



Canterbury Consulting

canterburyconsulting.com

Global Positioning Statement™

Canterbury Consulting ("CCI") is an SEC registered Investment Adviser. Information pertaining to CCI's advisory operations, services, and fees is set forth in CCI's current Form ADV Part 2 (Brochure), a copy of which is available upon request and at www.adviserinfo.sec.gov. Information provided through CCI's Quarterly Outlook related to market or asset class performance figures is believed to be derived from reliable sources. However, CCI assumes no responsibility for their content or the manner in which the viewer utilizes such information. The performance information presented in certain charts or tables is for informational purpose only and represents historical performance based on available market data results for the quarterly period shown above and does not reflect any performance related to trading in actual accounts. Any recommendations or statement made in the Quarterly Outlook is not to be construed as specific investment advice. The viewer should be aware of the inherent limitations of data derived from the retroactive application of historical data developed with the benefit of hindsight and that actual results may differ. Actual performance with client accounts would be materially less than the stated performance results for the same period when including the deduction of advisory fees, brokerage or other commissions, and any other expenses that a client would have paid.

March 31, 2021

Drivers of the Market

Equity Markets Rally and Bond Markets Fall

- U.S. stock markets ended the quarter in positive territory supported by an optimistic economic growth outlook and continued vaccine progress. Value stocks and small cap companies led the way as growth stocks cooled. Airlines, energy, and hospitality sectors rebounded whereas technology underperformed.
- European equities slightly outperformed emerging market (EM) equities in the quarter. Unlike in the U.S. and other Asian countries, slow vaccination progress in Europe is delaying the ease of restrictions and negatively affecting the pace of economic recovery. Curfews and lockdowns remain commonplace amongst many EU countries.
- U.S. core bonds ended the first quarter with negative returns as higher inflation expectations put upward pressure on interest rates. Rapid vaccine distribution, higher growth projections, and a persistently accommodative Fed resulted in higher long-term rates and a steeper U.S. yield curve.
- Investment grade (IG) and high yield (HY) spreads marginally tightened over the quarter. Corporate credit spreads have continued to narrow since the peak in March 2020 and are now at levels that pre-date the pandemic.
- Low-rated credits continued to outperform higher quality credits as optimism over increased economic activity in the U.S. grew. Conversely, emerging market debt ended the quarter with negative returns as yields rose in tandem with that of Treasuries.
- Inflation, measured by CPI, marginally increased over the quarter to 1.7%, creeping closer to the Fed's 2% target. Commodities and energy-related assets continued to benefit from renewed demand from an economic reopening.

First Quarter 2021

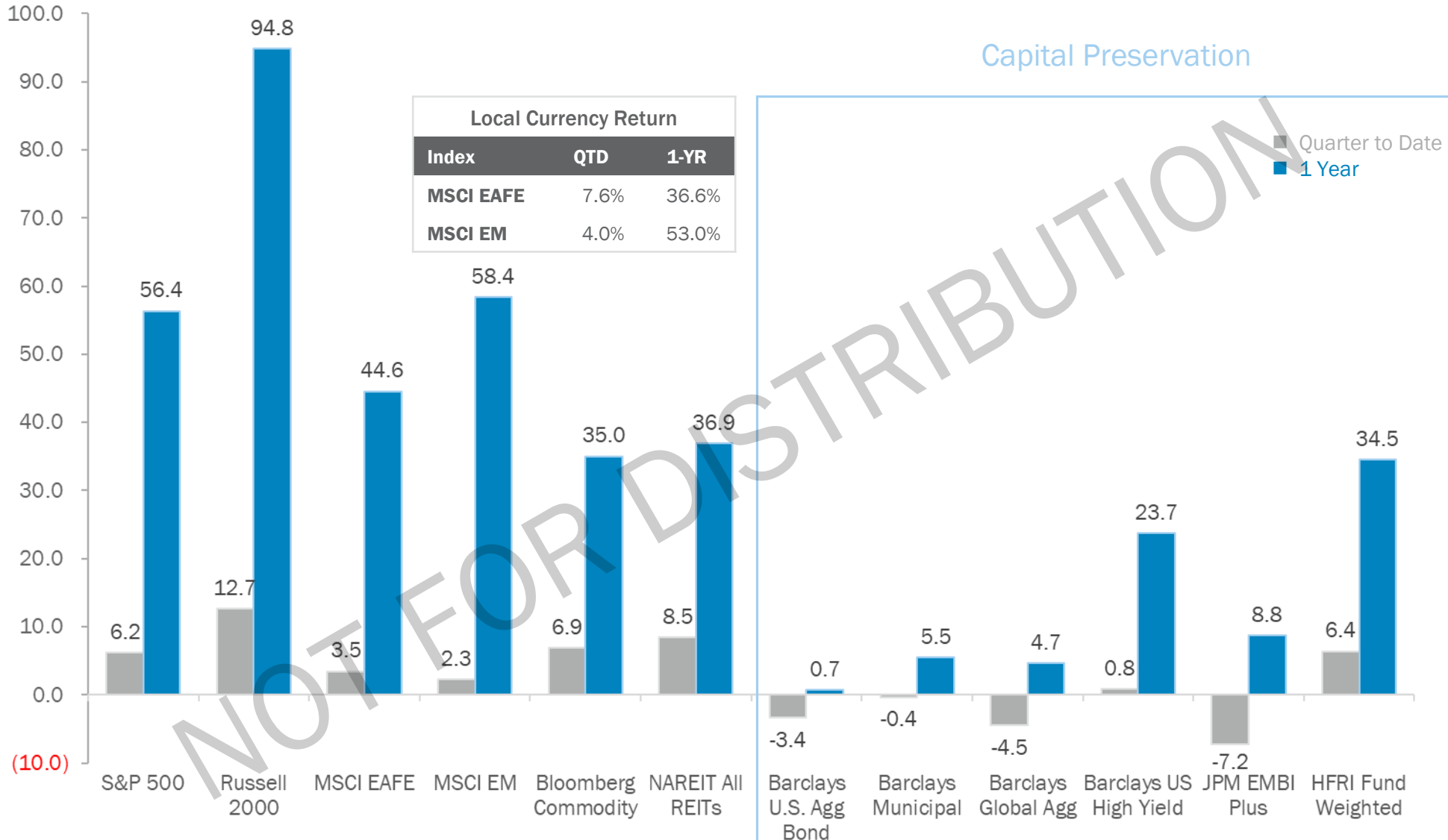
Returns through March 31, 2021

| Index | QTD | 1-Year |
|---|-------|--------|
| Growth MSCI ACWI | 4.6% | 54.6% |
| Capital Preservation Barclays Global Aggregate | -4.5% | 4.7% |
| Inflation Protection Morningstar U.S. Real Asset* | 6.1% | 19.8% |

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

Index Returns (%)

Through March 31, 2021



Growth & Inflation Protection

Source: Morningstar

Year over Year Statistics¹

| | March 31, 2016 | March 31, 2017 | March 30, 2018 | March 29, 2019 | March 31, 2020 | March 31, 2021 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| S&P 500 | 2,059.74 | 2,362.72 | 2,640.87 | 2,834.40 | 2,584.59 | 3,972.89 |
| S&P 500 EPS | 105.92 | 112.91 | 132.62 | 151.37 | 144.42 | 122.70 |
| P/E of S&P 500 | 19.45 | 20.93 | 19.91 | 18.73 | 17.90 | 32.38 |
| P/E of MSCI EAFE | 22.13 | 19.22 | 16.57 | 15.68 | 17.74 | 25.22 |
| P/E of MSCI EM | 16.97 | 14.91 | 13.55 | 13.35 | 13.63 | 21.51 |
| S&P 500 Earnings Yield | 5.14 | 4.78 | 5.02 | 5.34 | 5.59 | 3.09 |
| Fed Funds Effective Rate | 0.36 | 0.79 | 1.51 | 2.41 | 0.65 | 0.07 |
| 3 Month LIBOR | 0.63 | 1.15 | 2.31 | 2.60 | 1.45 | 0.19 |
| 10 Year Treasury Yield | 1.77 | 2.39 | 2.74 | 2.41 | 0.67 | 1.74 |
| 30 Year Mortgage Rate | 3.65 | 3.99 | 4.27 | 4.08 | 3.86 | 3.27 |
| Barclays U.S. Agg Yield | 2.16 | 2.61 | 3.12 | 2.93 | 1.59 | 1.61 |
| Barclays HY Spread | 6.56 | 3.83 | 3.54 | 3.91 | 8.80 | 3.10 |
| Gold (\$/oz) | 1,232.75 | 1,249.20 | 1,325.48 | 1,292.38 | 1,577.18 | 1,707.71 |
| WTI Crude Oil (\$/bbl) | 38.34 | 50.60 | 64.94 | 60.14 | 20.48 | 59.16 |
| Unemployment Rate | 5.00 | 4.40 | 4.00 | 3.80 | 4.40 | 6.00 |
| Headline CPI² | 0.90 | 2.40 | 2.40 | 1.90 | 1.50 | 1.70 |
| VIX Index | 13.95 | 12.37 | 19.97 | 13.71 | 53.54 | 19.40 |

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 |
|------|-----------------------|------------------|---------------------------|-----------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| 2021 | 5.8% | 2.5% | 5.6% | 1.71% | \$175.10 | 22.69 | \$140.05 | 15.77 | \$85.85 | 15.33 |
| 2022 | 4.0% | 2.2% | 4.4% | 2.02% | \$199.57 | 19.91 | \$139.46 | 15.83 | \$97.74 | 13.47 |

1) Source: Bloomberg

2) Values are carried forward from the most recent reported value (3/31/2021)

3) Forecasts are consensus opinions from 79 forecasting agencies throughout the month of March (Median)

4) Index Forecasts - Forward 12-month estimate, Forward 24-month estimate

Estimate calculated from quarter end (i.e. March 31, 2021 - March 31, 2022). Price in P/E ratio static as of quarter end.

Current U.S. Economic Conditions: Normal Growth

Contraction

U.S. GDP Growth

U.S. Unemployment: Above avg. unemployment

U.S. Credit Markets

Volatility (VIX)

Yield Curve

Investor Sentiment

Normal Growth

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets

Volatility (VIX)

Yield Curve: Above average yield curve

Investor Sentiment: Above average

Panic

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets

Volatility (VIX): Significantly above avg. volatility

Yield Curve

Investor Sentiment

Manic Growth

U.S. GDP Growth: Sig. above avg. growth

U.S. Unemployment

U.S. Credit Markets: Sig. below avg. spreads

Volatility (VIX)

Yield Curve

Investor Sentiment

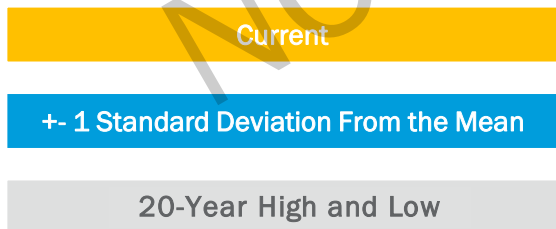
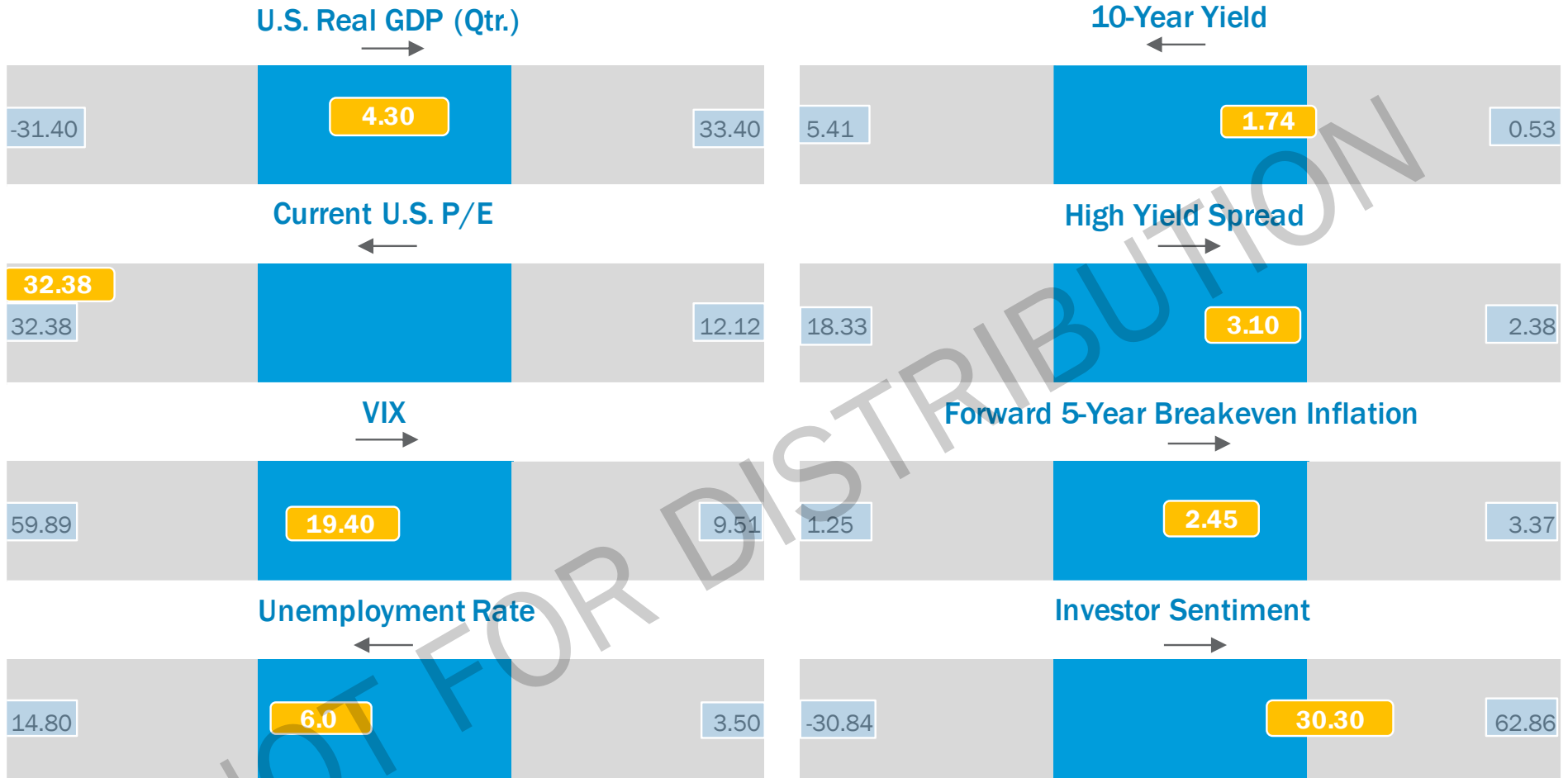
| Metrics | Quarter avg. | 10-year avg. |
|---|--------------|--------------|
| U.S. GDP Growth: Prior quarter U.S. Real GDP versus the 10 year U.S. Real GDP average* | 4.3% | 2.1% |
| U.S. Unemployment: Quarter avg. unemployment rate versus the 10 year average | 6.6% | 6.1% |
| U.S. Credit Markets: Quarter avg. Barclays US Corporate HY Average OAS versus the 10 year average | 333 | 470 |
| Volatility (VIX): Quarter avg. VIX average versus the 10 year VIX average | 26.8 | 17.9 |
| Yield Curve: Quarter avg. 30-year yield minus the quarter avg. 2-year yield versus the 10 year average | 200 bps | 194 bps |
| Investor Sentiment: Quarterly Sentiment spread versus the 10 year average spread. Spread measured by difference between Bull Sentiment Index and Bear Sentiment Index. | 17.3 | 4.4 |

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

Source: Bloomberg

Global Positioning Indicators

Through March 31, 2021



Source: Bloomberg