CanterburyConsulting

Global Positioning Statement™

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March 31, 2016

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Investor Sentiment Fluctuates as the Fed Holds & the ECB Eases

- In March, the FOMC decided to hold short-term rates steady as Chair Yellen cited caution in normalizing interest rate policy. While U.S. unemployment has remained low and labor force participation has increased, growth concerns in China and in other developing nations have resulted in a cautious approach by the Fed. Conversely, the ECB decided to increase bond purchases and to cut short-term rates to zero, reinforcing their objective of stimulating the economy and increasing inflation

- The global equity index ended flat for the quarter, belying the volatile activity in the market. Within the U.S., large and low-valuation stocks performed well, while smaller and growth-oriented stocks declined as investors sought stability on the downside and bid up the beaten-up energy and industrials sectors as crude oil prices stabilized. Emerging markets equities also outpaced developed countries as natural resources rebounded and the dollar weakened, reversing the trend of the past 18 months

- U.S. long-term treasury yields declined as a result of global growth concerns. Negative to low rates in Japan and Europe also had an effect on long rates as investors rotated into treasurys. Concerns over rising defaults in the high yield sector and fears of a potential recession initially led to wider spreads, however the market rebounded by quarters-end as fears subsided

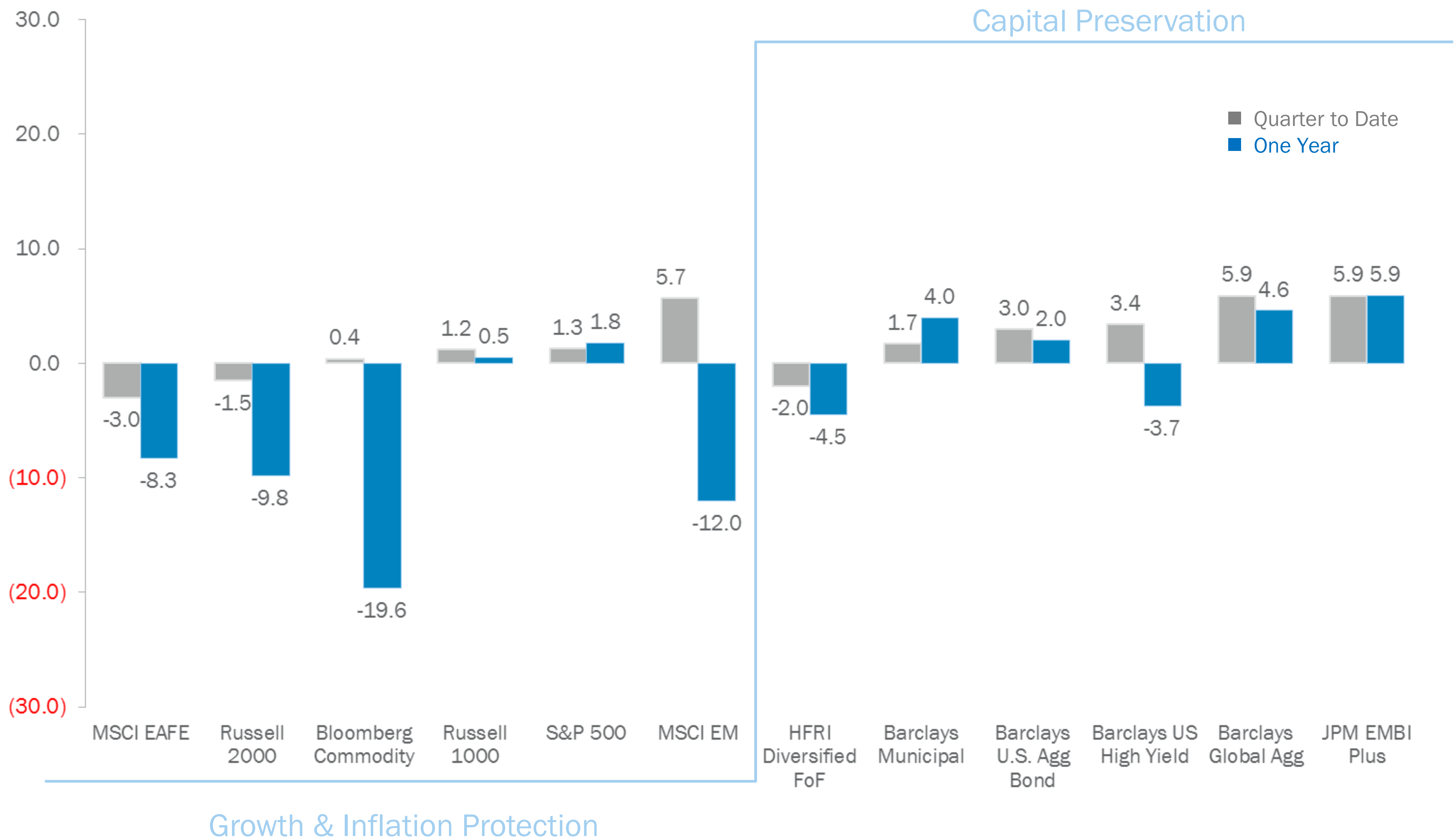
Returns through March 31, 2016

Index	QTD	YTD	1 Year
Growth MSCI ACWI	0.2%	0.2%	(4.3%)
Capital Preservation Barclays Global Aggregate	5.9%	5.9%	4.6%
Inflation Protection Morningstar U.S. Real Asset*	2.2%	2.2%	(3.5%)

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

Index Returns (%)

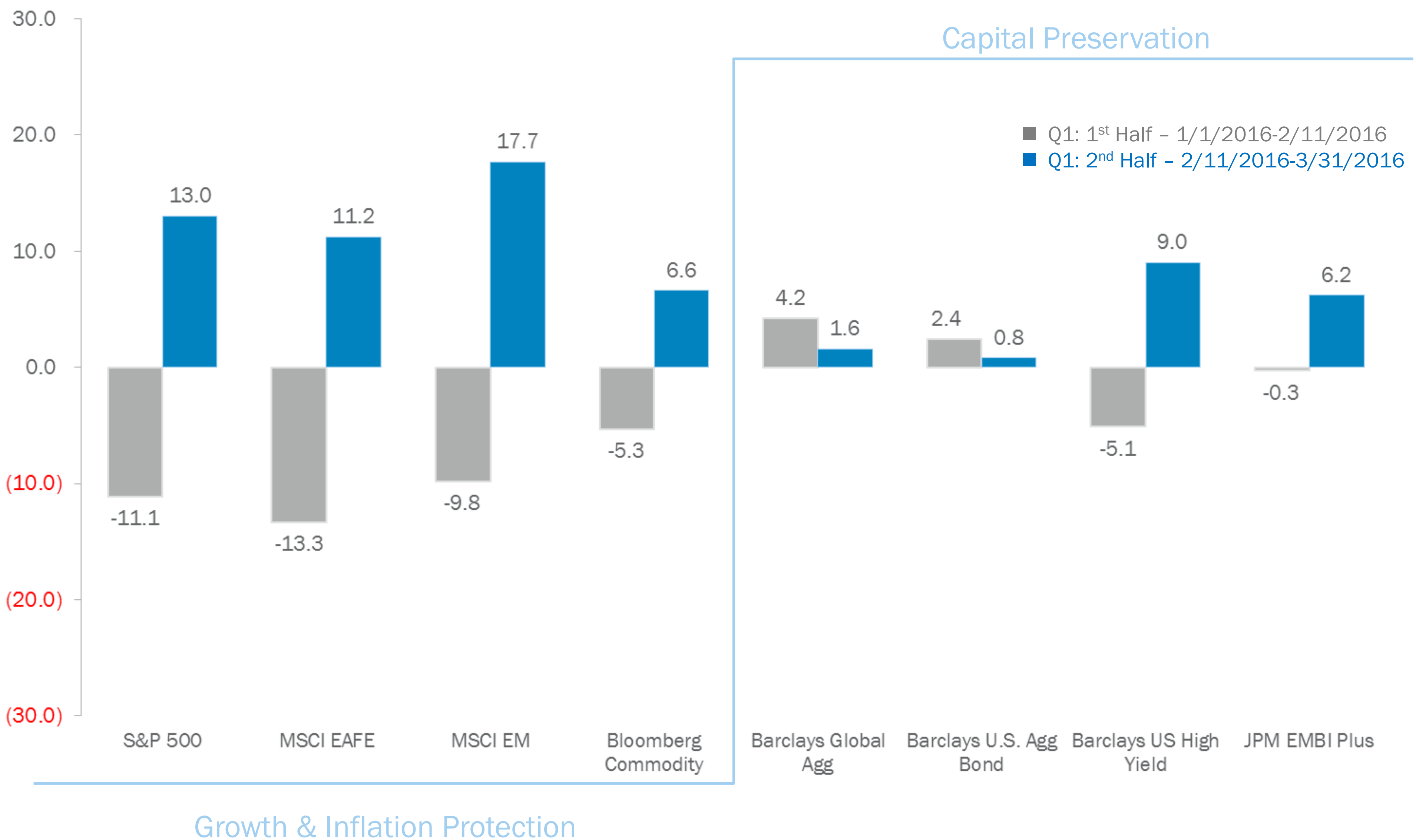
Through March 31, 2016



Source: Morningstar

Index Returns (%): A Quarter of Significant Volatility

Through March 31, 2016



Source: Morningstar

Economic Data

Year over Year Statistics

	March 31, 2011	March 30, 2012	March 29, 2013	March 31, 2014	March 31, 2015	March 31, 2016
S&P 500	1,325.83	1,408.47	1,569.19	1,872.34	2,067.89	2,059.74
S&P 500 EPS[1]	85.51	95.05	100.10	107.14	112.34	109.98
P/E of S&P 500[1]	15.50	14.82	15.68	17.48	18.41	18.73
P/E of MSCI EAFE	14.64	15.22	18.27	18.44	17.77	20.47
P/E of MSCI EM	13.13	11.80	12.81	12.29	14.57	13.87
S&P 500 Earnings Yield	6.45	6.75	6.42	5.72	5.43	5.34
Fed Funds Effective Rate	0.14	0.13	0.14	0.08	0.11	0.36
3 Month LIBOR	0.30	0.47	0.28	0.23	0.27	0.63
10 Year Treasury Yield	3.47	2.21	1.85	2.72	1.92	1.77
30 Year Mortgage Rate	4.84	3.97	3.67	4.38	3.79	3.65
Barclays U.S. Agg Yield	4.07	3.40	2.76	3.10	2.91	3.21
Barclays HY Spread	4.65	5.76	4.57	3.58	4.66	6.56
Gold ($/oz)	1,432.20	1,668.15	1,597.50	1,284.01	1,183.57	1,232.75
WTI Crude Oil ($/bbl)	106.72	103.02	97.23	101.58	47.60	38.34
Unemployment Rate	9.00	8.20	7.50	6.70	5.50	5.00
Headline CPI[2]	2.70	2.70	1.50	1.50	(0.10)	1.00
VIX Index	17.74	15.50	12.70	13.88	15.29	13.95

Forward Looking Forecasts[3]

	Real GDP	CPI	Unemployment	10-Yr Treasury
2016	2.1%	1.3%	4.8%	2.3%
2017	2.3%	2.2%	4.6%	2.7%

S&P 500 EPS[1]	Forward P/E[1]
$122.65	16.79
$134.27	15.34

MSCI EAFE EPS[4]	Forward P/E[4]
$121.18	13.63
$124.93	13.22

MSCI EM EPS[4]	Forward P/E[4]
$71.81	11.65
$77.37	10.82

(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 (02/29/2016)
(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) **Investor sentiment** fluctuated and resulted in demand for greater risk premiums 2) The yield curve continued to **flatten**

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