CanterburyConsulting

Global Positioning Statement™

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September 30, 2020

Drivers of the Market

Market Rally Continues

- U.S. stocks rallied early in the quarter, benefitting from stronger than expected employment numbers, corporate earnings, and monetary support from central banks. Following strong gains in August, U.S. stocks experienced a 10% drawdown but ended the quarter in positive territory.

- Emerging markets (EM) equities doubled the returns of European equities, which lagged the rest of the world. EM's strong performance benefitted from China's relative success in containing the virus and the reopening of their economy. In Western Europe, concerns of additional lockdown measures weighed on equities. Both EM and international markets benefitted from a weaker U.S. dollar.

- U.S. interest rates stayed range-bound across the yield curve as the Fed continued to signal an accommodative monetary policy stance. Many non-U.S. developed rates moved further into negative-yielding territory as global central banks showed no signs of tightening for the foreseeable future.

- Investment grade (IG) and high yield (HY) spreads tightened and the corporate bond sector continued to recover from the March 2020 lows. Lower-rated bonds outperformed their higher-rated counterparts as default concerns abated. The U.S. dollar weakened while the Euro appreciated during the quarter. Market participants hypothesize that the Euro's move higher is related to the ECBs increased willingness to mutually lend, which would result in further stability for the Eurozone.

- Commodities and energy-related assets continued to rebound, albeit with elevated volatility. The demand outlook for energy remained subdued as the market assessed the timeframe of a broad-based economic recovery.

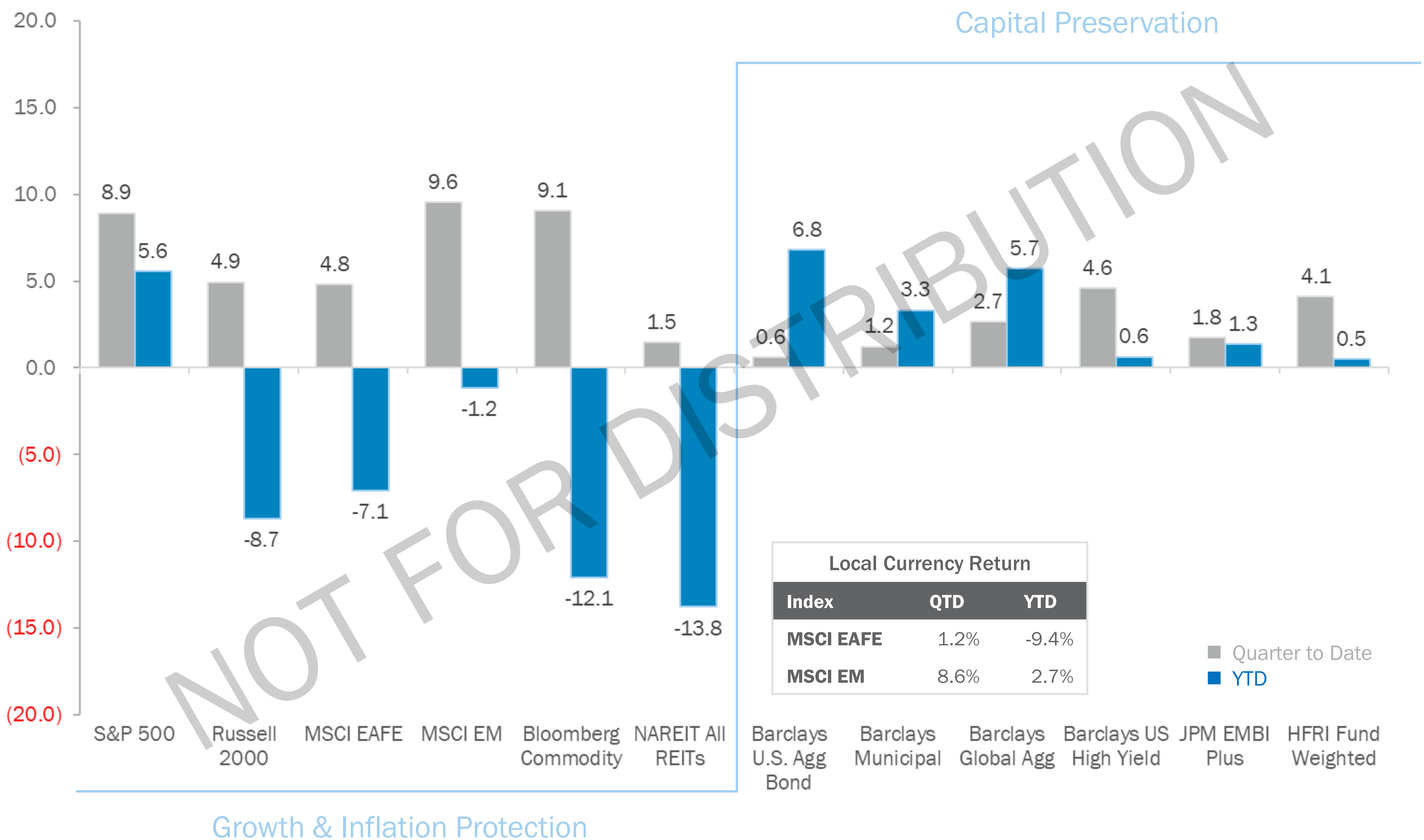
Returns through September 30, 2020

Index	QTD	YTD	1-Year
Growth MSCI ACWI	8.1%	1.4%	10.4%
Capital Preservation Barclays Global Aggregate	2.7%	5.7%	6.2%
Inflation Protection Morningstar U.S. Real Asset*	-0.2%	-4.9%	-3.6%

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

Index Returns (%)

Through September 30, 2020



Local Currency Return

Index	QTD	YTD
MSCI EAFE	1.2%	-9.4%
MSCI EM	8.6%	2.7%

Source: Morningstar

Economic Data

Third Quarter 2020

Year over Year Statistics[1]

	September 30, 2015	September 30, 2016	September 29, 2017	September 28, 2018	September 30, 2019	September 30, 2020
S&P 500	1,920.03	2,168.27	2,519.36	2,913.98	2,976.74	3,363.00
S&P 500 EPS	110.90	106.29	118.39	148.56	150.74	128.66
P/E of S&P 500	17.31	20.40	21.28	19.62	19.75	26.14
P/E of MSCI EAFE	18.50	23.27	19.21	15.53	17.25	34.87
P/E of MSCI EM	12.38	16.28	15.07	12.38	13.60	20.01
S&P 500 Earnings Yield	5.78	4.90	4.70	5.10	5.06	3.83
Fed Funds Effective Rate	0.14	0.40	1.15	1.95	2.04	0.09
3 Month LIBOR	0.33	0.85	1.33	2.40	2.09	0.23
10 Year Treasury Yield	2.04	1.59	2.33	3.06	1.66	0.68
30 Year Mortgage Rate	3.84	3.34	3.80	4.57	3.72	3.08
Barclays U.S. Agg Yield	2.31	1.96	2.55	3.46	2.26	1.18
Barclays HY Spread	6.30	4.80	3.47	3.16	3.73	5.17
Gold ($/oz)	1,115.09	1,315.87	1,279.75	1,190.88	1,472.49	1,885.82
WTI Crude Oil ($/bbl)	45.09	48.24	51.67	73.25	54.07	40.22
Unemployment Rate	5.00	5.00	4.20	3.70	3.50	7.90
Headline CPI[2]	0.00	1.50	2.20	2.30	1.70	1.30
VIX Index	24.50	13.29	9.51	12.12	16.24	26.37

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]
2020	-4.3%	1.2%	8.5%	0.76%	$146.55	22.95	$101.29	18.44	$71.69	15.09
2021	3.7%	1.9%	6.9%	1.16%	$166.50	20.20	$119.65	15.61	$80.79	13.39

1) *Source: Bloomberg*
2) *Values are carried forward from the most recent reported value (9/30/2020)*
3) *Forecasts are consensus opinions from 79 forecasting agencies throughout the month of September (Median)*
4) *Index Forecasts - Forward 12-month estimate, Forward 24-month estimate*
Estimate calculated from quarter end (i.e. September 30, 2020 – September 30, 2021). Price in P/E ratio static as of quarter end.

Current U.S. Economic Conditions: Contraction/Panic

Contraction

U.S. GDP Growth:

U.S. Earnings Yield

$\boxed{\text{U.S. Credit Markets: Spreads above average}}$

Volatility (VIX)

$\boxed{\text{Yield Curve: Below average yield curve}}$

Investor Sentiment:

Normal Growth

U.S. GDP Growth

U.S. Earnings Yield

U.S. Credit Markets

Volatility (VIX)

Yield Curve

Investor Sentiment

Panic

$\boxed{\text{U.S. GDP Growth: Sig. below average growth}}$

$\boxed{\text{U.S. Earnings Yield: Sig. below avg. earnings yield}}$

U.S. Credit Markets:

$\boxed{\text{Volatility (VIX): Significantly above avg. volatility}}$

Yield Curve

$\boxed{\text{Investor Sentiment: Significantly below average}}$

Manic Growth

U.S. GDP Growth

U.S. Earnings Yield

U.S. Credit Markets

Volatility (VIX)

Yield Curve

Investor Sentiment

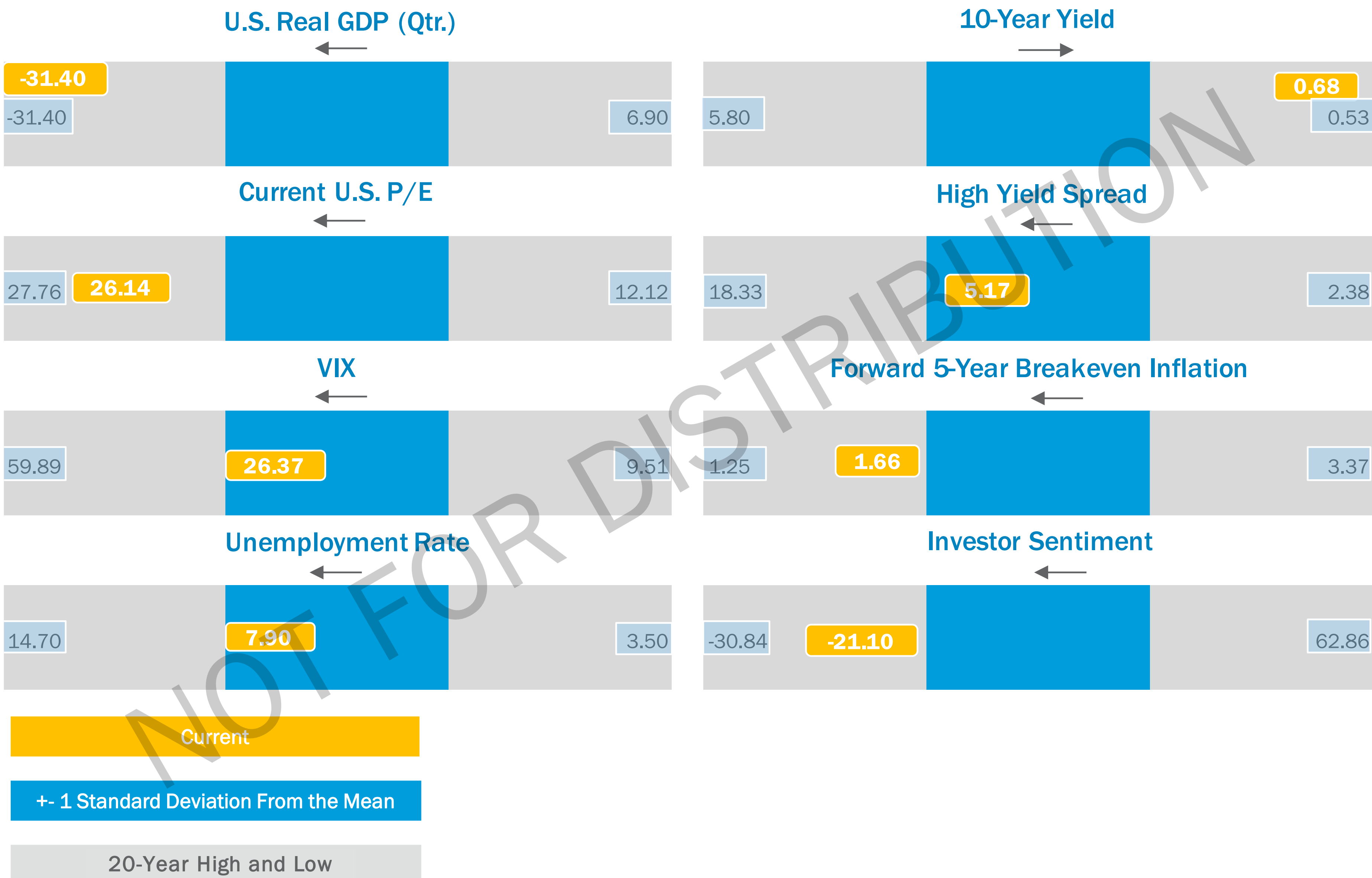
Metrics	Quarter avg.	10-year avg.
U.S. GDP Growth: Prior quarter U.S. Real GDP versus the 10 year U.S. Real GDP average*	-31.4%	1.0%
U.S. Earnings Yield: Quarter avg. S&P 500 earnings yield versus the 10 year S&P 500 earnings yield average	3.8%	5.6%
U.S. Credit Markets: Quarter avg. Barclays US Corporate HY Average OAS versus the 10 year average	494	479
Volatility (VIX): Quarter avg. VIX average versus the 10 year VIX average	25.8	17.6
Yield Curve: Quarter avg. 30-year yield minus the quarter avg. 2-year yield versus the 10 year average	125 bps	204 bps
Investor Sentiment: Quarterly Sentiment spread versus the 10 year average spread. Spread measured by difference between Bull Sentiment Index and Bear Sentiment Index.	-19.0	4.5

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

Source: Bloomberg

Global Positioning Indicators

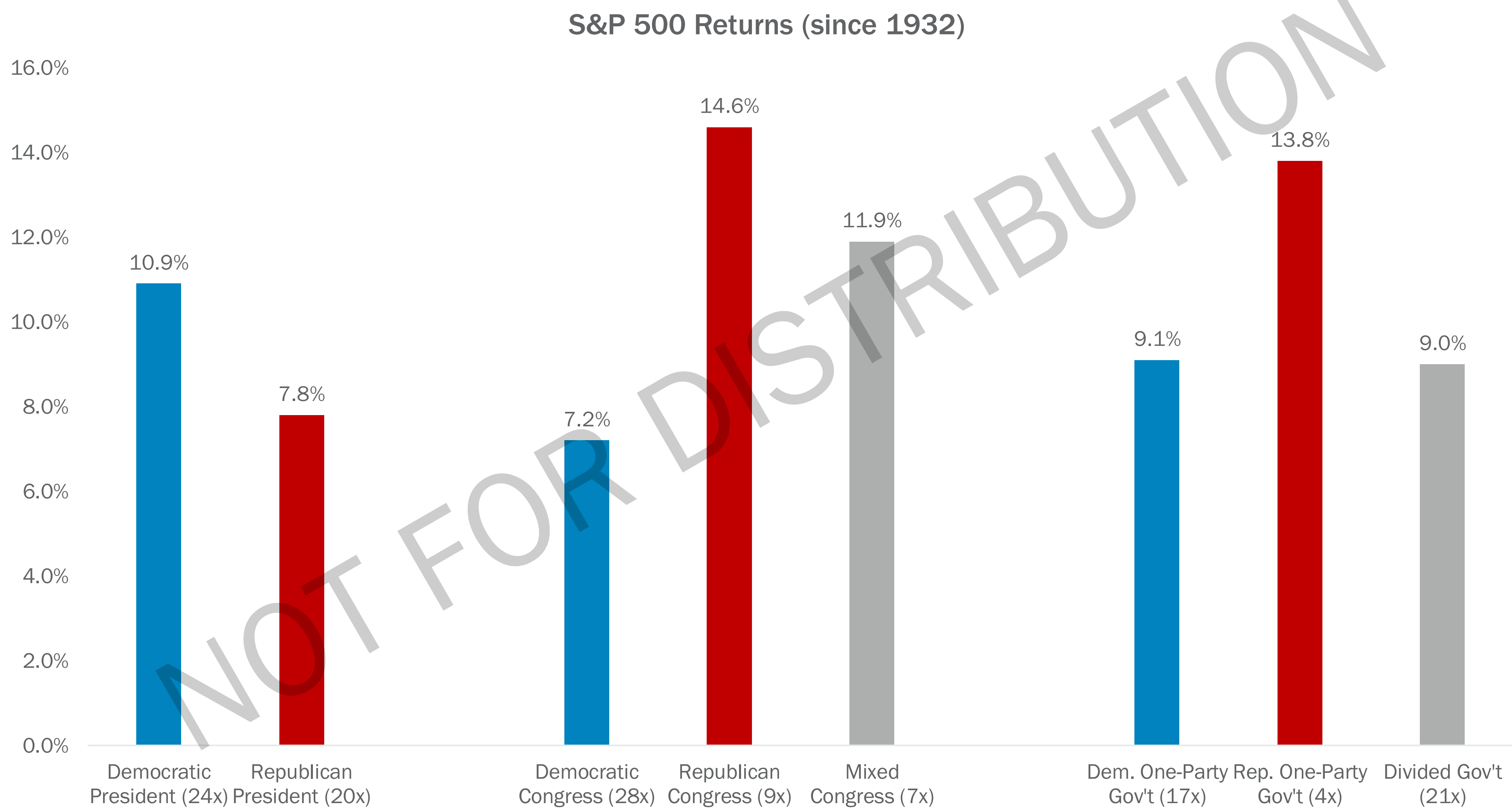
Through September 30, 2020



Source: Bloomberg

Stock Returns by Party in Power

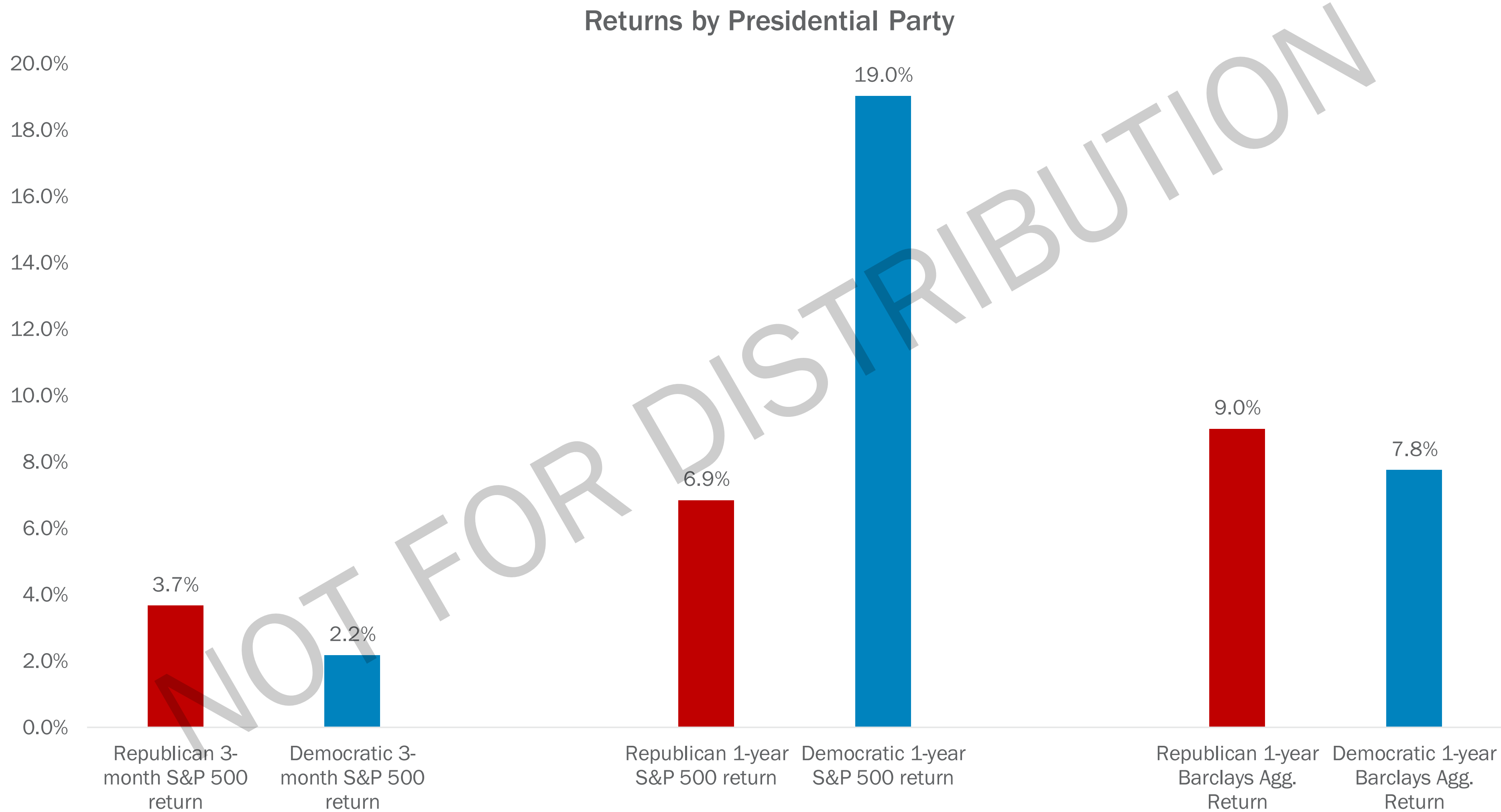
Markets tend to do best under a Democratic president and Republican congress.



Source: Bloomberg and PIMCO. As of July 31, 2020.

Market Returns by Presidential Party

Markets tend to do well following an election regardless of who wins.



Source: Bloomberg and PIMCO. Data from 1980 to July 31, 2020.