CanterburyConsulting

Global Positioning Statement™

canterburyconsulting.com

September 30, 2015

Drivers of the Market

China and energy push market into correction territory

- During the third quarter, large-cap stocks outperformed small-caps as investors fled riskier assets as volatility spiked. Global markets were slammed by concerns over slowing Chinese economic growth and the free-fall in the Chinese stock market

- Long duration, dollar-based fixed income securities performed well as global growth concerns fueled a rotation into 'safe haven' assets. Non-U.S. bonds (emerging markets in particular) denominated in local currency performed poorly as slowing Chinese growth and declining commodity prices took precedence

- Oil prices declined during the third quarter amid global oversupply which was primarily fueled by escalating production from OPEC. Not even fee-based MLPs were immune to the sell-off, as concerns on future cash flows roiled the complex. Commodities and natural resource equities were also weak amid concerns about the Chinese economy

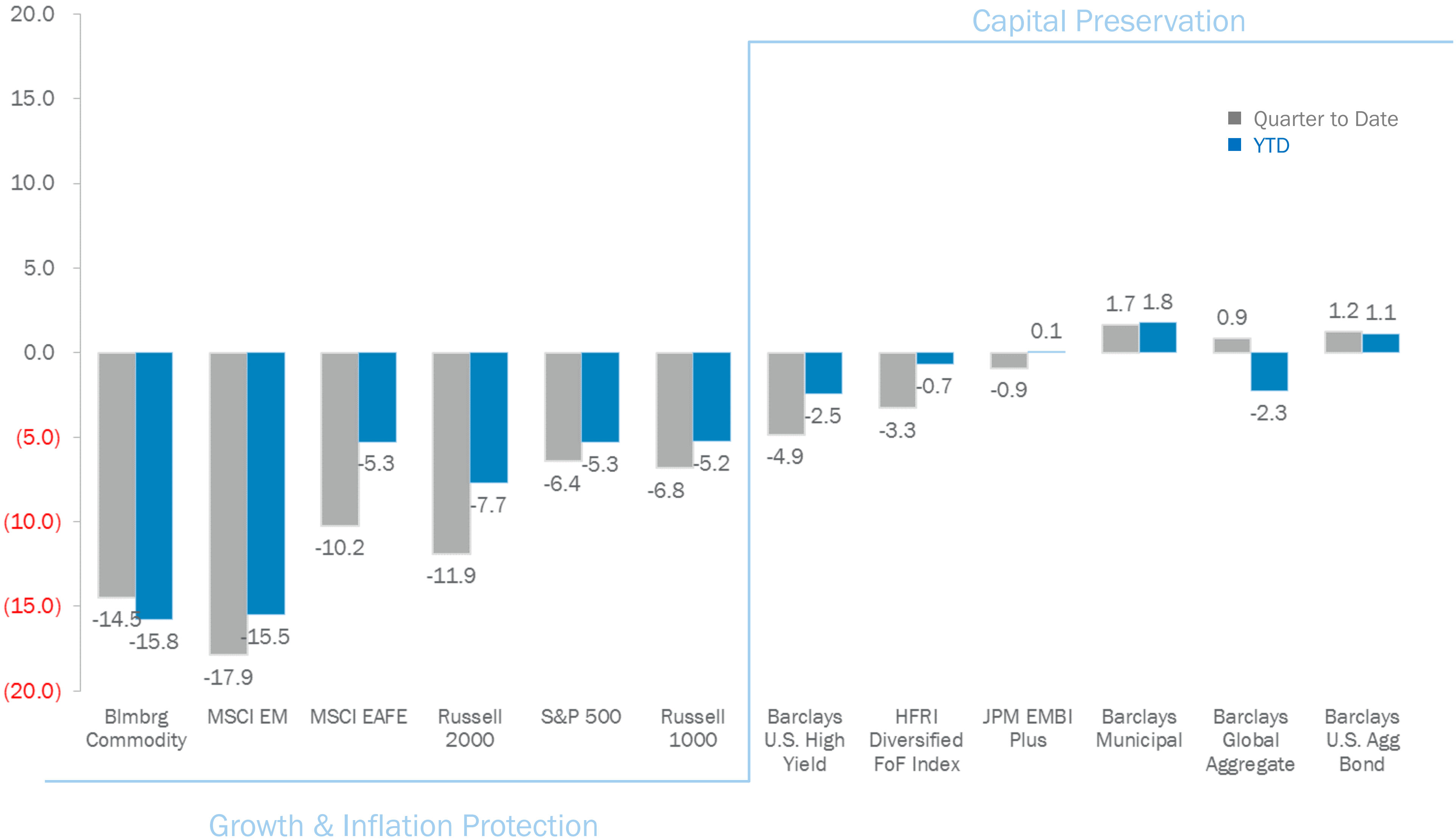
Returns through September 30, 2015

Index	QTD	YTD	1 Year
Growth MSCI ACWI	(9.5%)	(7.0%)	(6.7%)
Capital Preservation Barclays Global Aggregate	0.9%	(2.3%)	(3.3%)
Inflation Protection Morningstar U.S. Real Asset*	(3.5%)	(5.1%)	(5.3%)

*42% TIPS, 31% L/S Commodity, 15% REITs, 8% Global Nat. Resources, 4% MLPs

Index Returns (%)

Through September 30, 2015



Source: Morningstar

Economic Data

Year over Year Statistics

	September 30, 2010	September 30, 2011	September 28, 2012	September 30, 2013	September 30, 2014	September 30, 2015
S&P 500	1,141.20	1,131.42	1,440.67	1,681.55	1,972.29	1,920.03
S&P 500 EPS[1]	77.34	89.43	97.13	103.35	112.53	113.00
P/E of S&P 500[1]	14.76	12.65	14.83	16.27	17.53	16.99
P/E of MSCI EAFE	15.02	11.49	17.27	19.55	17.32	16.33
P/E of MSCI EM	13.70	9.47	12.16	11.66	12.78	11.60
S&P 500 Earnings Yield	6.78	7.90	6.74	6.15	5.71	5.89
Fed Funds Effective Rate	0.19	0.08	0.14	0.08	0.09	0.14
3 Month LIBOR	0.29	0.37	0.36	0.25	0.24	0.33
10 Year Treasury Yield	2.51	1.92	1.63	2.61	2.49	2.04
30 Year Mortgage Rate	4.47	4.03	3.43	4.28	4.12	3.84
Barclays U.S. Agg Yield	3.63	3.83	2.79	3.30	3.10	3.42
Barclays HY Spread	6.21	8.07	5.51	4.61	4.24	6.30
Gold ($/oz)	1,308.54	1,623.79	1,772.25	1,329.03	1,208.15	1,115.09
WTI Crude Oil ($/bbl)	79.97	79.20	92.19	102.33	91.16	45.09
Unemployment Rate	9.50	9.00	7.80	7.20	5.90	5.10
Headline CPI[2]	1.10	3.90	2.00	1.20	1.70	0.20
VIX Index	23.70	42.96	15.73	16.60	16.31	24.50

Forward Looking Forecasts[3]

	Real GDP	CPI	Unemployment	10-Yr Treasury
2015	2.5%	0.3%	5.3%	2.4%
2016	2.7%	2.0%	4.9%	3.0%

	S&P 500 EPS[1]	Forward P/E[1]
2015	$118.28	16.87
2016	$130.54	15.29

	MSCI EAFE EPS[4]	Forward P/E[4]
2015	$114.89	15.05
2016	$124.34	13.91

	MSCI EM EPS[4]	Forward P/E[4]
2015	$69.21	12.29
2016	$77.72	10.95

(1) EPS & P/E is based off operating earnings per share (est. are bottom up) provided for the S&P 500 by Standard & Poor's
(2) Values are carried forward from the most recent reported value (7/31/2015)
(3) Forecasts are consensus opinions from 98 forecasting agencies
(4) Source: MSCI

Current U.S. Economic Conditions: Normal Growth

Contraction

U.S. GDP Growth: 0.0% - 2.0%

U.S. Earnings: Meeting forecasts

U.S. Credit Markets: Expanding spreads

Volatility (VIX): 25-40

Yield Curve: Flattening yield curve

Investor Sentiment: Demand greater risk premium

Normal Growth

U.S. GDP Growth: 2.0% - 4.0%

U.S. Earnings: Meet or Exceed forecasts

U.S. Credit Markets: Normal spreads Normal defaults

Volatility (VIX): Normal 15-25

Yield Curve: Yield curve stable

Investor Sentiment: Investors showing rational buying

Panic

U.S. GDP Growth: Negative

U.S. Earnings: Worse than pessimistic forecasts

U.S. Credit Markets: Wide spreads, High defaults

Volatility (VIX): > 40

Yield Curve: Inverted yield curve

Investor Sentiment: Investors sell indiscriminately

Manic Growth

U.S. GDP Growth: Greater than 4.0%

U.S. Earnings: Exceed optimistic forecasts

U.S. Credit Markets: Low defaults, Low spreads

Volatility (VIX): Below 15

Yield Curve: Yield curve steepens

Investor Sentiment: Investors eager to purchase at any price

— Notable changes from the prior quarter's economic conditions include: 1) **Yield curve flattened** and remains flatter than a year ago 2) Increased volatility led to **spread widening** during the quarter

Data is based on one year averages and compared to 10 year averages

Global Positioning Statement™

Canterbury's Position

	GROWTH		CAPITAL PRESERVATION		INFLATION PROTECTION
Asset Class	Public Equity	Private Equity	Fixed Income	Hedge Funds	Real Assets
Benchmark	MSCI ACWI	Cambridge U.S. Private Equity Index	Barclays Global Aggregate	HFRI Fund of Funds Index	Morningstar U.S. Real Asset
Canterbury Positioning	1. Reduce home country bias 2. Allocate to high active share strategies	1. Focus on operational improvement 2. Avoid overpaying for deals and excessive use of leverage	1. Trade interest rate risk for credit risk 2. Maintain home country bias	1. Rebalance to long/short equity 2. Focus on strategies with broad, diversified mandates	1. Diversify exposure to real assets 2. Rebalance real asset exposure
Reason	1. Better valuations and future growth potential outside the U.S. 2. Later stage recovery and rising interest rates support active management	1. Persistent value creation independent of market cycle 2. Provides better upside potential and downside protection	1. Interest rate risk is expensive in the current low rate environment 2. Less currency risk, more yield, and a better hedge against investor liabilities	1. Credit opportunity set is waning while equity dispersion is increasing 2. Better access across the opportunity set increases the chance of achieving absolute returns	1. Increases the reliability of the asset class against inflation 2. Many investor's allocations to real assets have fallen below target ranges
Positioning Shifts	Decrease U.S. overweight. Move towards market cap neutrality	None	None	None	Increase diversification benefits through MLP allocation

(1) Fixed Income Benchmark: 50% Barclays U.S. Agg/40% Barclays Global Agg ex U.S./10% BofA ML High Yield Master II
(2) Liquid Real Asset Benchmark: 33% Barclays U.S. TIPS 1-5 Yr/33% Bloomberg Commodity/17% S&P North American Natural Resources/17% Alerian MLP