Global Positioning Statement™

CanterburyConsulting

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September 30, 2023

Equity and Fixed Income Markets Challenged

- In the third quarter, U.S. equities saw their first quarterly decline since the Q3 of 2022. The energy sector propped up market-wide performance, in large part due to elevated oil prices created by supply-constricting efforts from Saudi Arabia and Russia. Utilities, real estate, and consumer staples all posted material negative returns for the quarter.
- International developed equities and emerging markets (EM) equities posted mixed returns. Continuing concerns over China's economy, as well as idiosyncratic catalysts in Poland and Chile, negatively impacted major EM indices. Asia ex. Japan and the Eurozone also were negatively affected by concerns regarding Chinese recovery and higher rates affecting European consumers' budgets. UK equities and Japan both posted positive returns.
- Amid elevated inflation, the Federal Reserve raised the key interest rate by 25 basis points in July to a range of 5.25% - 5.50%. In September, the FOMC agreed to keep rates unchanged but kept an additional rate hike of 25 basis points (bps) on the table by the end of the year. The Fed revised their economic forecast higher given a stronger than anticipated growth outlook. This has led treasury yields to rise along the curve, particularly in the long-end of the curve.
- Inflation, measured by CPI, decreased in July but increased in August and September to a year-over-year rate of 3.7%. CPI excluding food and energy, generally viewed as sticky inflation or Core CPI, fell to a year-over-year rate of 4.1% from 4.8% in June. Indicators used to measure U.S. economic activity such as the ISM Manufacturing and Non-Manufacturing indexes increased over the quarter, creating an uncertain outlook of taming inflation for the Fed.

Returns through September 30, 2023

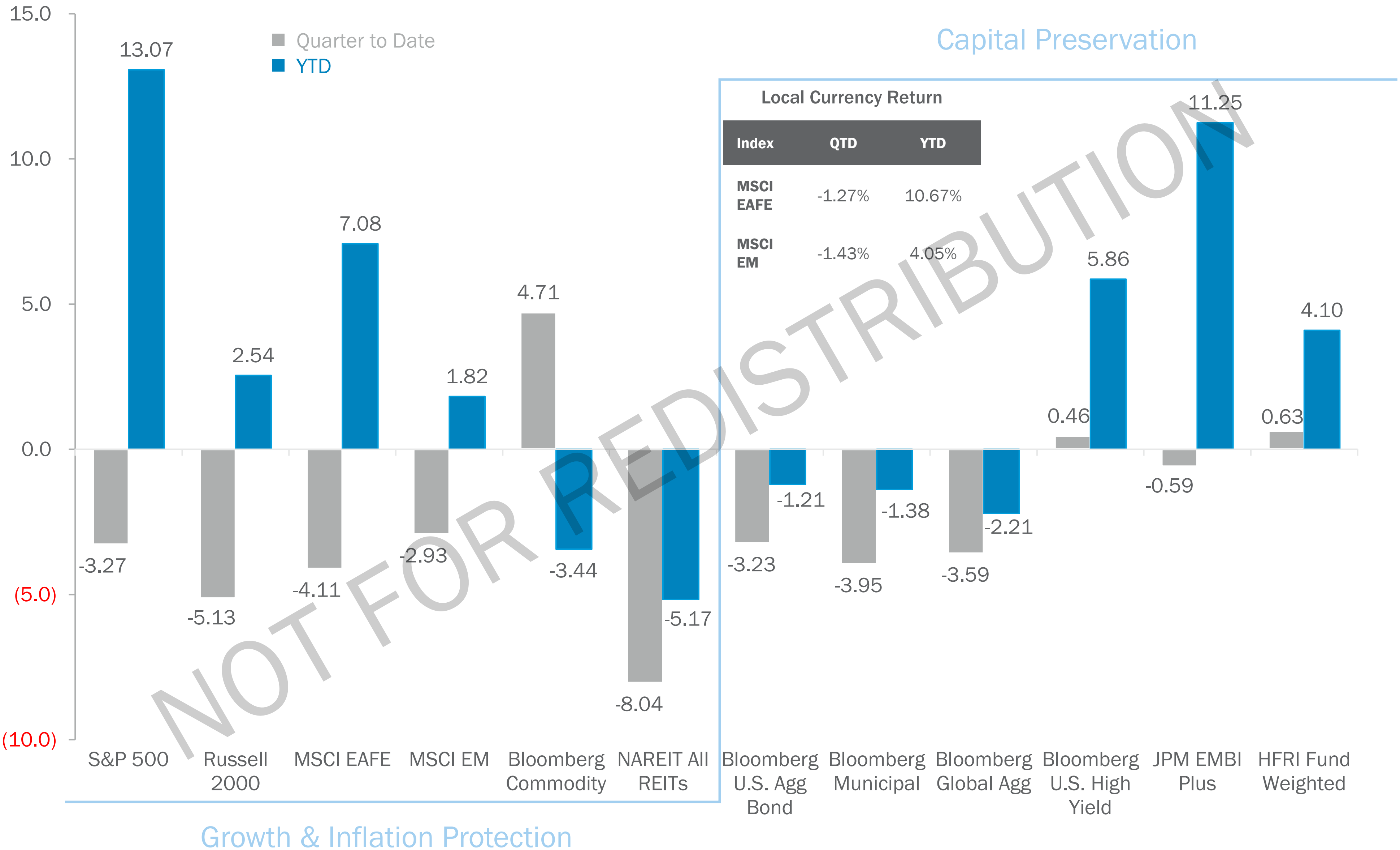
Index	QTD	YTD
Growth MSCI ACWI	-3.4%	10.1%
Capital Preservation Bloomberg Global Aggregate	-3.6%	-2.2%
Inflation Protection Morningstar U.S. Real Asset*	-3.8%	-1.7%

Sources: MSCI ACWI Index, MSCI ACWI ex-US Index, MSCI EAFE Index, MSCI EM Index, Federal Reserve Board of Governors, U.S. Bureau of Labor Statistics, Morningstar

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

Index Returns (%)

Through September 30, 2023



Local Currency Return

Index	QTD	YTD
MSCI EAFE	-1.27%	10.67%
MSCI EM	-1.43%	4.05%

Source: Morningstar

Economic Data

Third Quarter 2023

Year over Year Statistics[1]

	September 28, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 29, 2023
S&P 500	2,913.98	2,976.74	3,363.00	4,307.54	3,585.62	4,288.05
S&P 500 EPS	150.67	164.01	145.23	183.28	221.34	219.83
P/E of S&P 500	20.74	19.24	25.20	25.33	17.15	19.51
P/E of MSCI EAFE	15.26	15.37	21.47	17.24	11.75	14.43
P/E of MSCI EM	12.19	13.07	18.80	15.20	10.69	14.12
S&P 500 Earnings Yield	4.82	5.20	3.97	3.95	5.83	4.76
Fed Funds Effective Rate	1.95	2.04	0.09	0.08	2.56	5.33
3 Month LIBOR	2.40	2.09	0.23	0.13	3.75	5.66
10 Year Treasury Yield	3.06	1.66	0.68	1.49	3.83	4.57
30 Year Mortgage Rate	4.57	3.72	3.08	3.18	7.06	7.74
Bloomberg U.S. Agg Yield	3.46	2.26	1.18	1.56	4.75	5.39
Bloomberg HY Spread	3.16	3.73	5.17	2.89	5.52	3.94
Gold ($/oz)	1,190.88	1,472.49	1,885.82	1,756.95	1,660.61	1,848.63
WTI Crude Oil ($/bbl)	73.25	54.07	40.22	75.03	79.49	90.79
Unemployment Rate	3.70	3.50	7.90	4.80	3.50	3.80
Headline CPI[2]	2.30	1.70	1.40	5.40	8.20	3.70
VIX Index	12.12	16.24	26.37	23.14	31.62	17.52

Forward Looking Forecasts

	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]
2023	2.1%	4.1%	3.7%	4.05%	$226.46	18.94	$148.41	13.69	$79.55	11.98
2024	1.0%	2.7%	4.3%	3.59%	$239.10	17.93	$154.24	13.17	$85.53	11.14

1) *Source: Bloomberg*
2) *Values are carried forward from the most recent reported value (9/30/2023)*
3) *Forecasts are consensus opinions from forecasting agencies, aggregated by Bloomberg, throughout the month*
4) *Index Forecasts - Forward 12-month estimate, Forward 24-month estimate*
Estimate calculated from quarter end (i.e. Sep. 30 , 2023 – Sep. 30, 2024). Price in P/E ratio static as of quarter end.

Current U.S. Economic Conditions: Cautious Growth

Contraction

- **U.S. GDP Growth: Below avg. growth**
- U.S. Unemployment
- U.S. Credit Markets
- Volatility (VIX)
- Yield Curve
- Investor Sentiment: Below average

Normal Growth

- U.S. GDP Growth
- **U.S. Unemployment: Below avg. unemployment**
- **U.S. Credit Markets: Below avg. spreads**
- **Volatility (VIX): Below avg. volatility**
- Yield Curve
- **Investor Sentiment: Above avg. sentiment**

Panic

- U.S. GDP Growth
- U.S. Unemployment
- U.S. Credit Markets
- Volatility (VIX)
- **Yield Curve: Sig. below average**
- Investor Sentiment

Manic Growth

- U.S. GDP Growth
- U.S. Unemployment
- U.S. Credit Markets
- Volatility (VIX)
- Yield Curve
- Investor Sentiment

Metrics	Quarter avg.	10-year avg.
U.S. GDP Growth: Prior quarter U.S. Real GDP versus the 10 year U.S. Real GDP average*	2.1%	2.5%
U.S. Unemployment: Quarter avg. unemployment rate versus the 10 year average	3.6%	5.1%
U.S. Credit Markets: Quarter avg. Barclays US Corporate HY Average OAS versus the 10 year average	378	428
Volatility (VIX): Quarter avg. VIX average versus the 10 year VIX average	14.9	18.4
Yield Curve: Quarter avg. 30-year yield minus the quarter avg. 2-year yield versus the 10 year average	(-62) bps	129 bps
Investor Sentiment: Quarterly Sentiment spread versus the 10 year average spread. Spread measured by difference between Bull Sentiment Index and Bear Sentiment Index.	2.1	1.5

**U.S. GDP Growth is the current, end of previous quarter reading*

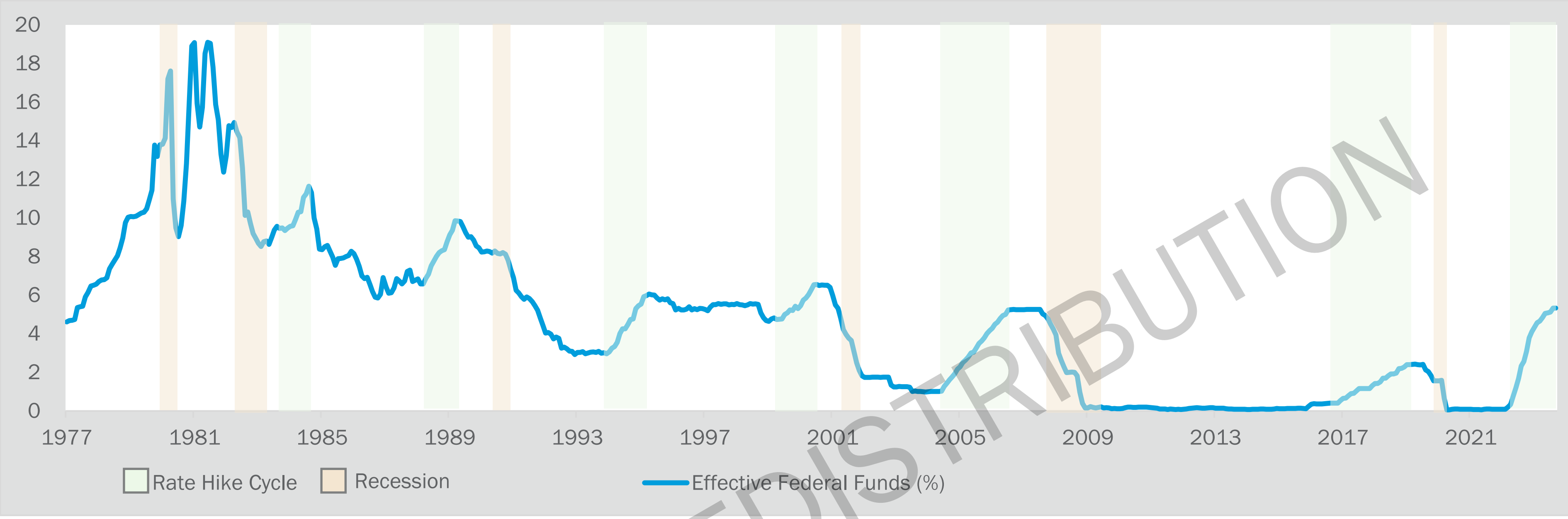
Source: Bloomberg

Global Positioning Indicators

Through September 30, 2023

Source: Bloomberg

Effective Fed Funds Rate (Historical)



Hiking Cycles & Recessions (Last 45 years)		**Rate Hike** May 1983 (14 mo.)	**Rate Hike** Mar. 1988 (11 mo.)	**Rate Hike** Feb. 1994 (12 mo.)	**Rate Hike** Jun. 1999 (11 mo.)	**Rate Hike** Jun. 2004 (24 mo.)	**Rate Hike** Dec. 2015 (36 mo.)	**Rate Hike** Mar. 2022 (18mo<)
Return During Rate Hike	**T-Bill Return***	**Not Available**	**Not Available**	**4.3%**	**4.7%**	**2.9%**	**1.0%**	**3.1%**
	U.S. Agg Return	**0.3%**	**4.5%**	**-2.3%**	**2.2%**	**3.1%**	**1.3%**	**-7.2%**
Return 1 Year After Rate Hike	**T-Bill Return***	**NA**	**NA**	**6.2%**	**6.3%**	**5.2%**	**2.4%**	**TBD**
	US Agg Return	**29.9%**	**11.6%**	**17.0%**	**12.4%**	**6.7%**	**10.8%**	**TBD**

Rate hike & recession time periods are peak-to-trough
March 2022 rate hike data to September 2023
*Bloomberg US Treasury Bills TR Index
The return 1 year after rate hike is the return after the end of the rate hike cycle

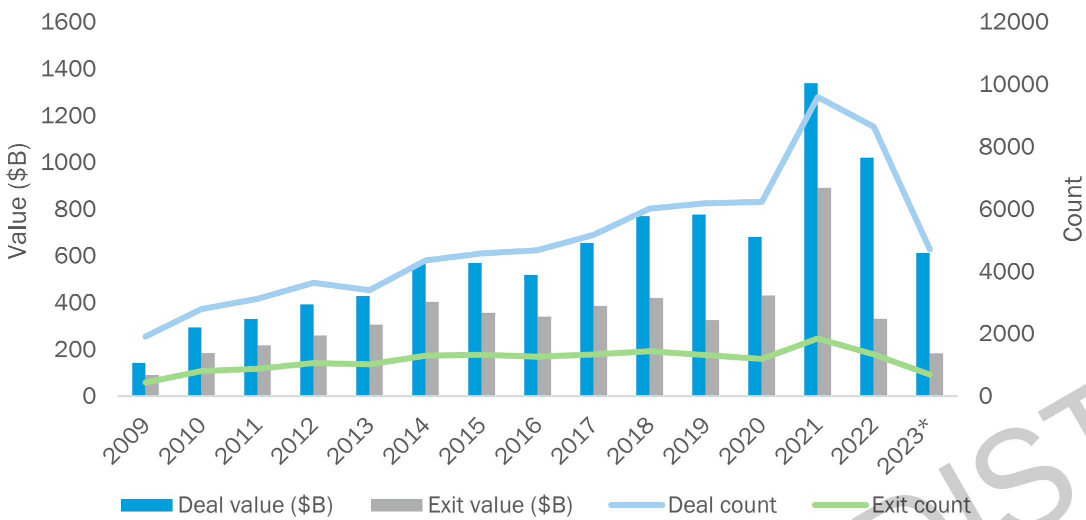
Takeaways

- Long duration bonds achieved higher returns over short duration bonds one year after an interest rate hiking cycle concluded (highlighted in green).
- Bond duration benefitted returns during falling interest rate regimes.
- The current interest rate hiking cycle is the most rapid and significant one experienced since 2004.

Private Equity Activity

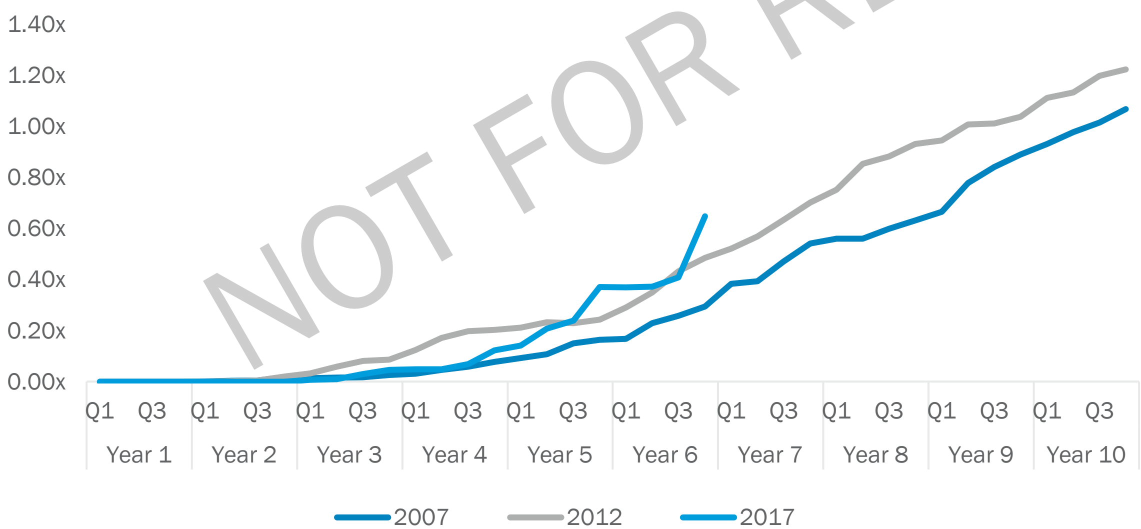
Private Capital

U.S. PE Deal Value and Exit Value[1]



*as of 9/30/23

DPI for Buyout Funds by Vintage Year[2]



- Exit value in 2023 is on pace to be $244 billion, significantly below the prior 10-year average of $418.7 billion
  - It is important to note that the rolling five-year average for exit activity ending 2023, $443.8 billion, still outpaces the prior rolling five-year average of $381.2 billion. This illustrates that while some years are materially up or down, the long-term average remains fairly consistent.
- Deal value, reflecting investment activity, has similarly decreased, though to a lesser extent than exit value.
- The bottom graph depicts Distributions to Paid In (“DPI”) over time for funds raised in various market environments. Although the early years show significant differences, the lines move closer together over the longer term, though 2007 funds did consistently lag 2012 funds at equivalent timing.
  - 2017 funds have been off to a strong start from a DPI standpoint. These funds will still be in line with 2007 and 2012 vintage funds even with a few years of depressed realizations.

(1) Source: Pitchbook, Q3 2023 US Private Equity Breakdown Summary. Data as of 9/30/23
(2) Source: Pitchbook, PE Exit Timelines and the Impending Maturity Wall Summary. Data as of 6/30/23