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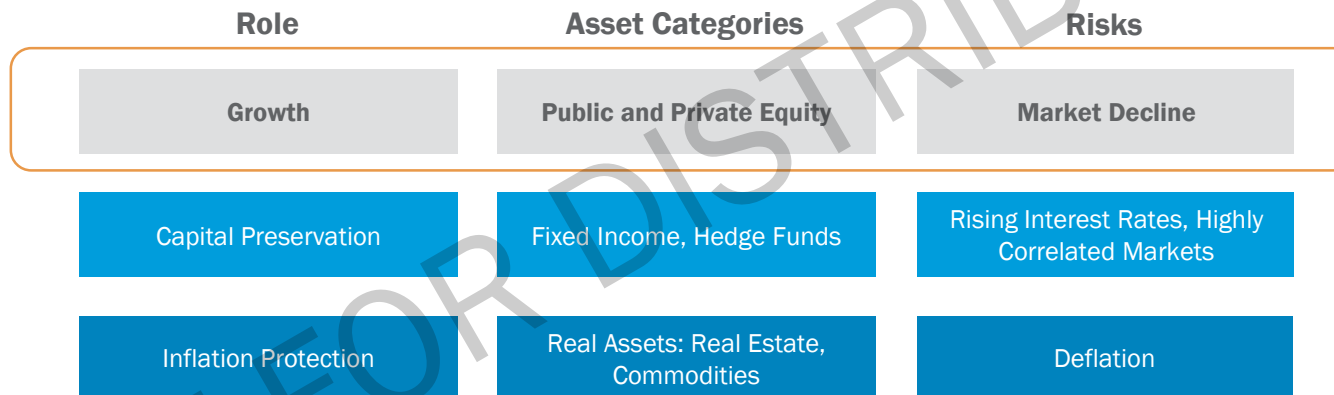
Quarterly Asset Class Report Global Equity

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December 31, 2020

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):

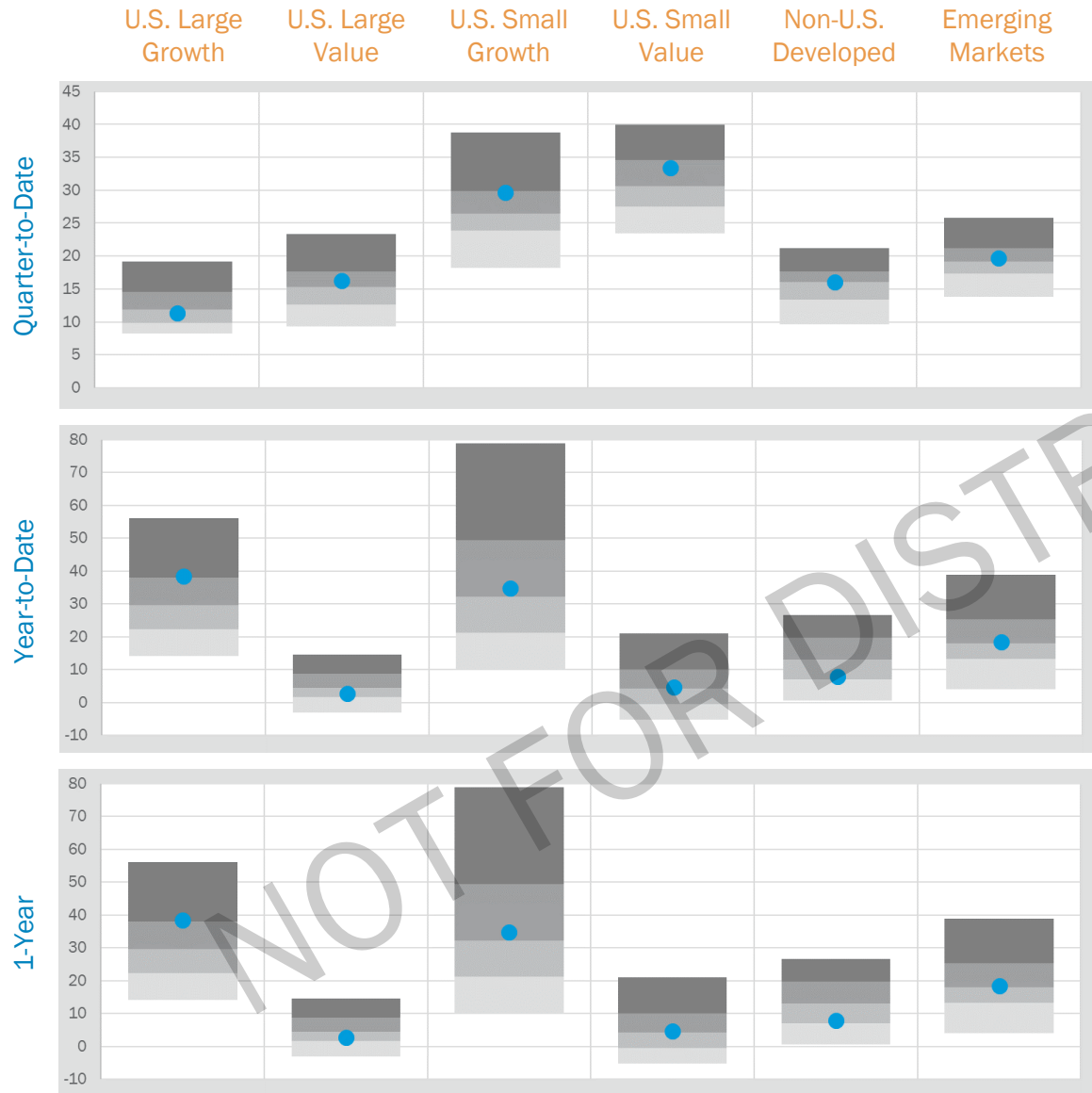
- Provide growth of portfolio assets in excess of inflation and spending rates
- Maintain comparable exposure to the global equity market
- Exhibit returns uncorrelated to fixed income markets



- Canterbury global equity portfolios are expected 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, 2020

Equity Review



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

- Major U.S. indices rose significantly in the quarter. U.S. small-cap stocks outperformed large-cap stocks, a reversal from last quarter. U.S. large-cap stocks slightly outperformed U.S. small-cap stocks over the one-year time period.
- Value outperformed growth in the quarter but lagged significantly over the one-year period. The performance spread between growth and value was most pronounced at the higher end of the market cap spectrum.
- Both non-U.S. developed and emerging markets (EM) rallied in the quarter and benefited from currency tailwinds. EM equities outperformed non-U.S. developed equities in the quarter and the year.

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)	30.16	18.20	3.54		++
	R2000 Current P/E (Small Cap)	N/A	42.35	N/A	-	
	Avg P/E Ratio (Large/Small)	N/A	0.43	N/A	-	
	Russell Top 200 EV/EBITDA [^] (Large Cap)	18.22	11.26	3.00		++
	R2000 EV/EBITDA (Small Cap)	35.16	16.43	4.42	++	
	Avg EV/EBITDA Ratio (Large/Small)	0.52	0.69	-2.43	++	
	Russell Top 200 P/S (Large Cap)	3.32	1.97	2.98		++
	R2000 P/S (Small Cap)	1.41	1.12	2.10	++	
	Avg P/S Ratio (Large/Small)	2.36	1.76	1.67		+
Solvency	Russell Top 200 Debt/EBITDA (Large Cap)	4.68	4.26	1.77		+
	Russell 2000 Debt/EBITDA (Small Cap)	12.75	6.29	3.29	++	
	Avg Debt/EBITDA Ratio (Large/Small)	0.37	0.71	-2.22	++	
Growth	Russell Top 200 LT EPS Gr (Fwd) (Large Cap)	9.66	9.21	0.10	-	
	R2000 LT EPS Gr (Fwd) (Small Cap)	11.77	10.07	0.30	-	
	Avg Growth Ratio (Large/Small)	0.82	0.87	-0.12	-	
Economy	Case Shiller Home Price (YoY)	7.95	4.60	0.76	-	
	Total Leading Economic Indicators	109.10	99.01	1.16		+
	Currency (USD v Broad Basket)	89.94	89.76	0.02	-	
	Curve Steepness 2's to 10's	0.79	1.22	-0.56	-	

*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.
- Valuation metrics continued their upward trajectory for both small caps and large caps in the quarter. The P/E ratio is labeled N/A for the small cap index due to negative earnings in the quarter.
- Growth estimates remain above long-term averages for both large caps and small caps.
- The interest rate spread between the 10-year and two-year U.S. Treasury widened slightly in the quarter, but remains 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	29.92	18.40	3.70			++
	MSCI ACWI Current P/E	31.99	17.83	4.26	++		
	Avg P/E Ratio (US /ACWI)	0.94	1.03	-1.69	+		
	S&P 500 EV/EBITDA^	18.67	11.53	3.21			++
	MSCI ACWI EV/EBITDA	16.25	10.45	3.48	++		
	Avg EV/EBITDA Ratio (US/ACWI)	1.15	1.10	0.97		-	
	S&P 500 P/S	2.81	1.83	2.66			++
	MSCI ACWI P/S	2.13	1.40	2.98	++		
Avg P/S Ratio (US/ACWI)	1.32	1.30	0.28		-		
Solvency	S&P 500 Debt/EBITDA	5.05	4.19	2.69			++
	MSCI ACWI Debt/EBITDA	7.30	5.95	3.03	++		
	Avg Debt/EBITDA Ratio (US/ACWI)	0.69	0.70	-0.39		-	
Growth	S&P 500 LT EPS Gr (Fwd)	10.19	8.88	0.26		-	
	MSCI ACWI LT EPS Gr (Fwd)	12.08	9.78	0.09		-	
	Avg Growth Ratio (US/ACWI)	0.84	0.98	-0.29		-	
Economy	Currency (USD v Broad Basket)	89.94	89.76	0.02		-	

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Equity Review

- Earnings and sales multiples ticked up for both U.S. equities and equities outside of the U.S. Valuations remain above their long-term averages.
- Debt levels remain above long-term averages for both U.S. and global (R.O.W.) stocks, suggesting more concerning leverage conditions.
- Expected earnings growth moved above 10-year averages for both domestic and R.O.W. equities.
- The U.S. dollar weakened in the quarter and was a relative tailwind 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	43.86	18.21	4.65		++
	MSCI ACWI Current P/E	31.99	17.83	4.26	++	
	Avg P/E Ratio (EAFE/ACWI)	1.37	1.02	3.41		++
	MSCI EAFE EV/EBITDA [^]	13.45	9.42	3.72		++
	MSCI ACWI EV/EBITDA	16.25	10.45	3.48	++	
	Avg EV/EBITDA Ratio (EAFE/ACWI)	0.83	0.91	-1.33	+	
	MSCI EAFE P/S	1.45	1.06	2.45		++
	MSCI ACWI P/S	2.13	1.40	2.98	++	
Avg P/S Ratio (EAFE/ACWI)	0.68	0.76	-2.22	++		
Solvency	MSCI EAFE Debt/EBITDA	10.83	8.37	2.81		++
	MSCI ACWI Debt/EBITDA	7.30	5.95	3.03	++	
	Avg Debt/EBITDA Ratio (EAFE/ACWI)	1.48	1.40	1.21		+
Growth	MSCI EAFE LT EPS Gr (Fwd)	23.19	6.92	0.30	-	
	MSCI ACWI LT EPS Gr (Fwd)	12.08	9.78	0.09	-	
	Avg Growth Ratio (EAFE/ACWI)	1.92	0.68	0.51	-	
Economy	USD/EUR	1.22	1.21	0.09	-	

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- 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. equities increased and remain above their long-term averages.
- Earnings growth forecasts for both non-U.S. developed and R.O.W. rose in the quarter. Non-U.S. developed growth estimates are above their 10-year average.
- The euro strengthened versus the dollar and is slightly stronger than average. A weaker dollar can benefit U.S. companies with revenues in Europe and costs in U.S. dollars.

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	25.47	13.68	4.77			++
	MSCI ACWI Current P/E	31.99	17.83	4.26	++		
	Avg P/E Ratio (EM/ACWI)	0.80	0.77	0.48		-	
	MSCI EM EV/EBITDA [^]	13.39	8.31	4.19			++
	MSCI ACWI EV/EBITDA	16.25	10.45	3.48	++		
	Avg EV/EBITDA Ratio (EM/ACWI)	0.82	0.80	0.40		-	
	MSCI EM P/S	1.78	1.17	3.93			++
	MSCI ACWI P/S	2.13	1.40	2.98	++		
	Avg P/S Ratio (EM/ACWI)	0.83	0.85	-0.11		-	
Solvency	MSCI EM Debt/EBITDA	5.86	4.20	2.31			++
	MSCI ACWI Debt/EBITDA	7.30	5.95	3.03	++		
	Avg Debt/EBITDA Ratio (EM/ACWI)	0.80	0.71	0.91		-	
Growth	MSCI EM LT EPS Gr (Fwd)	10.32	9.52	0.03		-	
	MSCI ACWI LT EPS Gr (Fwd)	12.08	9.78	0.09		-	
	Avg Growth Ratio (EM/ACWI)	0.85	0.81	0.09		-	

- Both EM equities and R.O.W. equity valuations are above their historical valuation multiples. EM equities appear to be at an appropriate discount to R.O.W. equities.
- Debt levels for both EM countries and for the R.O.W. have increased.
- Growth expectations improved for R.O.W. equities. Both EM and R.O.W. equities growth estimates are above their long-term averages.

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Source: MSCI