CanterburyConsulting

Global Positioning Statement™

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June 30, 2016

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U.S. Markets Approach Record Highs Despite 'Brexit' Volatility

— In June, the U.K. surprised global markets by electing to exit from the European Union. The news immediately led to a sell off in risk assets and a subsequent bid for safe government bonds. Fast forward a week later, global equity and currency markets reversed course as investors considered the prospect of more accommodative central bank policies.

— U.S. equities finished the quarter near record highs. Value stocks rallied sharply, as low and falling interest rates drove an ongoing quest for yield, and the over-sold commodities complex continued to rebound from first quarter lows.

— International developed equities were the only asset class in the red for the quarter, as investors weighed the economic uncertainty surrounding the U.K.'s decision to leave the E.U. Emerging markets ended higher, with investors optimistic that lower interest rates in response to 'Brexit' will benefit emerging equities.

— Developed market bond yields continued to decline as investors sought safe haven assets. The U.S. 10 Year Treasury rate declined to 1.43% and short term rates in Japan and Europe resumed their move into negative territory. High yield spreads widened after the 'Brexit' news, however risky bonds subsequently rebounded along with the equity markets.

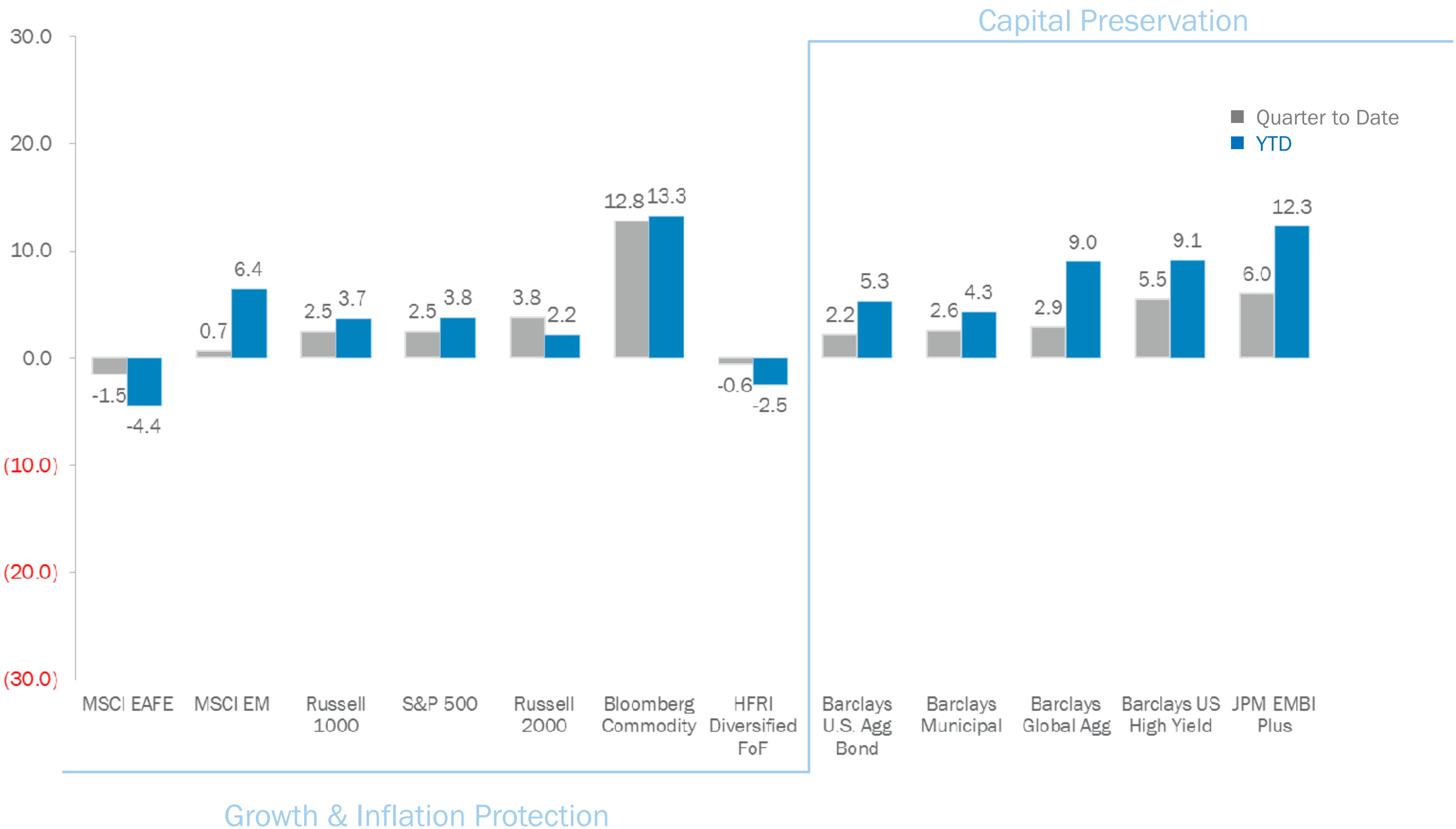
Returns through June 30, 2016

Index	QTD	YTD	1 Year
Growth MSCI ACWI	1.0%	1.2%	(3.7%)
Capital Preservation Barclays Global Aggregate	2.9%	9.0%	8.9%
Inflation Protection Morningstar U.S. Real Asset*	3.5%	5.8%	3.0%

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

Index Returns (%)

Through June 30, 2016



Source: Morningstar

Economic Data

Year over Year Statistics

	June 30, 2011	June 29, 2012	June 28, 2013	June 30, 2014	June 30, 2015	June 30, 2016
S&P 500	1,320.64	1,362.16	1,606.28	1,960.23	2,063.11	2,098.86
S&P 500 EPS	86.65	96.88	101.57	111.15	110.89	107.91
P/E of S&P 500	15.24	14.06	15.81	17.64	18.60	19.45
P/E of MSCI EAFE	14.08	15.40	17.62	18.48	18.47	22.21
P/E of MSCI EM	12.08	11.63	11.19	12.88	14.21	14.59
S&P 500 Earnings Yield	6.56	7.11	6.32	5.67	5.38	5.14
Fed Funds Effective Rate	0.09	0.16	0.09	0.10	0.13	0.38
3 Month LIBOR	0.25	0.46	0.27	0.23	0.28	0.65
10 Year Treasury Yield	3.16	1.64	2.49	2.53	2.35	1.47
30 Year Mortgage Rate	4.57	3.69	4.39	4.15	4.17	3.53
Barclays U.S. Agg Yield	3.83	3.27	3.35	2.91	3.36	2.88
Barclays HY Spread	5.25	6.15	4.92	3.37	4.76	5.94
Gold ($/oz)	1,500.18	1,597.45	1,234.53	1,327.33	1,172.35	1,321.90
WTI Crude Oil ($/bbl)	95.42	84.96	96.56	105.37	59.47	48.33
Unemployment Rate	9.10	8.20	7.50	6.10	5.30	4.90
Headline CPI[2]	3.60	1.70	1.80	2.10	0.10	1.00
VIX Index	16.52	17.08	16.86	11.57	18.23	15.63

Forward Looking Forecasts[3]

	Real GDP	CPI	Unemployment	10-Yr Treasury
2016	1.9%	1.3%	4.8%	1.8%
2017	2.3%	2.3%	4.6%	2.1%

S&P 500 EPS[1]	Forward P/E[1]
$125.09	17.10
$133.65	16.00

MSCI EAFE EPS[1]	Forward P/E[1]
$116.10	13.71
$121.46	13.11

MSCI EM EPS[1]	Forward P/E[1]
$68.55	12.09
$74.89	11.07

(1) Source: Bloomberg
(2) Values are carried forward from the most recent reported value (05/31/2016)
(3) Forecasts are consensus opinions from 98 forecasting agencies

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

— Notable changes from the prior quarter's economic conditions include: 1) **High yield spreads** slightly widened relative to historical averages 2) The yield curve continued to **flatten** as the spread between the 30 year rate and the 2 year rate narrowed

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. 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