ranges

MARKET CAP (U.S.)	MINIMUM	MAXIMUM	R3000
Large Cap	50.0%	80%	71.8%
Mid Cap	15.0%	20.0%	19.7%
Small Cap	2.5%	10%	8.5%

REGION	MINIMUM	MAXIMUM	MSCI ACWI
U.S.	50.0%	75.0%	63.1%
Non-U.S. Developed	25.0%	35.0%	30.2%
Emerging Markets	5.0%	15.0%	6.7%

- Canterbury continues to believe non-U.S. equities remain attractively valued relative to U.S. equities, though less so than before as valuation gaps have continued to narrow.
- Our market cap exposures target a neutral position. Valuation, growth, and economic indicators do not support a major shift at this time.
- As the equity market cycle matures, Canterbury believes its utilization of active managers that can avoid overvalued regions, sectors, and securities will contribute positively to performance.

Client-specific objectives and constraints may cause allocations to vary from recommended ranges.