

Canterbury Consulting

canterburyconsulting.com

## Global Positioning Statement™

Canterbury Consulting ("CCI") is an SEC registered Investment Adviser. Information pertaining to CCI's advisory operations, services, and fees is set forth in CCI's current Form ADV Part 2 (Brochure), a copy of which is available upon request and at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Information provided through CCI's Quarterly Outlook related to market or asset class performance figures is believed to be derived from reliable sources. However, CCI assumes no responsibility for their content or the manner in which the viewer utilizes such information. The performance information presented in certain charts or tables is for informational purpose only and represents historical performance based on available market data results for the quarterly period shown above and does not reflect any performance related to trading in actual accounts. Any recommendations or statement made in the Quarterly Outlook is not to be construed as specific investment advice. The viewer should be aware of the inherent limitations of data derived from the retroactive application of historical data developed with the benefit of hindsight and that actual results may differ. Actual performance with client accounts would be materially less than the stated performance results for the same period when including the deduction of advisory fees, brokerage or other commissions, and any other expenses that a client would have paid.

December 31, 2024

## Quarter In Review

### Fourth Quarter Commentary

- In the fourth quarter of 2024, U.S. equity performance remained positive and concentrated, particularly in large caps with the cap weighted indices outperforming their equal weighted counterparts. The performance was largely driven by two factors: the election's positive impact on investor sentiment and the "Magnificent 7", which posted gains of over 15% on the quarter and more than 60% for the year. Relative to large cap equities which posted gains of 2.41% for the quarter, their small and mid-cap counterparts lagged, posting positive returns of 0.33% and 0.62%, respectively.
- Both international developed and emerging markets equities struggled on the back of a strong U.S. dollar and the exceptional performance of U.S. technology stocks. The MSCI EAFE index posted a negative return of (8.11%) for the quarter, while the MSCI EM index lost (8.01%).
- In the fourth quarter, the Federal Reserve cut interest rates twice by 25 basis points (bps), bringing the target federal funds range to 4.25%–4.50% as risks to employment and inflation appeared balanced. At the December FOMC meeting, Chair Powell noted that economic activity continued to expand at a solid pace, inflation remained elevated, labor market conditions had generally eased, and unemployment remained relatively low. At the Fed's December FOMC meeting, inflation expectations were revised upward, while the unemployment rate forecast was adjusted lower compared to the September FOMC meeting. Due to higher inflation expectations, the Federal Reserve indicated fewer rate cuts are anticipated in 2025.
- During the quarter, the yield curve normalized relative to the prior quarter, with front-end rates declining and long-term rates rising, reflecting the Fed's rate cuts and higher inflation expectations. Investment-grade (IG) and high-yield (HY) credit spreads tightened over the quarter, remaining well below their long-term median levels.
- Indicators used to measure U.S. economic activity, such as the ISM Manufacturing and Non-Manufacturing indexes, continued to show mixed signals of contractionary and expansionary activity, respectively, further complicating the inflation and interest rate outlook for the Fed.

As of December 31, 2024

### Returns through December 31, 2024

Index	QTD	YTD
<b>Growth</b> MSCI ACWI	-0.99%	17.49
<b>Capital Preservation</b> Bloomberg Global Aggregate	-5.10%	-1.69%
<b>Inflation Protection</b> Morningstar U.S. Real Asset*	-5.27%	4.13%

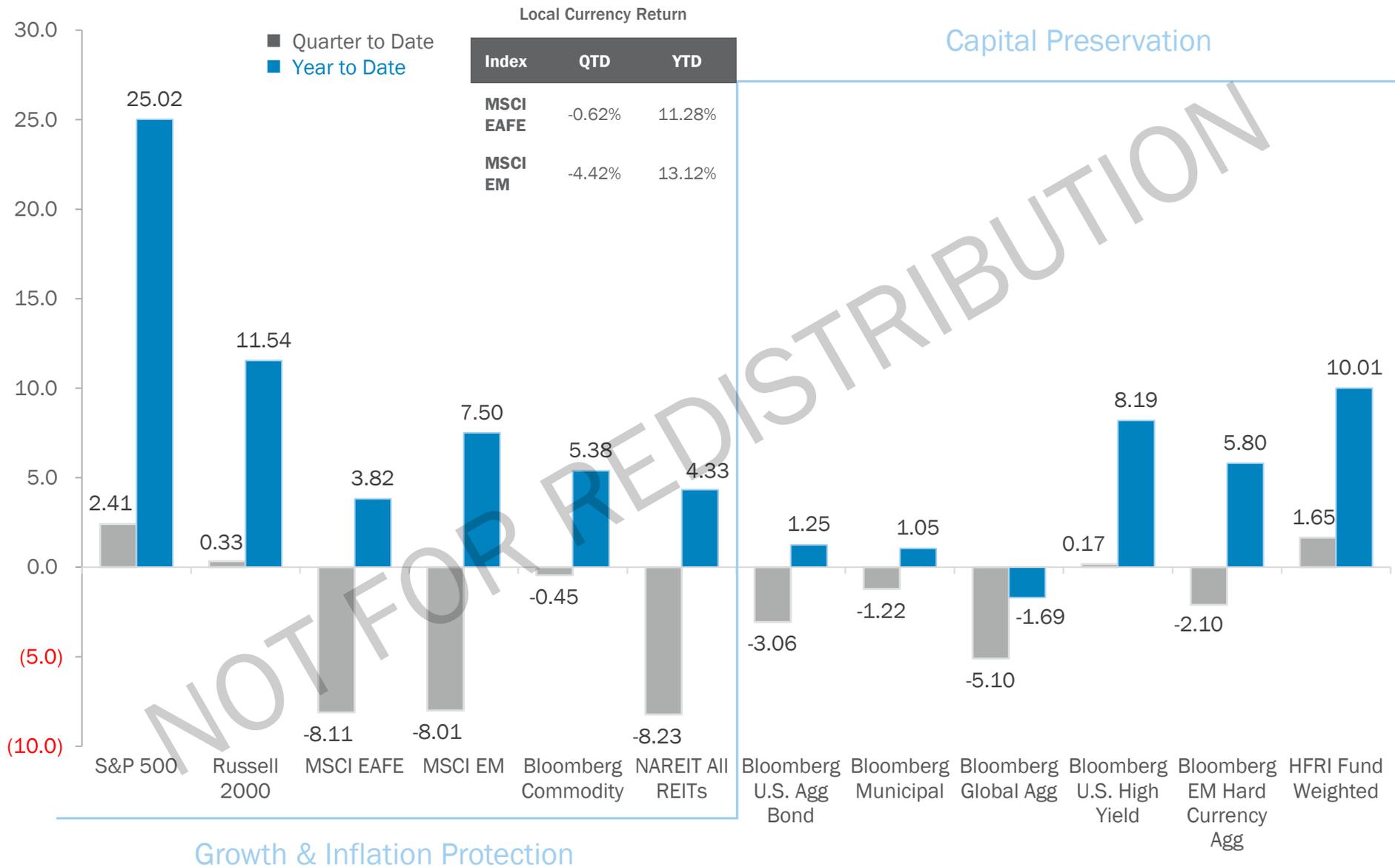
Sources: MSCI ACWI Index, MSCI ACWI ex-US Index, MSCI EAFE Index, MSCI EM Index, Federal Reserve Board of Governors, U.S. Bureau of Labor Statistics, Morningstar

[1] BofA IG & HY spreads data starting Jan 2006

\*40% TIPS, 30% L/S Commodity, 15% REITs, 10% Global Nat. Resources, 5% MLPs

# Index Returns (%)

As of December 31, 2024



Source: Morningstar

Year over Year Statistics<sup>1</sup>

	December 31, 2019	December 31, 2020	December 31, 2021	December 30, 2022	December 29, 2023	December 31, 2024
<b>S&amp;P 500</b>	3,230.78	3,756.07	4,766.18	3,839.50	4,769.83	5,881.63
<b>S&amp;P 500 EPS</b>	164.13	142.82	198.67	223.75	221.62	238.39
<b>P/E of S&amp;P 500</b>	21.23	28.85	26.00	18.29	23.01	24.67
<b>P/E of MSCI EAFE</b>	17.31	25.07	17.06	14.14	14.90	15.05
<b>P/E of MSCI EM</b>	15.01	22.07	14.29	12.30	14.92	15.43
<b>S&amp;P 500 Earnings Yield</b>	4.71	3.47	3.85	5.47	4.35	3.78
<b>Fed Funds Effective Rate</b>	1.55	0.09	0.08	4.10	5.33	4.48
<b>3 Month LIBOR</b>	1.91	0.24	0.21	4.77	5.59	4.85
<b>10 Year Treasury Yield</b>	1.92	0.91	1.51	3.87	3.88	4.57
<b>30 Year Mortgage Rate</b>	3.86	2.87	3.27	6.66	6.99	7.28
<b>Bloomberg U.S. Agg Yield</b>	2.31	1.12	1.75	4.68	4.53	4.91
<b>Bloomberg HY Spread</b>	3.36	3.60	2.83	4.69	3.23	2.87
<b>Gold (\$/oz)</b>	1,517.27	1,898.36	1,829.20	1,824.02	2,062.98	2,624.50
<b>WTI Crude Oil (\$/bbl)</b>	61.06	48.52	76.99	80.26	71.65	71.72
<b>Unemployment Rate</b>	3.60	6.70	3.90	3.50	3.80	4.10
<b>Headline CPI<sup>2</sup></b>	2.30	1.40	7.00	6.50	3.40	2.70
<b>VIX Index</b>	13.78	22.75	17.22	21.67	12.45	17.35

## Forward Looking Forecasts

	Real GDP <sup>3</sup>	CPI <sup>3</sup>	Unemployment <sup>3</sup>	10-Yr Treasury <sup>3</sup>	S&P 500 EPS <sup>4</sup>	Forward P/E <sup>4</sup>	MSCI EAFE EPS <sup>4</sup>	Forward P/E <sup>4</sup>	MSCI EM EPS <sup>4</sup>	Forward P/E <sup>4</sup>
2024	2.7%	2.9%	4.0%	4.57%	\$262.52	22.40	\$157.68	14.34	\$87.52	12.29
2025	2.1%	2.5%	4.3%	4.16%	\$271.04	21.70	\$160.90	14.06	\$91.12	11.80

1) Sources: MSCI, FRED, SP Global

2) Values are carried forward from the most recent reported value (12/31/2024)

3) Forecasts are consensus opinions from forecasting agencies

4) Index Forecasts - Forward 12-month estimate, Forward 24-month estimate

Estimate calculated from quarter end (i.e. Dec. 31, 2024 - Dec. 31, 2025). Price in P/E ratio static as of quarter end.

## Current U.S. Economic Conditions: Cautious Growth

### Contraction

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets

Volatility (VIX)

Yield Curve: Below avg.

Investor Sentiment

### Normal Growth

U.S. GDP Growth: Above avg. growth

U.S. Unemployment: Below avg. unemployment

U.S. Credit Markets

Volatility (VIX): Below avg. volatility

Yield Curve

Investor Sentiment: Above avg. sentiment

### Panic

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets

Volatility (VIX)

Yield Curve

Investor Sentiment

### Manic Growth

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets: Sig. below avg. spreads

Volatility (VIX)

Yield Curve

Investor Sentiment

Metrics	Quarter avg.	10-year avg.
<b>U.S. GDP Growth:</b> Prior quarter U.S. Real GDP versus the 10 year U.S. Real GDP average*	3.1%	2.6%
<b>U.S. Unemployment:</b> Quarter avg. unemployment rate versus the 10 year average	4.2%	4.7%
<b>U.S. Credit Markets:</b> Quarter avg. Barclays US Corporate HY Average OAS versus the 10 year average	278	419
<b>Volatility (VIX):</b> Quarter avg. VIX average versus the 10 year VIX average	18.0	18.5
<b>Yield Curve:</b> Quarter avg. 30-year yield minus the quarter avg. 2-year yield versus the 10 year average	35 bps	92 bps
<b>Investor Sentiment:</b> Quarterly Sentiment spread versus the 10 year average spread. Spread measured by difference between Bull Sentiment Index and Bear Sentiment Index.	3.6	1.2

\*U.S. GDP Growth is the current, end of previous quarter reading

Sources: FRED, MSCI, SP Global  
As of December 31, 2024, Q4 2024 data

# Global Positioning Indicators

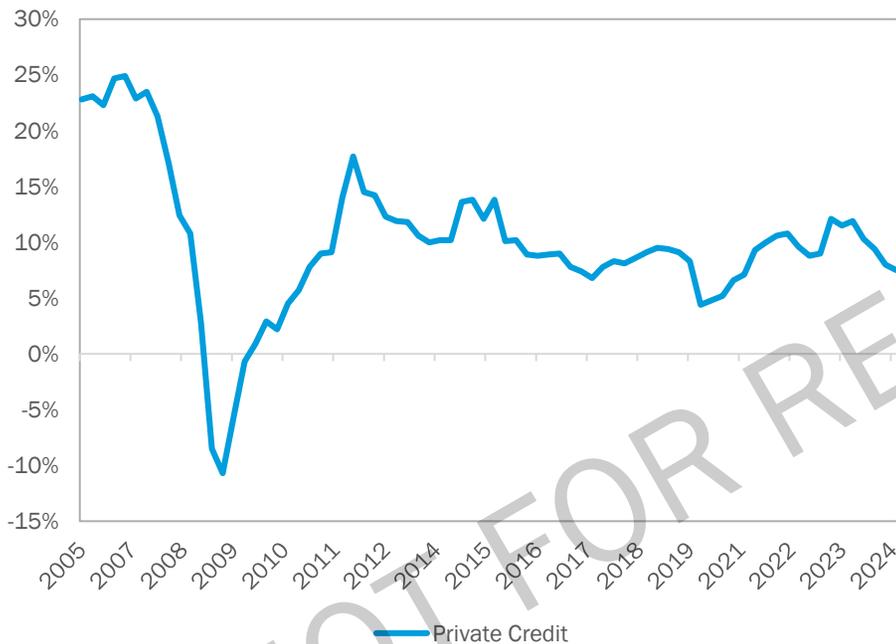
As of December 31, 2024



Sources: FRED, MSCI, SP Global

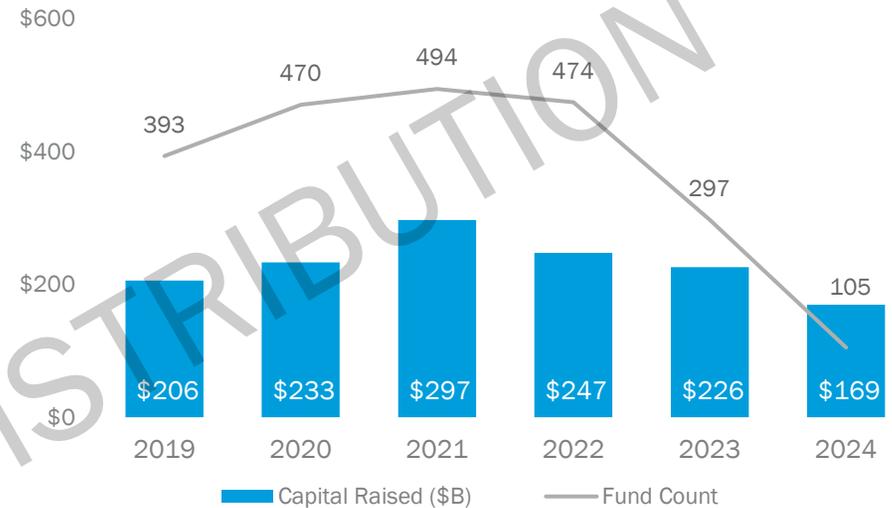
## Market Environment

### Private Credit Rolling 3-Year IRR<sup>1</sup>

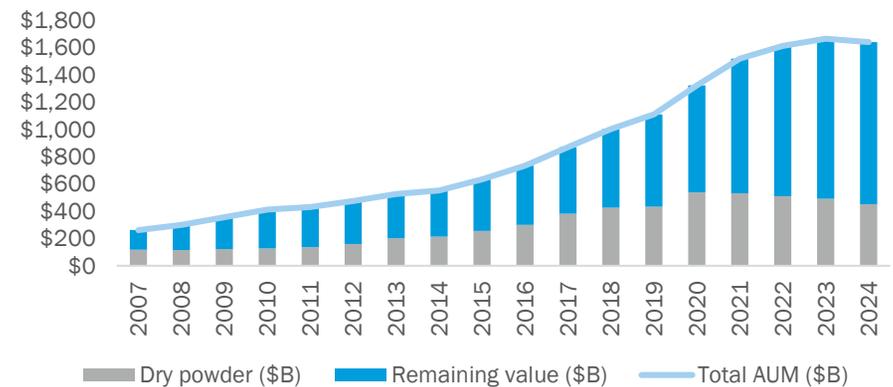


## Historical Returns

### Private Credit Fundraising Activity<sup>2</sup>



### Size of Market<sup>3</sup>

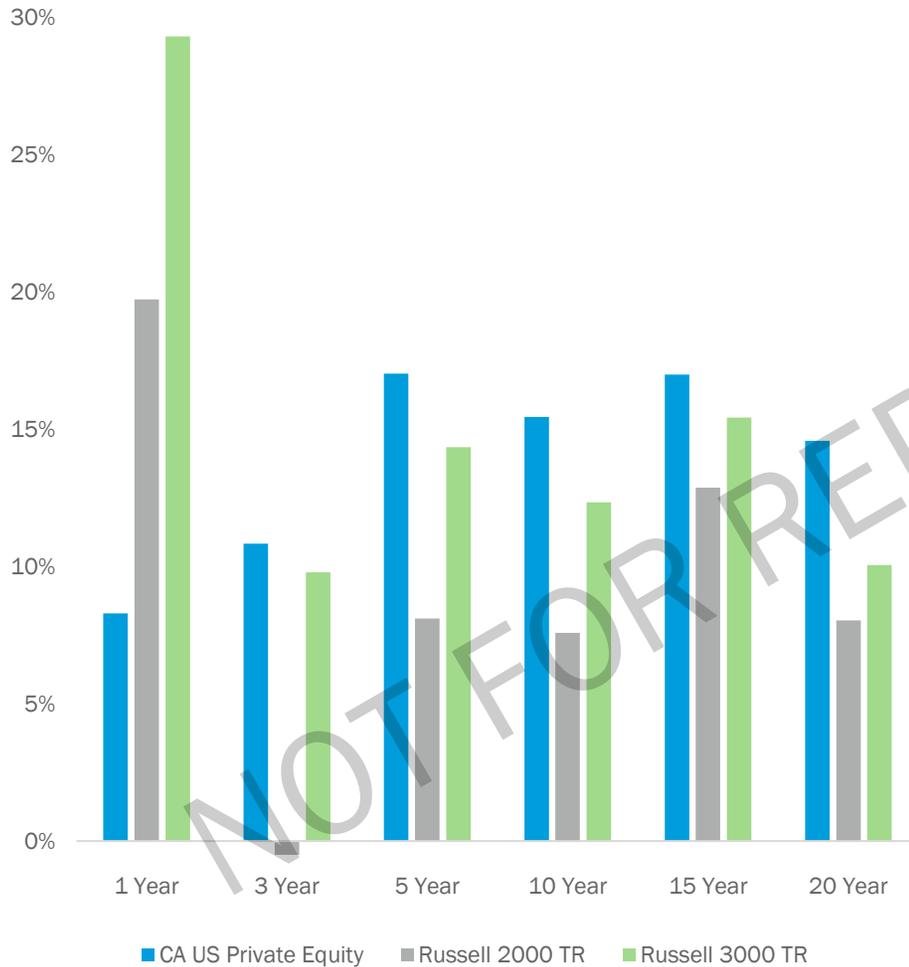


1) Pitchbook Data as of 9/30/2024. Private Credit includes the aggregation of general debt, venture debt, infrastructure debt, real estate debt, bridge financing, mezzanine debt, credit special situations, and distressed debt as defined by Pitchbook.

2) Pitchbook Data as of 9/30/2024

3) Pitchbook Data as of 3/31/2024

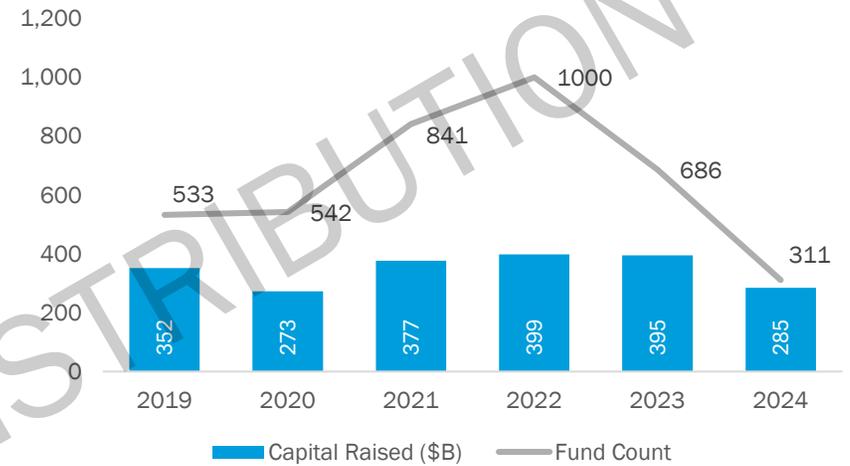
### US Private Equity and Public Equity Index Returns<sup>1</sup> as of 3/31/2024



Historical Returns

## Market Environment

### US PE Fundraising Activity<sup>2</sup>



### US Deal and Exit Value<sup>2</sup>

