



Canterbury Consulting

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## Global Positioning Statement™

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June 30, 2024

## Quarter In Review

As of June 30, 2024

### Equity Markets Continue Rally While Fixed Income Markets Lag

- In the second quarter of 2024, large cap U.S. equities continued their upward trajectory with performance being more concentrated than in the previous quarter, as measured by the divergence between the equal weighted and cap weighted indices. The gains were primarily led by the technology sector with the majority coming from just a handful of names including Nvidia, Apple, and Microsoft, which accounted for 20% of the total index from a market capitalization perspective. Relative to large cap equities posting a gain of 4.3% in the quarter, their small and mid-cap counterparts lagged behind once again posting losses of (3.3%) and (4.3%) respectively.
- International developed equities fell in the second quarter while emerging markets (EM) equities posted positive returns, outperforming the S&P 500 index despite headwinds related to China's economic outlook and a strong dollar. The MSCI EAFE returned (0.4%) for the quarter, while the MSCI EM index returned 5.0%. Similar to the S&P 500, performance was relatively concentrated in the EM index, with the tech sector driving most of the gains given AI tailwinds.
- The Federal Reserve (the Fed) kept rates unchanged in a range between 5.25% - 5.50% during the quarter. At the start of 2024, the Fed signaled six rate cuts for the year, but is now only implying one cut. Conversely, the Bank of Canada and the European Central Bank both decided to cut interest rates by 25 basis points as inflation continued to slow.
- Bond spreads in investment grade (96 basis points) and high yield (321 basis points) remained tight during the quarter. Spreads remain well below long-term median levels [1].

### Returns through June 30, 2024

Index	QTD	YTD
<b>Growth</b> MSCI ACWI	2.87%	11.30%
<b>Capital Preservation</b> Bloomberg Global Aggregate	-1.10%	-3.16%
<b>Inflation Protection</b> Morningstar U.S. Real Asset*	0.30%	1.48%

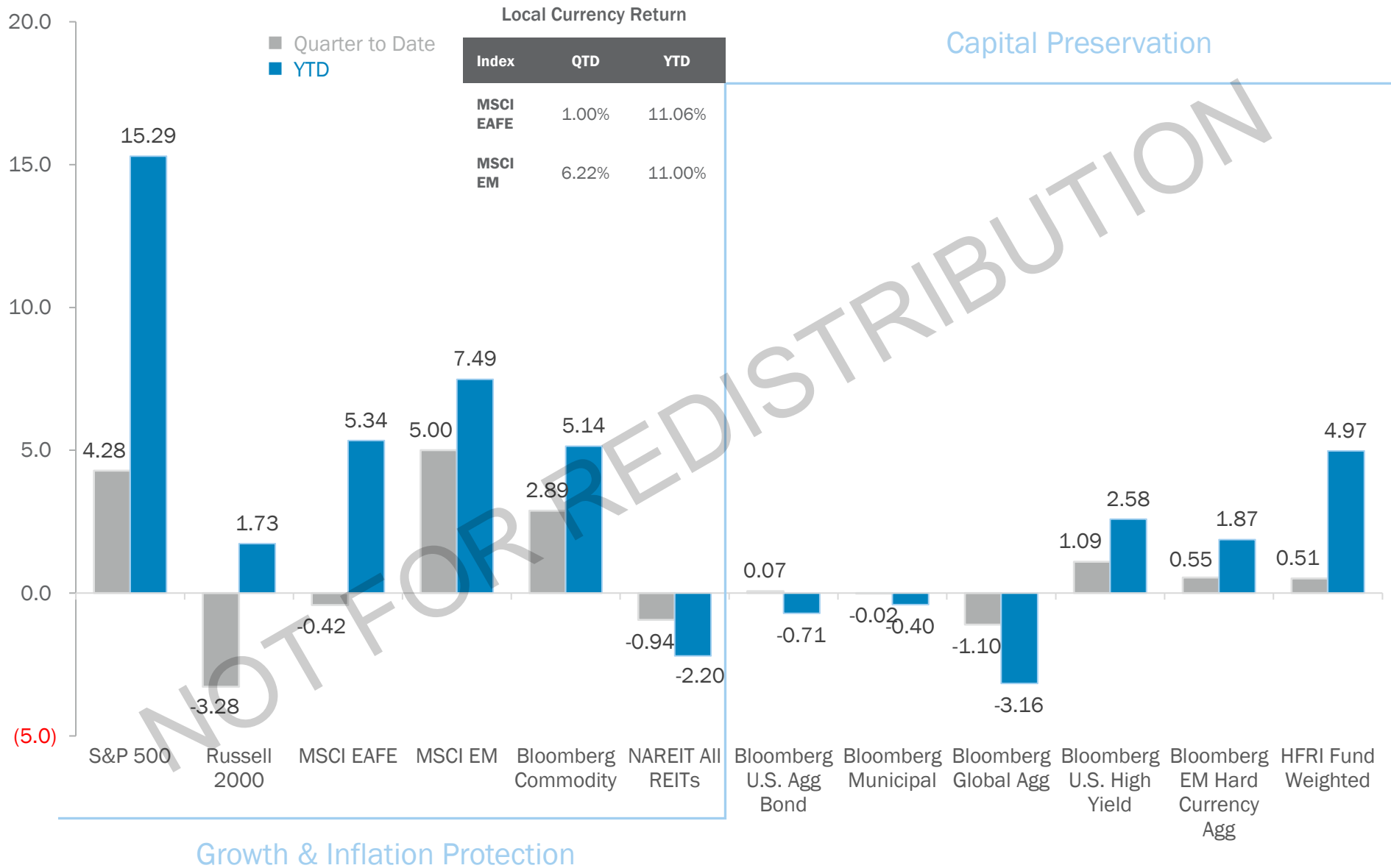
Sources: MSCI ACWI Index, MSCI ACWI ex-US Index, MSCI EAFE Index, MSCI EM Index, Federal Reserve Board of Governors, U.S. Bureau of Labor Statistics, Morningstar

[1] BofA IG & HY spreads data starting Jan 2006

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

# Index Returns (%)

As of June 30, 2024



Source: Morningstar

Year over Year Statistics<sup>1</sup>

	June 28, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 28, 2024
<b>S&amp;P 500</b>	2,941.76	3,100.29	4,297.50	3,785.38	4,450.38	5,460.48
<b>S&amp;P 500 EPS</b>	165.03	158.74	158.16	217.47	222.89	228.13
<b>P/E of S&amp;P 500</b>	19.10	21.26	29.57	18.61	21.41	23.94
<b>P/E of MSCI EAFE</b>	15.47	16.61	22.75	12.44	14.30	15.34
<b>P/E of MSCI EM</b>	13.02	15.83	19.53	11.80	12.84	15.99
<b>S&amp;P 500 Earnings Yield</b>	5.24	4.70	3.38	5.37	4.67	3.91
<b>Fed Funds Effective Rate</b>	2.38	0.08	0.08	1.21	5.08	5.33
<b>3 Month LIBOR</b>	2.32	0.30	0.15	2.29	5.55	5.59
<b>10 Year Treasury Yield</b>	2.01	0.66	1.47	3.01	3.84	4.40
<b>30 Year Mortgage Rate</b>	3.80	3.27	3.13	5.83	7.15	7.26
<b>Bloomberg U.S. Agg Yield</b>	2.49	1.25	1.50	3.72	4.81	5.00
<b>Bloomberg HY Spread</b>	3.77	6.26	2.68	5.69	3.90	3.09
<b>Gold (\$/oz)</b>	1,409.55	1,780.96	1,770.11	1,807.27	1,919.35	2,326.75
<b>WTI Crude Oil (\$/bbl)</b>	58.47	39.27	73.47	105.76	70.64	81.54
<b>Unemployment Rate</b>	3.60	11.00	5.90	3.60	3.60	4.10
<b>Headline CPI<sup>2</sup></b>	1.60	0.60	5.40	9.10	3.00	3.30
<b>VIX Index</b>	15.08	30.43	15.83	28.71	13.59	12.44

## Forward Looking Forecasts

	Real GDP <sup>3</sup>	CPI <sup>3</sup>	Unemployment <sup>3</sup>	10-Yr Treasury <sup>3</sup>	S&P 500 EPS <sup>4</sup>	Forward P/E <sup>4</sup>	MSCI EAFE EPS <sup>4</sup>	Forward P/E <sup>4</sup>	MSCI EM EPS <sup>4</sup>	Forward P/E <sup>4</sup>
2024	2.3%	3.1%	4.0%	4.13%	\$252.38	21.64	\$156.48	14.79	\$85.48	12.71
2025	1.8%	2.4%	4.2%	3.85%	\$275.80	19.80	\$168.67	13.72	\$95.40	11.39

1) Source: Bloomberg

2) Values are carried forward from the most recent reported value (6/30/2024)

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. Jun. 30, 2024 - Jun. 30, 2025). 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

### Normal Growth

U.S. GDP Growth

U.S. Unemployment: Below avg. unemployment

U.S. Credit Markets

Volatility (VIX): Below avg. volatility

Yield Curve

Investor Sentiment: Sig. above average

### 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: Below avg. spreads

Volatility (VIX)

Yield Curve

Investor Sentiment

Metrics	Quarter avg.	10-year avg.
<b>U.S. GDP Growth:</b> Prior quarter U.S. Real GDP versus the 10-year U.S. Real GDP average*	1.4%	2.6%
<b>U.S. Unemployment:</b> Quarter avg. unemployment rate versus the 10-year average	3.9%	4.8%
<b>U.S. Credit Markets:</b> Quarter avg. Barclays US Corporate HY Average OAS versus the 10-year average	306	424
<b>Volatility (VIX):</b> Quarter avg. VIX average versus the 10-year VIX average	13.7	18.3
<b>Yield Curve:</b> Quarter avg. 30-year yield minus the quarter avg. 2-year yield versus the 10-year average	(-22) bps	104 bps
<b>Investor Sentiment:</b> Quarterly Sentiment spread versus the 10-year average spread. Spread measured by difference between Bull Sentiment Index and Bear Sentiment Index.	8.9	1.6

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

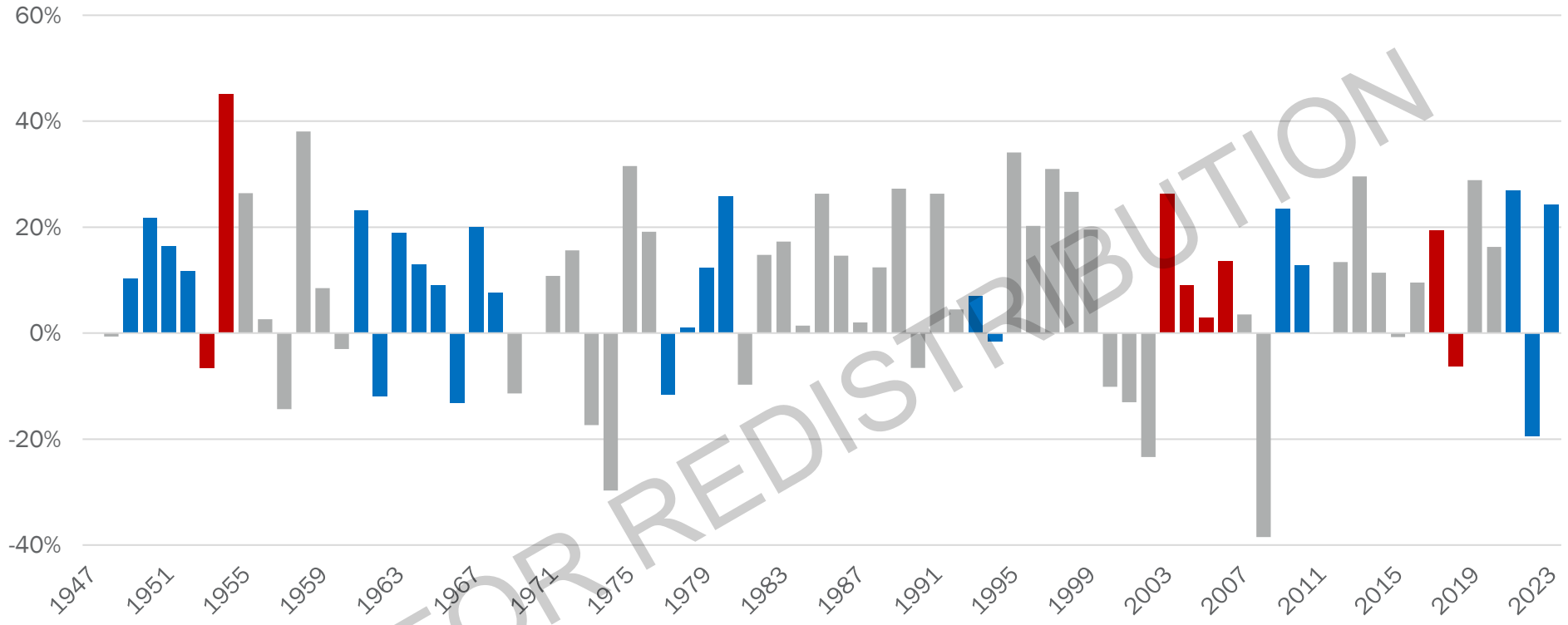
Source: Bloomberg



# Government Control<sup>1</sup> and Equity Performance

As of June 30, 2024

## Calendar Year Returns of the S&P 500 Price Index



	Average Performance	% of Time
Republican	12.9%	11%
Democrat	9.9%	29%
Divided Gov't	7.9%	61%

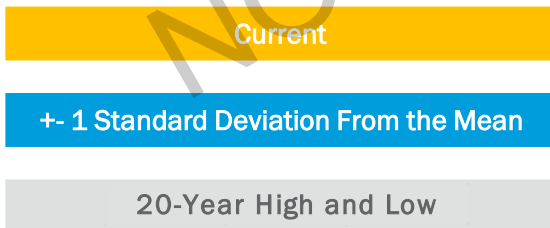
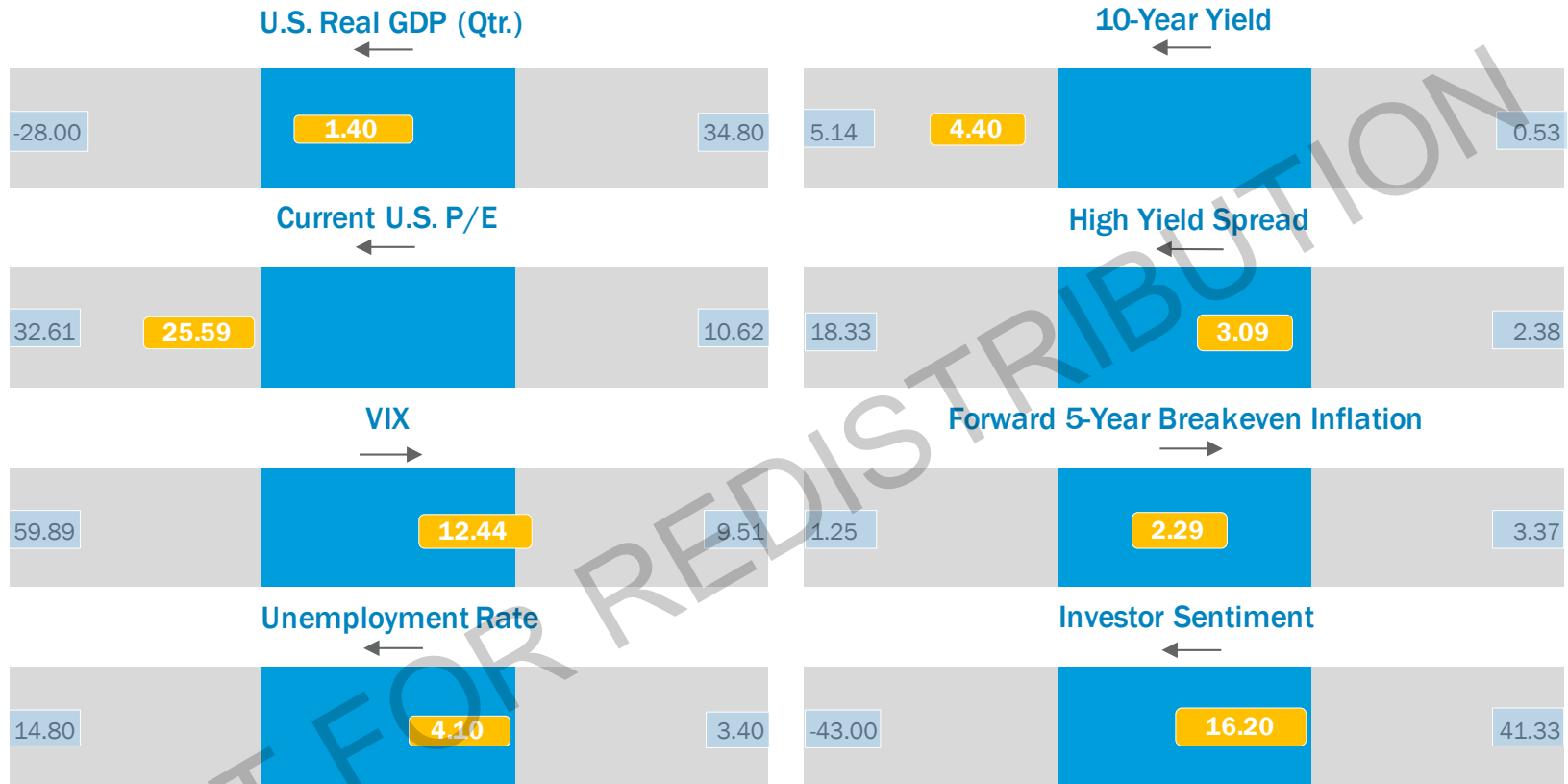
<sup>1</sup> - "Control" is defined as a singular party controlling both chambers of Congress as well as the presidency, while "divided" is defined as any instance where one party controls the presidency, and another party controls either the House or Senate.

The above data has been presented for illustration purpose only and is not to be construed as predictive of future results. Canterbury does not associate any direct relationship between election outcomes and equity market performance.

Source: J.P. Morgan Asset Management and Morningstar Direct. Data indicates historic calendar year performance..

# Global Positioning Indicators

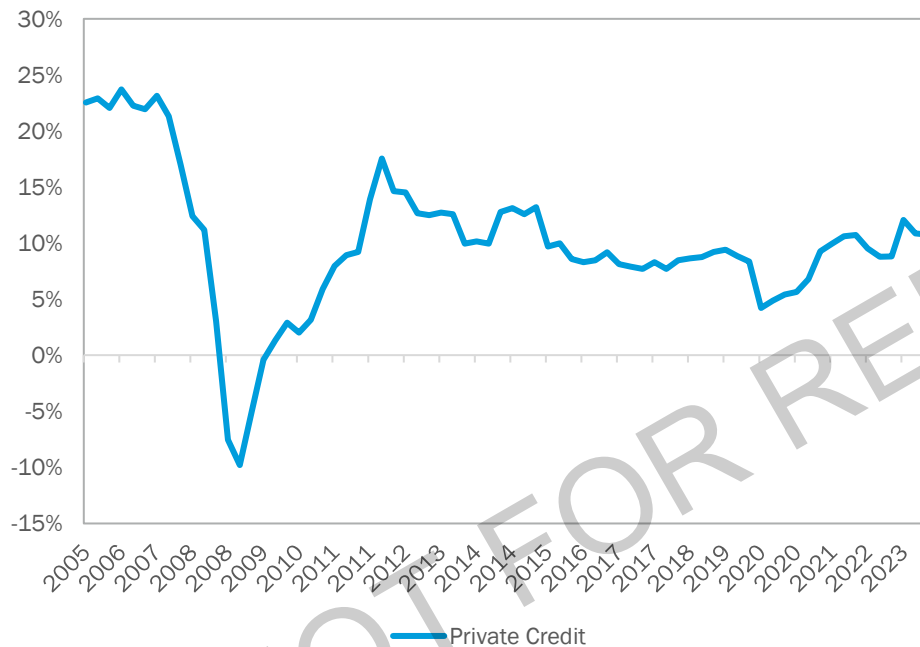
As of June 30, 2024



Source: Bloomberg

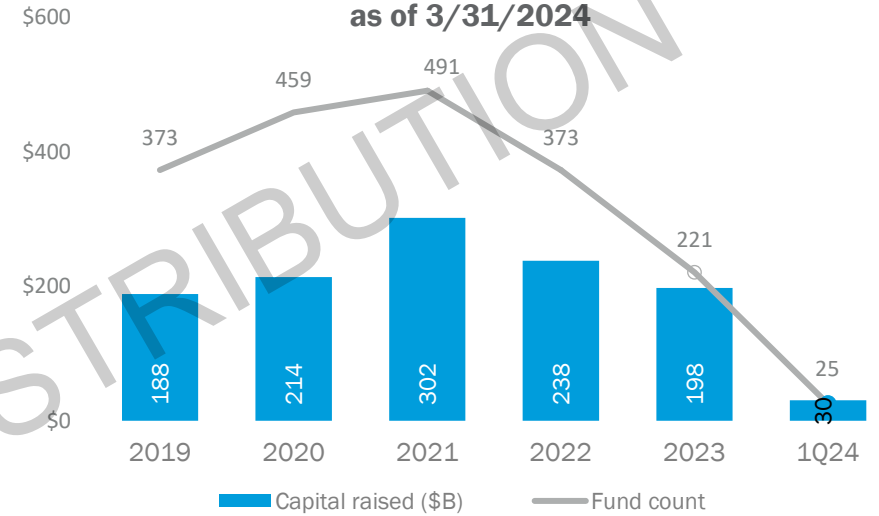
## Market Environment

**Private Credit Rolling 3-Year IRR<sup>1</sup>  
as of 9/30/2023**

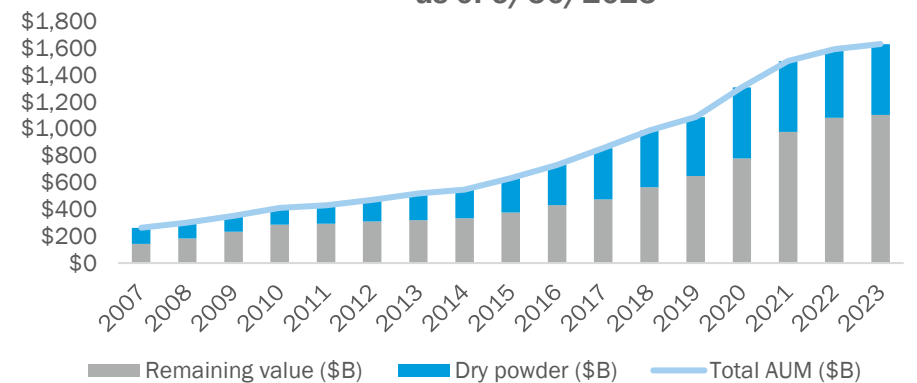


## Historical Returns

**Private Credit Fundraising Activity<sup>2</sup>  
as of 3/31/2024**

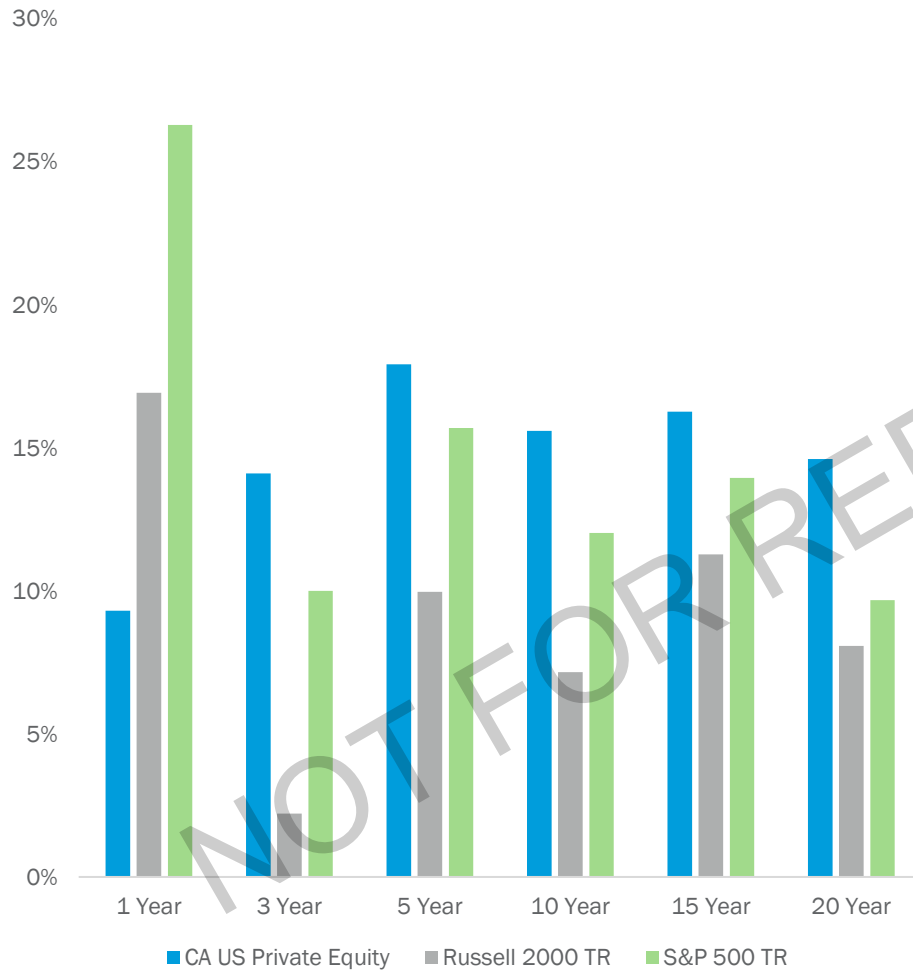


**Size of Market<sup>3</sup>  
as of 9/30/2023**





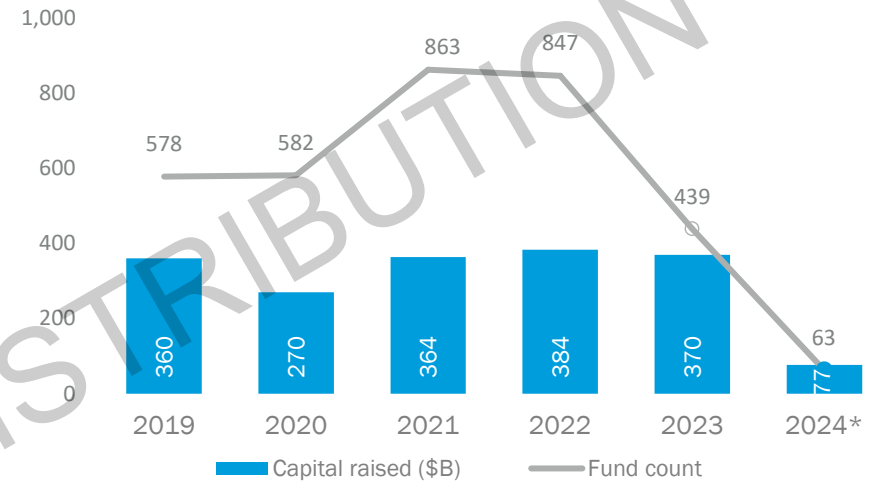
### US Private Equity, Venture Capital, and Public Equity Index Returns<sup>1</sup> as of 12/31/2023



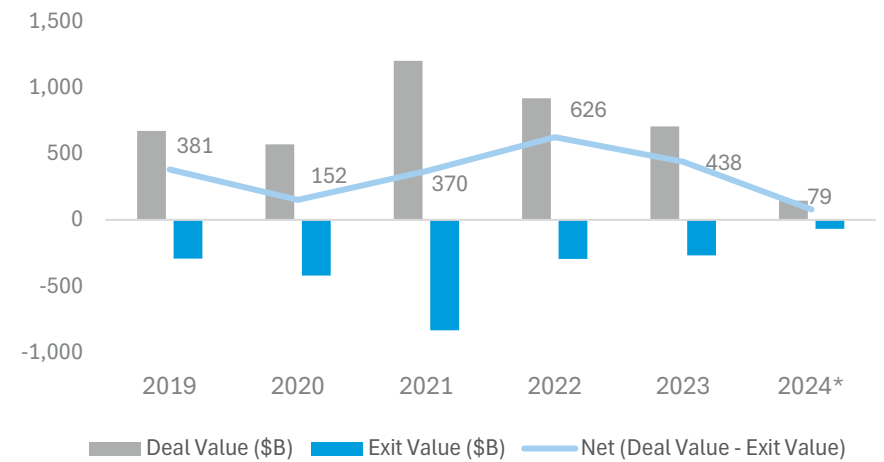
Historical Returns

## Market Environment

### US PE Fundraising Activity<sup>2</sup> as of 3/31/2024



### US Deal and Exit Value<sup>2</sup> as of 3/31/2024



\*as of March 31, 2024

(1) Source: Cambridge Associates, Bloomberg as of December 31, 2023

(2) Source: Pitchbook Q1 2024 PE Breakdown