Global Positioning Statement™

CanterburyConsulting

canterburyconsulting.com

September 30, 2017

Drivers of the Market

Third Quarter 2017

Risk Assets Continue to Rally Despite Geopolitical Tensions

— The Federal Open Market Committee (FOMC) decided to keep the target federal funds rate neutral over the quarter, however, the group outlined a plan to reduce the Fed's treasury and agency holdings. The Fed will take a cautious approach to reducing the balance sheet over time. Risk assets rallied despite geopolitical tensions as investors embraced positive economic growth

— Emerging market equities was the best performing sector over the quarter. Developed markets equities also posted strong returns as economic data and earnings expectations improved. A weaker U.S. dollar helped boost investor returns in international stocks. In the U.S., small-cap stocks outperformed large-caps on an improving outlook for tax reform

— Fixed income posted positive performance as market participants anticipated a gradual pace for rate hikes. High yield and emerging market debt performed well as inflows continued from investors seeking higher yields

— Energy-related assets rebounded over the quarter as oil prices moved higher on the back of OPEC's supply cuts and the threat of Hurricane Harvey. Lower interest rates led to positive performance for REITS

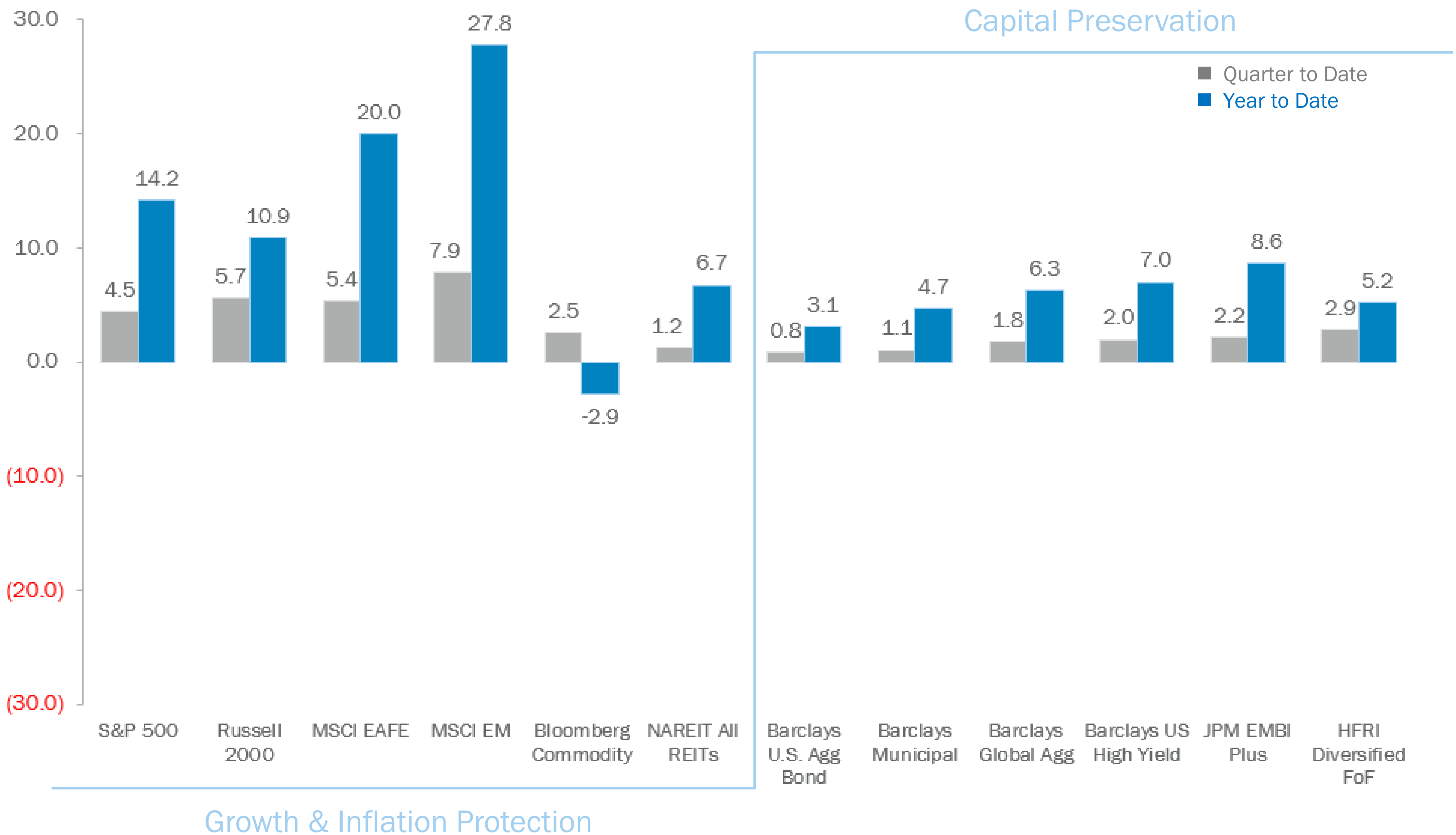
Returns through September 30, 2017

Index	QTD	YTD	1 Year
Growth MSCI ACWI	5.2%	17.3%	18.7%
Capital Preservation Barclays Global Aggregate	1.8%	6.3%	(1.3%)
Inflation Protection Morningstar U.S. Real Asset*	1.5%	0.2%	(2.2%)

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

Index Returns (%)

Through September 30, 2017



Source: Morningstar

Economic Data

Third Quarter 2017

Year over Year Statistics[1]

	September 28, 2012	September 30, 2013	September 30, 2014	September 30, 2015	September 30, 2016	September 29, 2017
S&P 500	1,440.67	1,681.55	1,972.29	1,920.03	2,168.27	2,519.36
S&P 500 EPS	97.33	103.38	113.40	109.34	105.91	116.75
P/E of S&P 500	14.80	16.27	17.39	17.56	20.47	21.58
P/E of MSCI EAFE	15.94	18.49	17.32	18.50	23.27	19.81
P/E of MSCI EM	12.17	11.75	12.77	11.89	16.11	15.79
S&P 500 Earnings Yield	6.76	6.15	5.75	5.69	4.88	4.63
Fed Funds Effective Rate	0.14	0.08	0.09	0.14	0.40	1.15
3 Month LIBOR	0.36	0.25	0.24	0.33	0.85	1.33
10 Year Treasury Yield	1.63	2.61	2.49	2.04	1.59	2.33
30 Year Mortgage Rate	3.43	4.28	4.12	3.84	3.34	3.80
Barclays U.S. Agg Yield	2.79	3.30	3.10	3.42	2.84	3.16
Barclays HY Spread	5.51	4.61	4.24	6.30	4.80	3.47
Gold ($/oz)	1,772.25	1,329.03	1,208.15	1,115.09	1,315.87	1,279.75
WTI Crude Oil ($/bbl)	92.19	102.33	91.16	45.09	48.24	51.67
Unemployment Rate	7.80	7.20	5.90	5.00	4.90	4.40
Headline CPI[2]	2.00	1.20	1.70	0.00	1.50	1.90
VIX Index	15.73	16.60	16.31	24.50	13.29	9.51

Forward Looking Forecasts[1]

	Real GDP[3]	CPI[3]	Unemployment[3]	10-Yr Treasury[3]	S&P 500 EPS[4]	Forward P/E[4]	MSCI EAFE EPS[4]	Forward P/E[4]	MSCI EM EPS[4]	Forward P/E[4]
2017	2.2%	2.0%	4.4%	2.4%	$136.73	18.43	$130.87	15.08	$84.41	12.82
2018	2.3%	2.0%	4.2%	2.9%	$145.23	17.35	$135.92	14.52	$93.41	11.58

(1) Source: Bloomberg
(2) Values are carried forward from the most recent reported value (8/31/2017)
(3) Forecasts are consensus opinions from 98 forecasting agencies (Median)
(4) 2017: Forward 12 month estimate 2018: Forward 24 month estimate
Estimate calculated from quarter end (i.e. September 30, 2017 – September 30, 2018). Price in P/E ratio static as of quarter end

Current U.S. Economic Conditions: Normal Growth

Contraction

U.S. GDP Growth: 0.0% - 1.9%

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

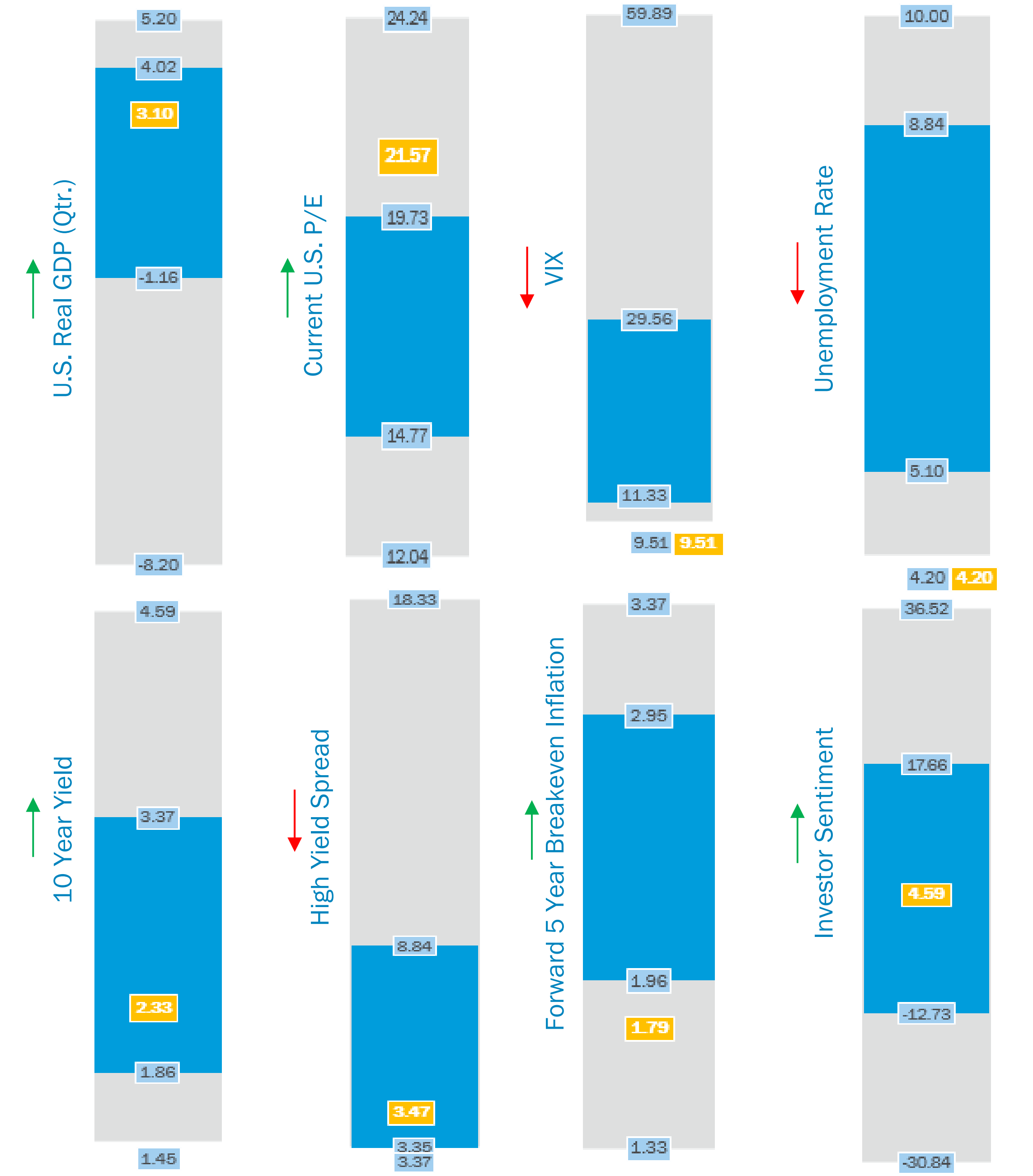
Yield Curve: Yield curve steepens

Investor Sentiment: Investors eager to purchase at any price

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

Global Positioning Indicators

Third Quarter 2017



Current

+- 1 Standard Deviation From the Mean

10-Year High and Low

Higher Current Number (YoY)

Lower Current Number (YoY)

- Canterbury monitors several economic and market indicators to help detect potential imbalances or trends
- GDP growth improved quarter-over-quarter as consumer spending increased. Third quarter GDP will likely slow as the effects of Hurricane Harvey and Irma take shape
- The VIX reached a new 10 year low over the quarter. Volatility is subdued as unemployment and inflation data remains soft

September 30, 2017

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. Consider rebalancing back to emerging markets target 2. Allocate to high active share strategies	1. Focus on value add and operational hands-on strategies	1. Trade interest rate risk for credit risk 2. Maintain home country bias	1. Balance allocations between long/short equity and long/short credit	1. Diversify exposure to real assets 2. Rebalance real asset exposure
Reason	1. Better diversification and lower valuations in emerging markets 2. Later stage recovery and rising interest rates support thoughtful security selection	1. Persistent value creation independent of market cycle	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. No discernable opportunity between equity and credit	1. Increases the reliability of the asset class against inflation 2. Many investors' allocations to real assets have fallen below target ranges
Positioning Shifts	None	None	None	None	None