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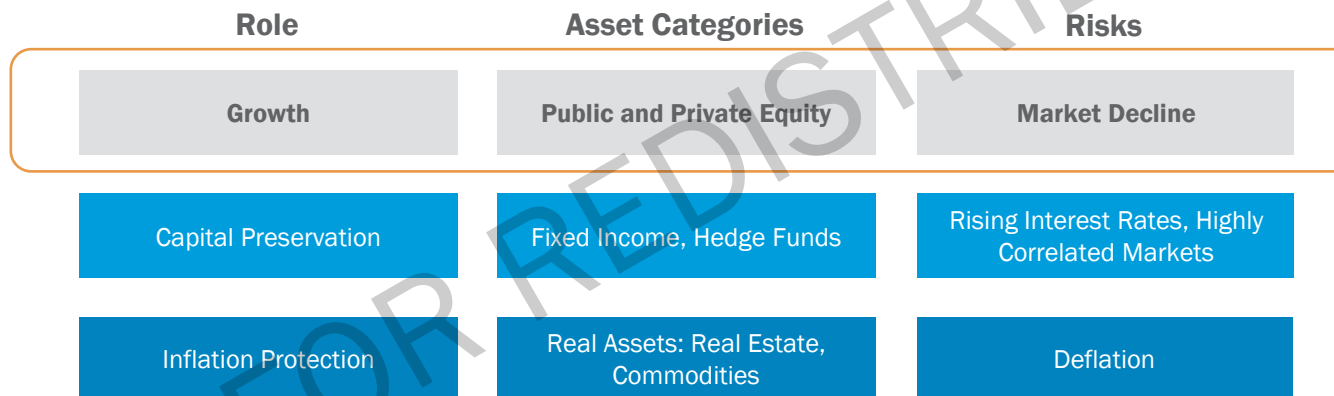
Quarterly Asset Class Report Global Equity

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September 30, 2023

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

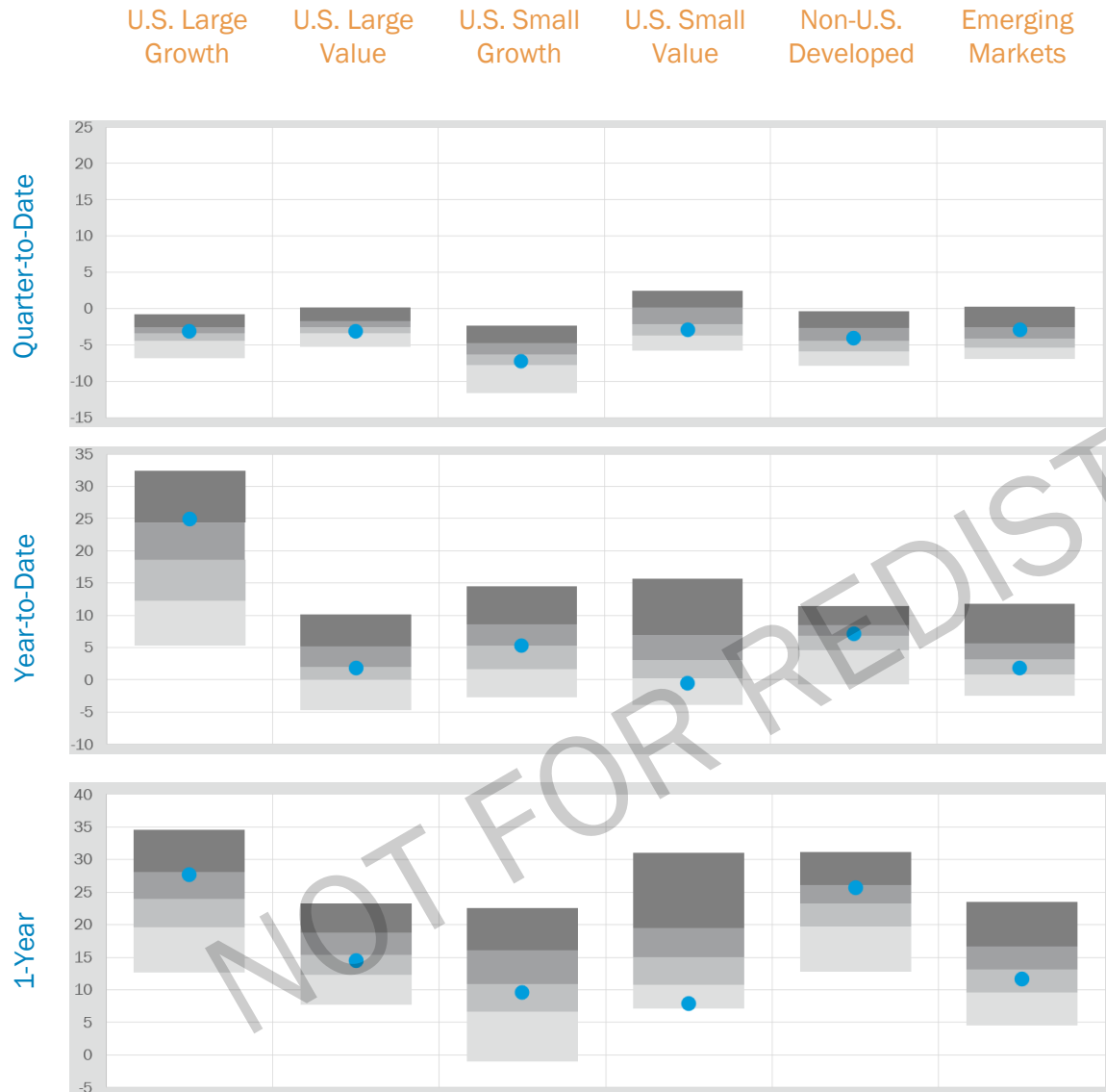
- Provide growth of portfolio assets in excess of inflation and spending rates
- Maintain comparable exposure to the global equity market
- Exhibit returns uncorrelated to fixed income markets



- 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 September 30, 2023

Equity Review



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

- U.S. small-cap and large-cap indices were negative in the quarter.
- Small growth and large growth companies underperformed their small value and large value counterparts for the quarter, but still have outperformed for the year (although the gap narrowed).
- Non-U.S. developed equities and emerging markets (EM) equities were also negative in the quarter. EM equities held up relatively better in the quarter versus Non-U.S. Developed equities.

Sources: Morningstar Direct, Russell, MSCI

Market Capitalization Mix

Equity: U.S. Market Cap

	Current	10 Year Avg	Deviation from Mean*	Large	Neutral	Small
Valuation	Russell Top 200 Current P/E (Large Cap)	22.02	20.35	0.45	-	
	R2000 Current P/E (Small Cap)	27.66	38.06	-0.74	-	
	Avg P/E Ratio (Large/Small)	0.80	0.57	1.66		+
	Russell Top 200 EV/EBITDA^ (Large Cap)	14.12	12.89	0.55	-	
	R2000 EV/EBITDA (Small Cap)	14.90	17.08	-0.57	-	
	Avg EV/EBITDA Ratio (Large/Small)	0.95	0.76	1.35		+
	Russell Top 200 P/S (Large Cap)	2.70	2.38	0.59	-	
	R2000 P/S (Small Cap)	1.10	1.29	-1.12		+
	Avg P/S Ratio (Large/Small)	2.45	1.85	1.65		+
Solvency	Russell Top 200 Debt/EBITDA (Large Cap)	3.66	4.10	-1.35	+	
	Russell 2000 Debt/EBITDA (Small Cap)	6.52	6.56	-0.02	-	
	Avg Debt/EBITDA Ratio (Large/Small)	0.56	0.64	-0.85	-	
Growth	Russell Top 200 LT EPS Gr (Fwd) (Large Cap)	6.53	8.35	-0.19	-	
	R2000 LT EPS Gr (Fwd) (Small Cap)	9.95	9.79	0.05	-	
	Avg Growth Ratio (Large/Small)	0.66	0.85	-0.17	-	
Economy	Case Shiller Home Price (YoY)	0.13	7.24	-1.27	+	
	Total Leading Economic Indicators	105.40	106.04	-0.09	-	
	Currency (USD v Broad Basket)	106.17	95.26	1.62		+
	Curve Steepness 2's to 10's	-0.47	0.76	-1.52	+	

*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.

Equity Review

- There are various metrics used to value the equity universe. Canterbury prefers Price/Earnings, EV/EBITDA, and Price/Sales.
- The P/E and P/S metrics for large and small caps trended downwards in the quarter, with large caps still above long-term averages and small cap metrics still below their long-term averages.
- The interest rate spread between the 10-year and two-year U.S. Treasury remained in negative territory for the quarter and remains nearly 1.5 standard deviations below its long-term average.

Source: Russell

Region Mix — U.S. vs. R.O.W.

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	21.02	20.70	0.09	-		
	MSCI ACWI Current P/E	17.75	18.56	-0.27	-		
	Avg P/E Ratio (US /ACWI)	1.18	1.12	1.08			+
	S&P 500 EV/EBITDA [^]	13.73	13.11	0.30	-		
	MSCI ACWI EV/EBITDA	11.34	11.79	-0.34	-		
	Avg EV/EBITDA Ratio (US/ACWI)	1.21	1.11	1.15			+
	S&P 500 P/S	2.35	2.20	0.34	-		
	MSCI ACWI P/S	1.76	1.65	0.36	-		
	Avg P/S Ratio (US/ACWI)	1.33	1.33	0.15	-		
Solvency	S&P 500 Debt/EBITDA	3.74	4.09	-0.87	-		
	MSCI ACWI Debt/EBITDA	5.19	5.90	-1.25			+
	Avg Debt/EBITDA Ratio (US/ACWI)	0.72	0.69	0.81	-		
Growth	S&P 500 LT EPS Gr (Fwd)	13.56	8.66	0.18	-		
	MSCI ACWI LT EPS Gr (Fwd)	7.83	10.92	-0.04	-		
	Avg Growth Ratio (US/ACWI)	1.73	0.96	0.66	-		
Economy	Currency (USD v Broad Basket)	106.17	95.26	1.62			+

*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.

Equity Review

- Earnings multiples and EV multiples declined slightly for U.S. equities and non-U.S. equities. Earnings multiples remain below long-term averages for non-US equities.
- 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. equities long-term growth estimates are currently below their long-term averages, whereas U.S. growth estimates have risen above their averages.
- The U.S. dollar rose slightly 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: 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	13.43	16.91	-1.21	+		
	MSCI ACWI Current P/E	17.75	18.56	-0.27		-	
	Avg P/E Ratio (EAFE/ACWI)	0.76	0.91	-1.92	+		
	MSCI EAFE EV/EBITDA [^]	8.21	10.87	-1.75	+		
	MSCI ACWI EV/EBITDA	11.34	11.79	-0.34		-	
	Avg EV/EBITDA Ratio (EAFE/ACWI)	0.72	0.92	-1.55	+		
	Avg P/S Ratio (EAFE/ACWI)	0.70	0.75	-1.06	+		
Solvency	MSCI EAFE Debt/EBITDA	6.91	8.32	-1.50	+		
	MSCI ACWI Debt/EBITDA	5.19	5.90	-1.25			+
	Avg Debt/EBITDA Ratio (EAFE/ACWI)	1.33	1.41	-1.38	+		
Growth	MSCI EAFE LT EPS Gr (Fwd)	9.52	6.07	0.11		-	
	MSCI ACWI LT EPS Gr (Fwd)	15.75	10.92	0.06		-	
	Avg Growth Ratio (EAFE/ACWI)	0.60	0.53	0.03		-	
Economy	USD/EUR	1.06	1.15	-1.04	+		

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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.

Equity Review

- The non-U.S. developed and the R.O.W. P/E ratios declined in the quarter. Most of the valuation metrics for both non-U.S. developed and R.O.W. equity valuations are below their long-term averages.
- Debt levels for both non-U.S. developed and R.O.W. stocks remained below their long-term averages in the quarter.
- Earnings growth forecasts increased for non-U.S. developed equities and remained relatively unchanged for R.O.W. equities.
- The euro was relatively unchanged from the previous quarter.

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	13.78	13.84	-0.02		-	
	MSCI ACWI Current P/E	17.75	18.56	-0.27		-	
	Avg P/E Ratio (EM/ACWI)	0.78	0.74	0.71		-	
	MSCI EM EV/EBITDA [^]	8.68	8.48	0.13		-	
	MSCI ACWI EV/EBITDA	11.34	11.79	-0.34		-	
	Avg EV/EBITDA Ratio (EM/ACWI)	0.77	0.72	0.87		-	
	MSCI EM P/S	1.17	1.21	-0.20		-	
	MSCI ACWI P/S	1.76	1.65	0.36		-	
Avg P/S Ratio (EM/ACWI)	0.67	0.74	-1.42	+			
Solvency	MSCI EM Debt/EBITDA	4.89	4.71	0.41		-	
	MSCI ACWI Debt/EBITDA	5.19	5.90	-1.25			+
	Avg Debt/EBITDA Ratio (EM/ACWI)	0.94	0.80	2.23			++
Growth	MSCI EM LT EPS Gr (Fwd)	16.52	9.85	0.31		-	
	MSCI ACWI LT EPS Gr (Fwd)	7.83	10.92	-0.04		-	
	Avg Growth Ratio (EM/ACWI)	2.11	0.89	2.65	++		

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- The EM equities valuation multiples generally rose for the quarter, while R.O.W. equities generally saw decreasing multiples. Valuations are generally below or near historical averages. EM equities appear to be fairly discounted to global equities from a relative valuation standpoint.
- Debt levels for EM countries are slightly above long-term averages and remain below historical averages for R.O.W. equities.
- Growth expectations improved for EM equities and declined for R.O.W. equities.

Source: MSCI