



Canterbury Consulting

canterburyconsulting.com

Quarterly Asset Class Report Private Credit

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.

June 30, 2024

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

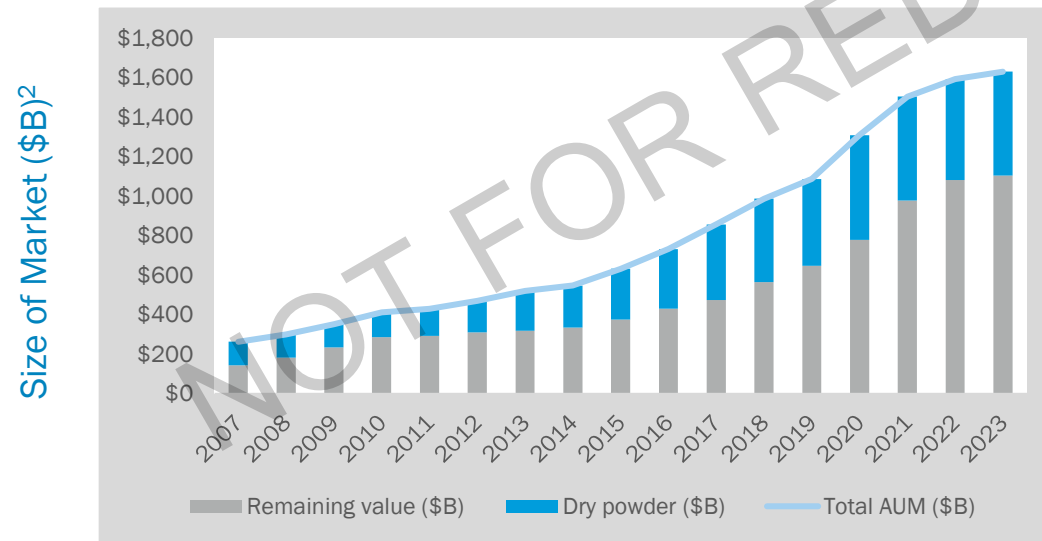
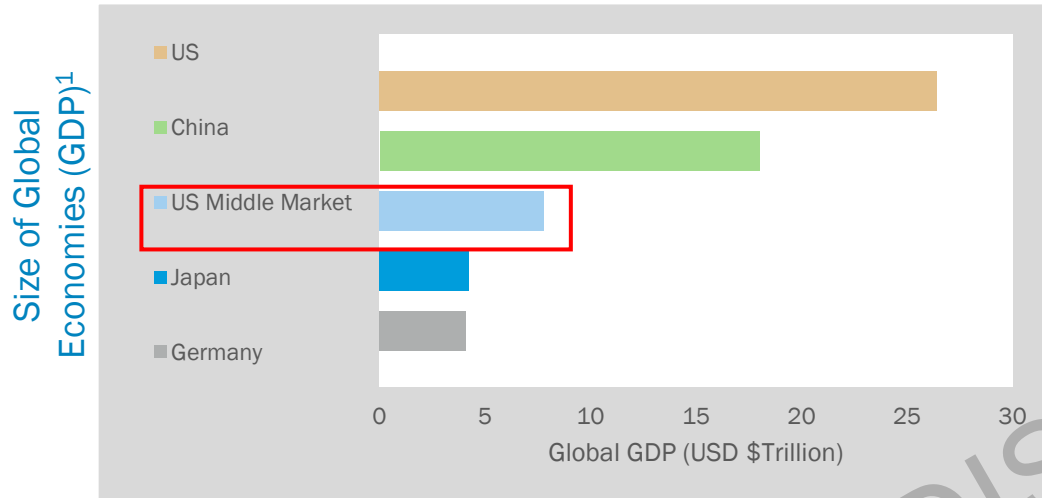
- Preserve capital and mitigate volatility
- Provide measured exposure to the diverse universe of the middle market economy
- Exhibit returns with lower correlation to equity markets

Role	Asset Categories	Risks
Growth	Public and Private Equity	Market Decline
Capital Preservation	Fixed Income, Hedge Funds, Private Credit	Rising Interest Rates, Highly Correlated Markets
Inflation Protection	Real Assets: Real Estate, Commodities	Deflation

- Canterbury private credit portfolios are set up with a goal to deliver consistent net-of-fees excess returns versus a 50/50 benchmark of the Morningstar Leveraged Loan Index and Bloomberg High Yield Corporate Credit Index.
- Canterbury’s current private credit portfolios consists of diversified private credit strategies across corporate lending and asset-based lending to borrowers in various GICS sectors.

The Private Credit Opportunity

Private Credit

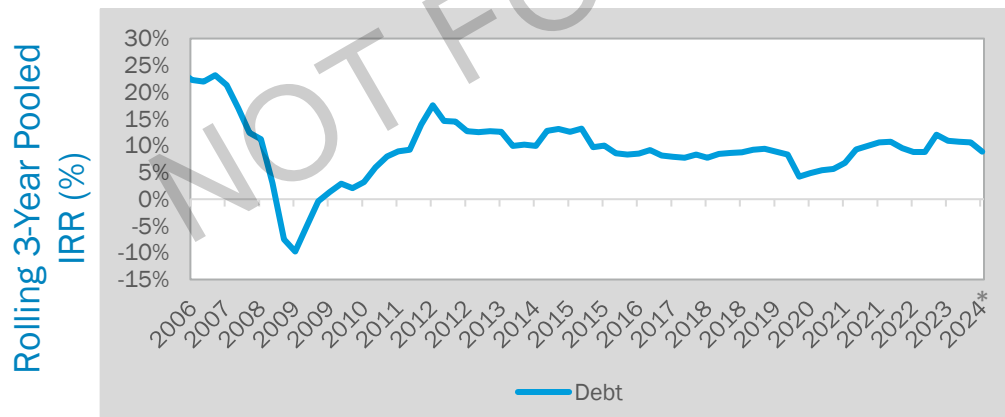
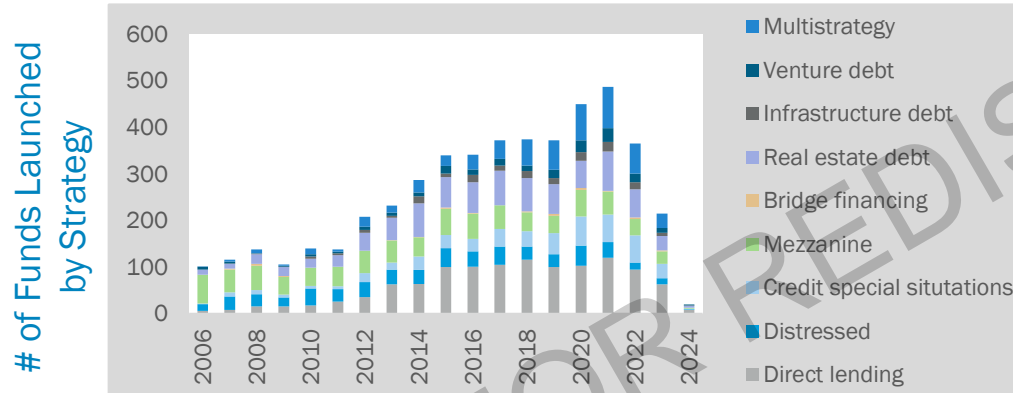
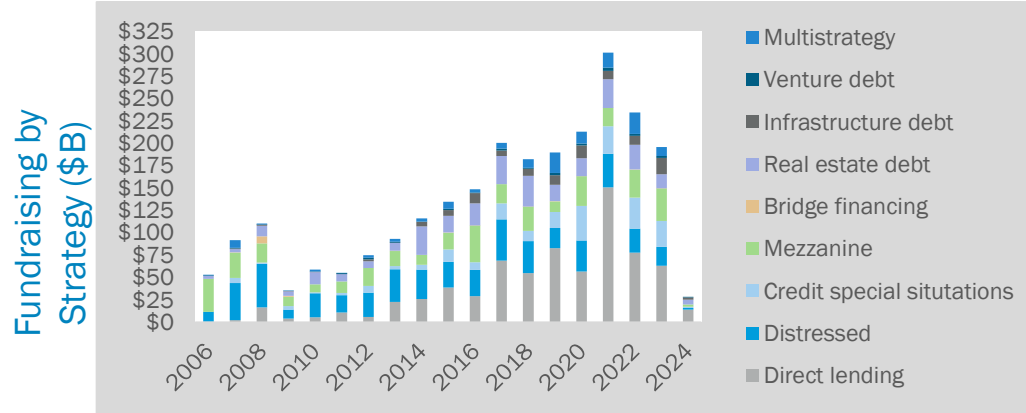


- From a GDP perspective, the U.S. middle market segment is the third largest economy in the world.
- 200,000 businesses categorized in the middle market equate to a combined one-third of private sector GDP.
- The private credit asset class has grown considerably since the Global Financial Crisis to \$1.6 trillion as of end of 2023 from \$300 billion in 2008.
- Over the last four years, dry powder in private credit has ranged between \$500 billion and \$550 billion, compared to approximately \$200 billion a decade earlier.
- The asset class has continued to grow as banks have reduced their footprint, leaving non-bank lenders to fill the void.

Source: 1) National Center for the Middle Market, Bloomberg, and World Bank Data as of 12/31/2022. 2) Pitchbook Data as of 12/31/2023.

Private Credit Activity

Private Credit



- Direct lending led overall private debt fundraising activity in the first quarter of 2024.
- Funds raising over \$1 billion attracted most of the capital compared to smaller funds.
- Real estate lending fundraising was the slowest in over a decade in 2023 but attracted the second-most capital in the first quarter of 2024.
- The private debt rolling 3-year IRR ranged between 10-13% throughout 2023 but dipped to 9% at the beginning of 2024.

Source: Pitchbook

Private Debt includes the aggregation of general debt, venture debt, infrastructure debt, real estate debt, bridge financing, mezzanine debt, credit special situations, and distressed debt as defined by Pitchbook. AUM and fund count data is as of 3/31/2024. *Rolling 3-Year IRR data as of 3/31/2024.