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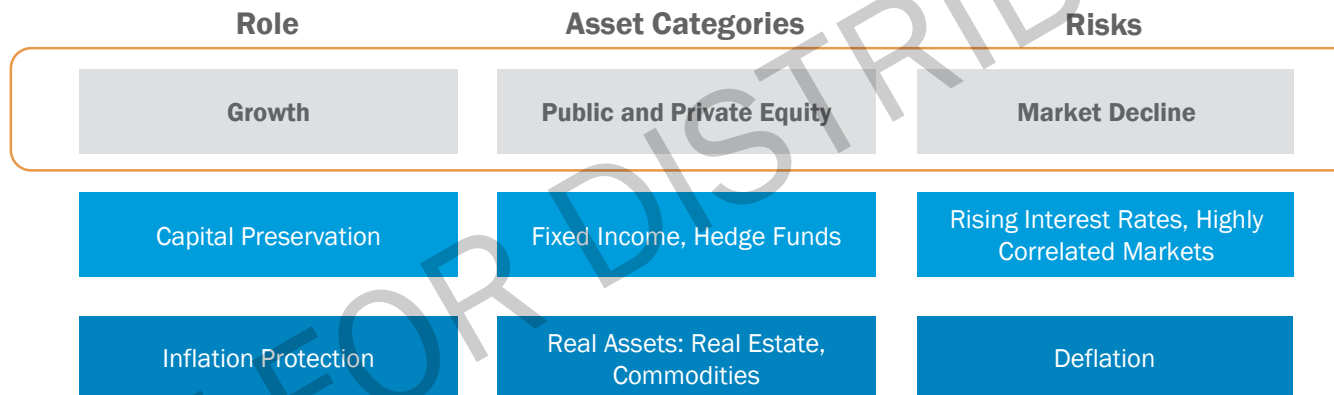
Quarterly Asset Class Report Global Equity

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March 31, 2021

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):

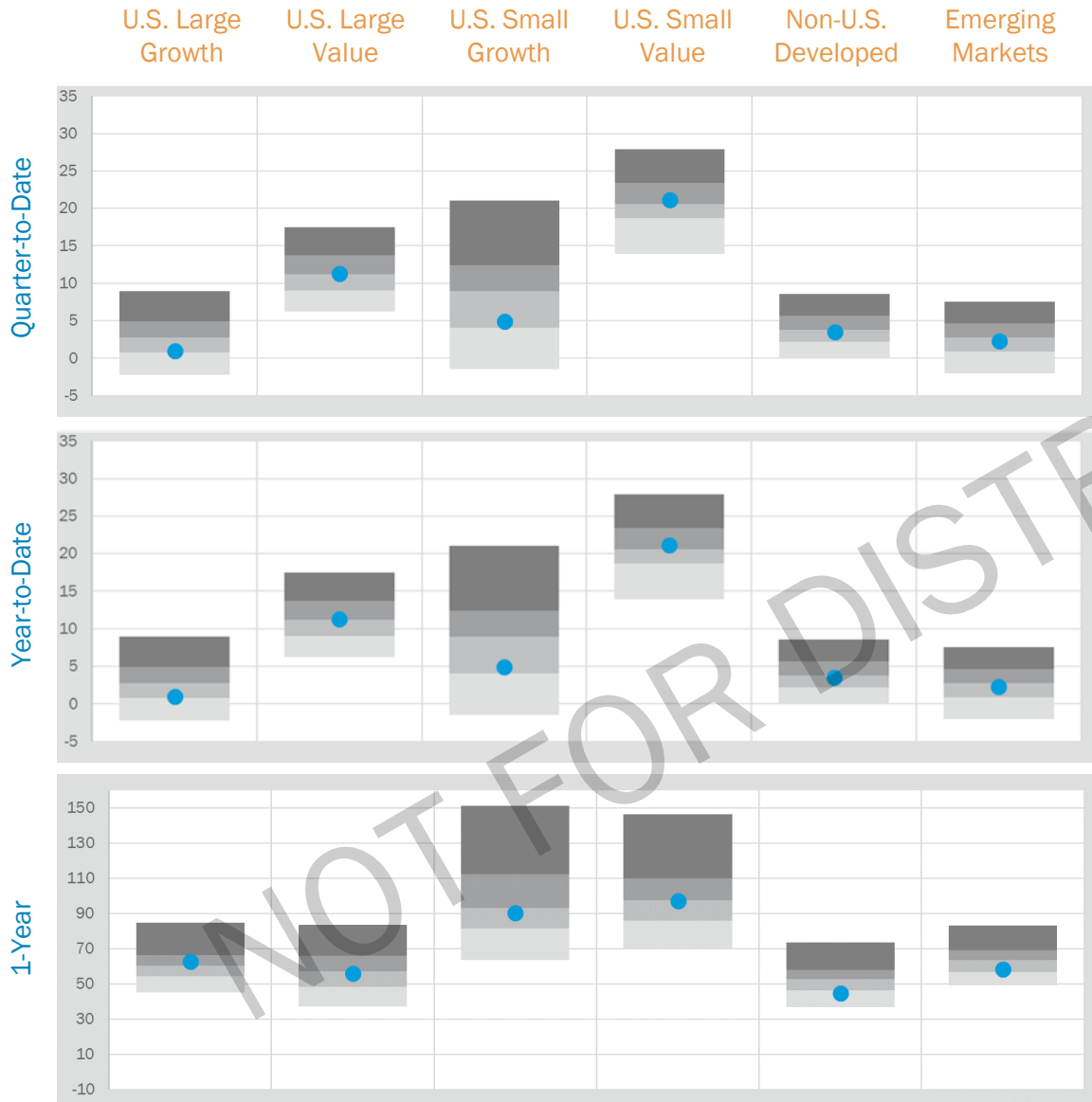
- Provide growth of portfolio assets in excess of inflation and spending rates
- Maintain comparable exposure to the global equity market
- Exhibit returns uncorrelated to fixed income markets



- 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, 2021

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. indices rose in the quarter. U.S. small-cap stocks outperformed large-cap stocks for the second straight quarter and also outperformed over the one-year time period.
- Value significantly outperformed growth in the quarter. The performance spread between growth and value was most pronounced at the lower end of the market cap spectrum.
- Although faced with currency headwinds, non-U.S. developed and emerging markets (EM) equities rallied in the quarter. EM equities lagged non-U.S. developed equities in the quarter but have outperformed over the one-year time period.

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)	31.35	18.59	3.34		++
	R2000 Current P/E (Small Cap)	N/A	45.29	N/A		-
	Avg P/E Ratio (Large/Small)	N/A	0.43	N/A		-
	Russell Top 200 EV/EBITDA [^] (Large Cap)	18.93	11.49	2.95		++
	R2000 EV/EBITDA (Small Cap)	33.92	16.93	3.57	++	
	Avg EV/EBITDA Ratio (Large/Small)	0.56	0.68	-1.74	+	
	Russell Top 200 P/S (Large Cap)	3.42	2.02	2.87		++
	R2000 P/S (Small Cap)	1.60	1.13	3.11	++	
	Avg P/S Ratio (Large/Small)	2.14	1.77	0.99		-
Solvency	Russell Top 200 Debt/EBITDA (Large Cap)	4.67	4.28	1.65		+
	Russell 2000 Debt/EBITDA (Small Cap)	11.27	6.45	2.24	++	
	Avg Debt/EBITDA Ratio (Large/Small)	0.41	0.69	-1.81	+	
Growth	Russell Top 200 LT EPS Gr (Fwd) (Large Cap)	12.30	9.22	0.70		-
	R2000 LT EPS Gr (Fwd) (Small Cap)	9.50	9.92	-0.10		-
	Avg Growth Ratio (Large/Small)	1.29	0.93	0.51		-
Economy	Case Shiller Home Price (YoY)	11.10	5.00	1.39		+
	Total Leading Economic Indicators	110.50	99.67	1.28		+
	Currency (USD v Broad Basket)	93.23	90.11	0.38		-
	Curve Steepness 2's to 10's	1.58	1.19	0.54		-

*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.
- Valuation metrics continued their upward trajectory for both small caps and large caps in the quarter. The P/E ratio is labeled N/A for the small cap index due to negative earnings in the quarter.
- The growth estimate for large caps remains above its long-term average whereas the small cap growth estimate fell below its long-term average.
- The interest rate spread between the 10-year and two-year U.S. Treasury widened sharply in the quarter and surpassed 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	32.25	18.73	3.72			++
	MSCI ACWI Current P/E	32.18	18.21	3.63	++		
	Avg P/E Ratio (US /ACWI)	1.00	1.03	-0.51		-	
	S&P 500 EV/EBITDA^	19.94	11.76	3.27			++
	MSCI ACWI EV/EBITDA	16.59	10.62	3.19	++		
	Avg EV/EBITDA Ratio (US/ACWI)	1.20	1.10	1.89			+
	S&P 500 P/S	2.98	1.87	2.80			++
	MSCI ACWI P/S	2.20	1.42	2.90	++		
Avg P/S Ratio (US/ACWI)	1.35	1.31	0.90		-		
Solvency	S&P 500 Debt/EBITDA	5.12	4.20	2.67			++
	MSCI ACWI Debt/EBITDA	7.16	5.98	2.46	++		
	Avg Debt/EBITDA Ratio (US/ACWI)	0.72	0.70	0.49		-	
Growth	S&P 500 LT EPS Gr (Fwd)	11.61	8.92	0.55		-	
	MSCI ACWI LT EPS Gr (Fwd)	9.02	9.60	-0.02		-	
	Avg Growth Ratio (US/ACWI)	1.29	0.98	0.60		-	
Economy	Currency (USD v Broad Basket)	93.23	90.11	0.38		-	

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Equity Review

- Earnings, EV, and sales multiples ticked up for both U.S. equities and equities outside of the U.S. Valuations remain above long-term averages.
- Debt levels remain above long-term averages for both U.S. and global (R.O.W.) stocks, suggesting more concerning leverage conditions.
- Expected earnings growth remains above 10-year averages for domestic equities whereas earnings growth estimates for R.O.W. equities fell below their long-term average.
- 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	40.23	18.84	3.45			++
	MSCI ACWI Current P/E	32.18	18.21	3.63	++		
	Avg P/E Ratio (EAFE/ACWI)	1.25	1.02	2.11			++
	MSCI EAFE EV/EBITDA [^]	13.13	9.52	3.03			++
	MSCI ACWI EV/EBITDA	16.59	10.62	3.19	++		
	Avg EV/EBITDA Ratio (EAFE/ACWI)	0.79	0.90	-1.80	+		
	MSCI EAFE P/S	1.47	1.07	2.37			++
	MSCI ACWI P/S	2.20	1.42	2.90	++		
Avg P/S Ratio (EAFE/ACWI)	0.67	0.76	-2.31	++			
Solvency	MSCI EAFE Debt/EBITDA	10.10	8.40	1.89			+
	MSCI ACWI Debt/EBITDA	7.16	5.98	2.46	++		
	Avg Debt/EBITDA Ratio (EAFE/ACWI)	1.41	1.40	0.15		-	
Growth	MSCI EAFE LT EPS Gr (Fwd)	6.56	7.53	-0.03		-	
	MSCI ACWI LT EPS Gr (Fwd)	9.02	9.60	-0.02		-	
	Avg Growth Ratio (EAFE/ACWI)	0.73	0.68	0.02		-	
Economy	USD/EUR	1.17	1.21	-0.31		-	

- Both non-U.S. developed and R.O.W. equity valuations remain above their long-term averages.
- Debt levels for both non-U.S. developed and R.O.W. fell slightly in the quarter but remain above their long-term averages.
- Earnings growth forecasts for both non-U.S. developed and R.O.W. equities fell below their 10-year average.
- The euro weakened versus the dollar, falling below its 10-year average. A weaker dollar can benefit U.S. companies with revenues in Europe and costs in U.S. dollars.

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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	23.59	13.79	3.44			++
	MSCI ACWI Current P/E	32.18	18.21	3.63	++		
	Avg P/E Ratio (EM/ACWI)	0.73	0.76	-0.54		-	
	MSCI EM EV/EBITDA [^]	13.37	8.42	3.43			++
	MSCI ACWI EV/EBITDA	16.59	10.62	3.19	++		
	Avg EV/EBITDA Ratio (EM/ACWI)	0.81	0.80	0.14		-	
	MSCI EM P/S	1.79	1.18	3.44			++
	MSCI ACWI P/S	2.20	1.42	2.90	++		
	Avg P/S Ratio (EM/ACWI)	0.81	0.84	-0.22		-	
Solvency	MSCI EM Debt/EBITDA	5.91	4.27	2.22			++
	MSCI ACWI Debt/EBITDA	7.16	5.98	2.46	++		
	Avg Debt/EBITDA Ratio (EM/ACWI)	0.83	0.72	1.09			+
Growth	MSCI EM LT EPS Gr (Fwd)	7.95	8.89	-0.06		-	
	MSCI ACWI LT EPS Gr (Fwd)	9.02	9.60	-0.02		-	
	Avg Growth Ratio (EM/ACWI)	0.88	0.72	0.34		-	

- Both EM equities and R.O.W. equity valuations are above their historical valuation multiples. EM equities appear to be at an appropriate discount to R.O.W. equities.
- Debt levels for both EM countries and for R.O.W. remain above long-term averages.
- Growth expectations for both EM and R.O.W. equities fell below their historical averages.

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Source: MSCI