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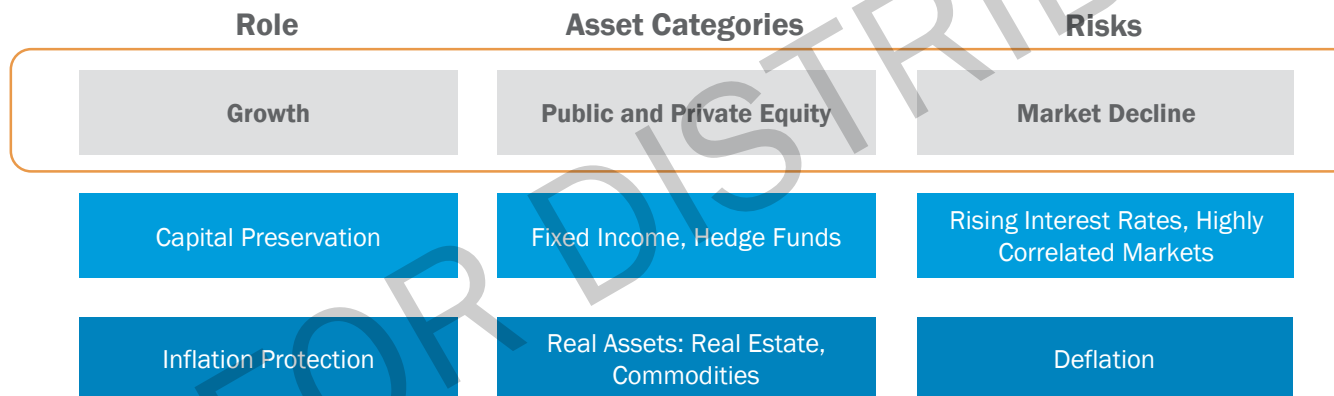
Quarterly Asset Class Report Global Equity

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December 31, 2021

Canterbury Consulting recommends and communicates asset class strategy with the objective of constructing a diversified portfolio of long-only equity strategies designed to (in aggregate):

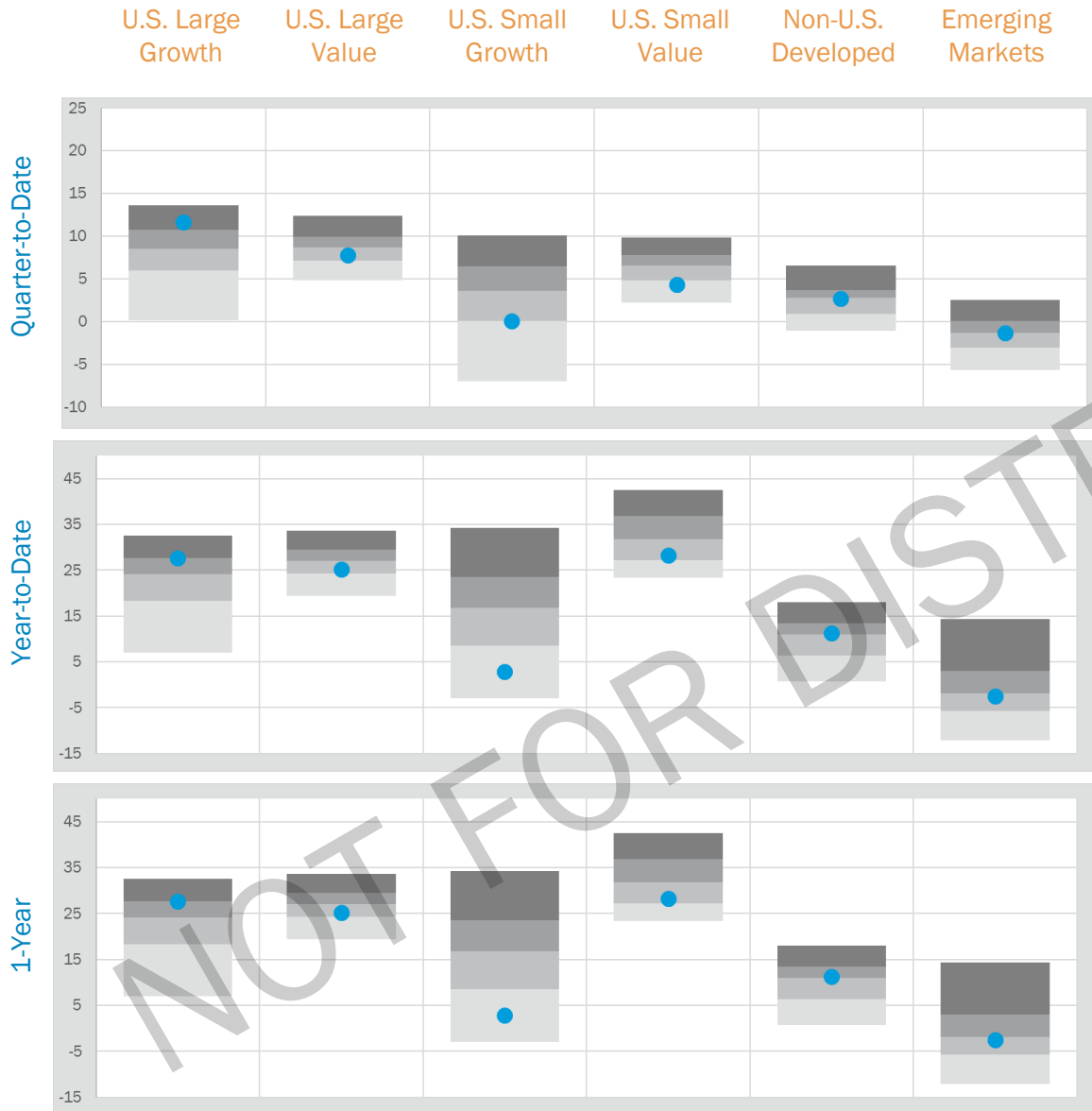
- Provide growth of portfolio assets in excess of inflation and spending rates
- Maintain comparable exposure to the global equity market
- Exhibit returns uncorrelated to fixed income markets



- Canterbury global equity portfolios are set up with a goal to deliver consistent net-of-fees excess returns and moderate tracking error versus the MSCI All Country World Index over longer periods of time.

Performance (%) as of December 31, 2021

Equity Review



Blue dots represent the returns of the respective Russell & MSCI benchmarks; gray floating bar charts represent the peer groups by quartile.

- The major U.S. indices rose in the quarter with large-cap stocks significantly outperforming small-cap stocks.
- Small value companies significantly outperformed its growth counterparts whereas large growth companies outperformed large value companies in both the quarter and the year.
- Non-U.S. developed equities were positive in the quarter and emerging markets (EM) equities were slightly negative. EM equities significantly lagged non-U.S. developed equities over the one-year time period.

Sources: Morningstar Direct, Russell, MSCI

Market Capitalization Mix

Equity Review

Equity: U.S. Market Cap

	Current	10 Year Avg	Deviation from Mean*	Large	Neutral	Small
Valuation	Russell Top 200 Current P/E (Large Cap)	26.28	19.50	1.68		+
	R2000 Current P/E (Small Cap)	117.92	68.78	4.15	++	
	Avg P/E Ratio (Large/Small)	0.22	0.35	-0.78		-
	Russell Top 200 EV/EBITDA [^] (Large Cap)	17.61	12.20	2.01		++
	R2000 EV/EBITDA (Small Cap)	22.02	18.33	0.69		-
	Avg EV/EBITDA Ratio (Large/Small)	0.80	0.68	1.43		+
	Russell Top 200 P/S (Large Cap)	3.69	2.18	2.55		++
	R2000 P/S (Small Cap)	1.40	1.18	1.31	+	
	Avg P/S Ratio (Large/Small)	2.64	1.84	2.09		++
Solvency	Russell Top 200 Debt/EBITDA (Large Cap)	3.83	4.24	-1.62	+	
	Russell 2000 Debt/EBITDA (Small Cap)	7.29	6.94	0.16		-
	Avg Debt/EBITDA Ratio (Large/Small)	0.53	0.64	-0.82		-
Growth	Russell Top 200 LT EPS Gr (Fwd) (Large Cap)	9.68	9.72	-0.01		-
	R2000 LT EPS Gr (Fwd) (Small Cap)	8.95	9.50	-0.20		-
	Avg Growth Ratio (Large/Small)	1.08	1.02	0.08		-
Economy	Case Shiller Home Price (YoY)	18.41	6.61	2.39		++
	Total Leading Economic Indicators	119.90	101.80	2.05		++
	Currency (USD v Broad Basket)	95.67	91.36	0.61		-
	Curve Steepness 2's to 10's	0.78	1.10	-0.50		-

*Deviation from mean represents how many standard deviations the current value is above or below the 10-year average, also known as the "Z-Score." '+' denotes one standard deviation, and '++' denotes two standard deviations in favor of the asset class.

[^] EV/EBITDA, also known as the "enterprise multiple," is a ratio used to determine the value of a company. Unlike P/E, the enterprise multiple takes debt into account. This is often the ratio used by companies looking to acquire another business.

- There are various metrics used to value the equity universe. Canterbury prefers Price/Earnings, EV/EBITDA, and Price/Sales.
- Valuation metrics for both small caps and large caps remain above 10-year averages. Earnings in small cap companies turned slightly positive in the quarter which led to a high P/E ratio.
- The growth estimate for both large and small caps is right around their historical averages.
- The interest rate spread between the 10-year and two-year U.S. Treasury narrowed in the quarter and fell below its long-term average.

Source: Russell

Region Mix — U.S. vs. R.O.W.

Equity Review

Equity: Region (U.S./Global)		Current	10 Year Avg	Deviation from Mean*	U.S.	Neutral	R.O.W.
Valuation	S&P 500 Current P/E	26.16	19.67	1.65			+
	MSCI ACWI Current P/E	21.58	18.86	0.72		-	
	Avg P/E Ratio (US /ACWI)	1.21	1.04	2.58			++
	S&P 500 EV/EBITDA [^]	17.18	12.43	1.81			+
	MSCI ACWI EV/EBITDA	13.97	11.10	1.48	+		
	Avg EV/EBITDA Ratio (US/ACWI)	1.23	1.11	2.12			++
	S&P 500 P/S	3.19	2.00	2.54			++
	MSCI ACWI P/S	2.26	1.51	2.35	++		
	Avg P/S Ratio (US/ACWI)	1.41	1.32	2.01			++
Solvency	S&P 500 Debt/EBITDA	3.83	4.18	-0.98		-	
	MSCI ACWI Debt/EBITDA	5.64	5.97	-0.60		-	
	Avg Debt/EBITDA Ratio (US/ACWI)	0.68	0.70	-0.72		-	
Growth	S&P 500 LT EPS Gr (Fwd)	9.88	9.29	0.11		-	
	MSCI ACWI LT EPS Gr (Fwd)	12.67	9.55	0.12		-	
	Avg Growth Ratio (US/ACWI)	0.78	0.97	-0.38		-	
Economy	Currency (USD v Broad Basket)	95.67	91.36	0.61		-	

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[^] EV/EBITDA, also known as the "enterprise multiple," is a ratio used to determine the value of a company. Unlike P/E, the enterprise multiple takes debt into account. This is often the ratio used by companies looking to acquire another business.

- Earnings and EV multiples rose for U.S. equities and fell for non-U.S. equities. Valuations remain above long-term averages.
- Debt levels continue to be below long-term averages for both U.S. and global (R.O.W.) stocks, suggesting less concerning leverage conditions.
- R.O.W. and domestic equities earnings growth expectations remain above their long-term averages.
- The U.S. dollar strengthened in the quarter and was a relative headwind to international returns.

Sources: MSCI, Standard & Poor's

Region Mix – Non-U.S. Developed vs. R.O.W.

Equity Review

Equity: Region (Non-U.S. Dev/Global)	Current	10 Year Avg	Deviation from Mean*	Non-U.S. Dev	Neutral	R.O.W.
Valuation	MSCI EAFE Current P/E	17.48	19.23	-0.30	-	
	MSCI ACWI Current P/E	21.58	18.86	0.72	-	
	Avg P/E Ratio (EAFE/ACWI)	0.81	1.02	-1.93	+	
	MSCI EAFE EV/EBITDA [^]	10.21	9.75	0.38	-	
	MSCI ACWI EV/EBITDA	13.97	11.10	1.48	+	
	Avg EV/EBITDA Ratio (EAFE/ACWI)	0.73	0.89	-2.35	++	
	MSCI EAFE P/S	1.49	1.12	2.00		+
	Avg P/S Ratio (EAFE/ACWI)	0.66	0.75	-1.91	+	
Solvency	MSCI EAFE Debt/EBITDA	8.00	8.35	-0.36	-	
	MSCI ACWI Debt/EBITDA	5.64	5.97	-0.60	-	
	Avg Debt/EBITDA Ratio (EAFE/ACWI)	1.42	1.40	0.37	-	
Growth	MSCI EAFE LT EPS Gr (Fwd)	34.57	6.80	0.97	-	
	MSCI ACWI LT EPS Gr (Fwd)	12.67	9.55	0.12	-	
	Avg Growth Ratio (EAFE/ACWI)	2.73	0.64	0.83	-	
Economy	USD/EUR	1.14	1.19	-0.58	-	

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[^] EV/EBITDA, also known as the "enterprise multiple," is a ratio used to determine the value of a company. Unlike P/E, the enterprise multiple takes debt into account. This is often the ratio used by companies looking to acquire another business.

- The non-U.S. developed and the R.O.W. P/E ratios fell in the quarter. Most of the valuation metrics for both non-U.S. developed and R.O.W. equity valuations remain above their long-term averages.
- Debt levels for both non-U.S. developed and R.O.W. stocks remain below their long-term averages in the quarter.
- Earnings growth forecasts improved for both non-U.S. developed equities and R.O.W. equities. Both growth estimates are above historical averages.
- The euro weakened versus the dollar and remains slightly below its 10-year average.

Source: MSCI

Region Mix – Emerging Markets vs. R.O.W.

Equity Review

Equity: Region (EM/Global)		Current	10 Year Avg	Deviation from Mean*	EM	Neutral	R.O.W.
Valuation	MSCI EM Current P/E	13.96	14.09	-0.05		-	
	MSCI ACWI Current P/E	21.58	18.86	0.72		-	
	Avg P/E Ratio (EM/ACWI)	0.65	0.75	-2.08	++		
	MSCI EM EV/EBITDA [^]	9.78	8.65	0.76		-	
	MSCI ACWI EV/EBITDA	13.97	11.10	1.48	+		
	Avg EV/EBITDA Ratio (EM/ACWI)	0.70	0.78	-1.76	+		
	MSCI EM P/S	1.46	1.21	1.22			+
	MSCI ACWI P/S	2.26	1.51	2.35	++		
	Avg P/S Ratio (EM/ACWI)	0.65	0.81	-1.87	+		
Solvency	MSCI EM Debt/EBITDA	4.61	4.42	0.28		-	
	MSCI ACWI Debt/EBITDA	5.64	5.97	-0.60		-	
	Avg Debt/EBITDA Ratio (EM/ACWI)	0.82	0.74	0.91		-	
Growth	MSCI EM LT EPS Gr (Fwd)	20.75	9.17	0.50		-	
	MSCI ACWI LT EPS Gr (Fwd)	12.67	9.55	0.12		-	
	Avg Growth Ratio (EM/ACWI)	1.64	0.88	1.74	+		

- The EM equities P/E ratio fell slightly below historical averages. Both EM equities and R.O.W. equity P/S and EV valuations remain above historical valuation multiples. EM equities appear to be attractively valued from a relative valuation standpoint.
- Debt levels for EM countries remain above long-term averages and remain below historical averages for R.O.W. equities.
- Growth expectations for both EM and R.O.W. equities remain above their historical averages.

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Source: MSCI

Portfolio Characteristics

Recommended Ranges

MARKET CAP (U.S.)	MINIMUM	MAXIMUM	R3000
Large Cap (> \$42.3B)	50.0%	70.0%	71.2%
Mid Cap (\$4.4B - \$42.3B)	25.0%	40.0%	23.1%
Small Cap (< \$4.4B)	2.5%	12.5%	5.6%

REGION	MINIMUM	MAXIMUM	MSCI ACWI
U.S.	45.0%	65.0%	59.6%
Non-U.S. Developed	25.0%	40.0%	28.5%
Emerging Markets	5.0%	20.0%	11.9%

Client-specific objectives and constraints may cause allocations to vary from recommended ranges.

Equity Review

- Canterbury believes non-U.S. equities are attractively valued compared to U.S. equities due to the strong U.S. dollar and high valuations in U.S. equities.
- Our market cap exposures target a neutral position. Valuation, growth, and economic indicators do not support a major shift at this time.
- As the equity market cycle matures, Canterbury believes its utilization of active managers that can avoid overvalued regions, sectors, and securities will contribute positively to performance.