



Canterbury Consulting

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Global Positioning Statement™

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March 31, 2024

Quarter In Review

First Quarter 2024

Equity Markets Continue Rally While Fixed Income Markets Lag

- In the first quarter, despite strong economic data and signals from the Federal Reserve that previously anticipated rate cuts would likely be postponed, U.S. equities continued to rally. Performance was wider in breadth than in previous quarters, with 2 of the “Magnificent 7” stocks suffering notably poor performance, and 7 of the 12 sectors of the S&P 500 returning over 9%. However, large-cap continued to dominate small-cap, with +10% returns for large-cap companies, and small-cap lagging behind in the mid-single digits.
- International developed equities and emerging markets (EM) equities posted positive returns for the quarter, albeit falling behind their U.S. counterparts. The MSCI EAFE returned 5.8% for the quarter, while the MSCI EM index returned 2.4% for the quarter. Concerns over China continue to plague the returns of major international indices, with Chinese equities down over 2% for the quarter coupled with a troubled outlook for the country.
- Inflation, measured by CPI, increased from 3.3% in December to a year-over-year rate of 3.5% in March. CPI excluding food and energy, generally viewed as sticky inflation or Core CPI, remained relatively unchanged at a year-over-year rate of 3.8%. Indicators used to measure U.S. economic activity such as the ISM Manufacturing and Non-Manufacturing indexes both signaled expansionary economic activity, further complicating the inflation and interest rate outlook for the Fed.
- As inflation continued to remain elevated in the first quarter, the Federal Reserve kept rates unchanged at a range between 5.25% - 5.50% at the March FOMC meeting. During the meeting, the Fed communicated that they have not changed their overall view of inflation gradually trending lower. However, Fed Chair Powell acknowledged that inflation had been stickier than anticipated, and as a result believes reaching the 2% inflation target could be a bumpy road.
- Investment grade (IG) spreads narrowed from 104 basis points (bps) to 93 bps, and high yield (HY) spreads narrowed from 339 bps to 312 bps over the quarter. Both were well below their long-term median levels [1].

Returns through March 31, 2024

Index	QTD	1-Year
Growth MSCI ACWI	8.20%	23.22%
Capital Preservation Bloomberg Global Aggregate	-2.08%	0.49%
Inflation Protection Morningstar U.S. Real Asset*	1.17%	5.12%

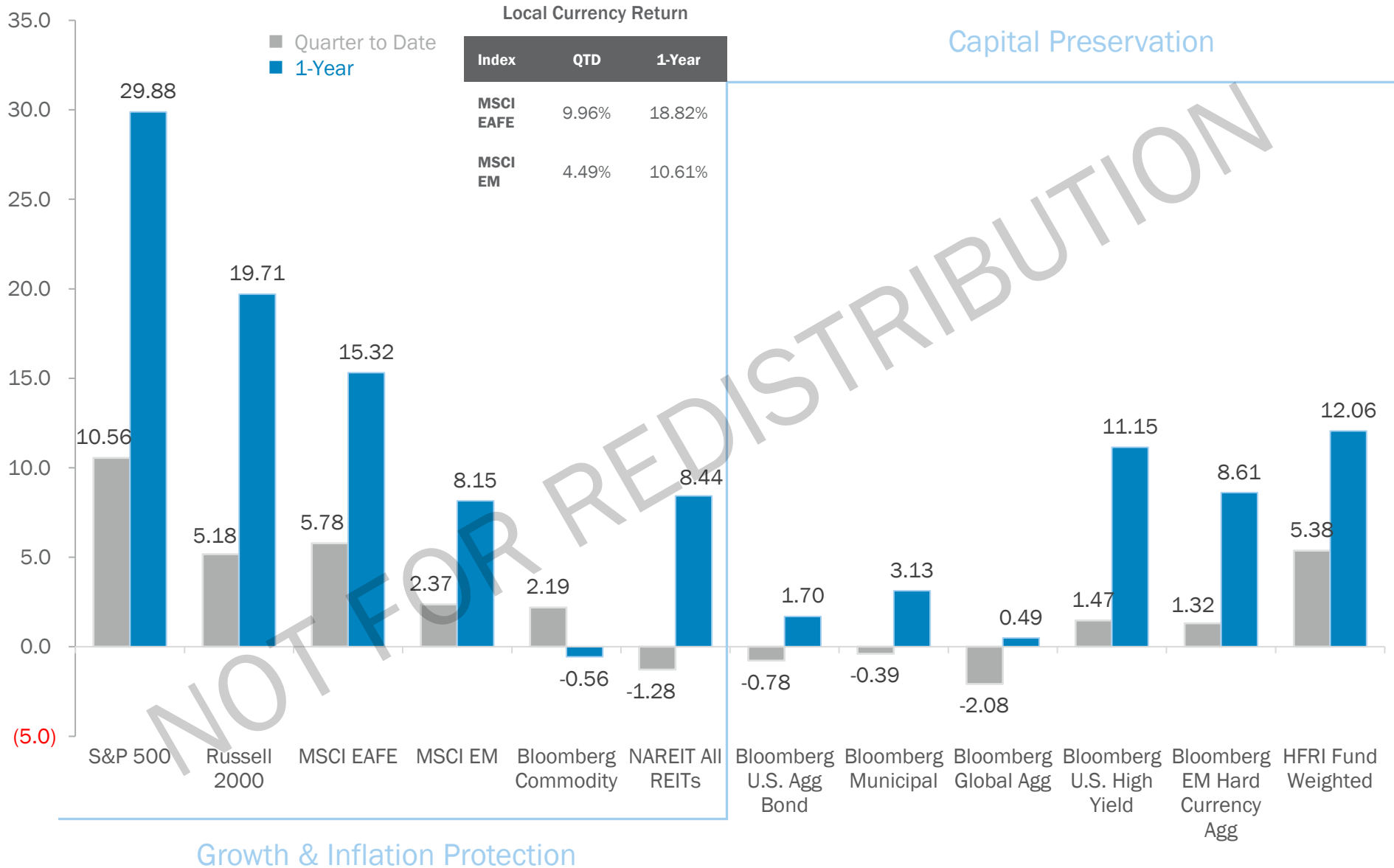
Sources: MSCI ACWI Index, MSCI ACWI ex-US Index, MSCI EAFE Index, MSCI EM Index, Federal Reserve Board of Governors, U.S. Bureau of Labor Statistics, Morningstar

[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 (%)

Through March 31, 2024



Source: Morningstar

Year over Year Statistics¹

	March 29, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 29, 2024
S&P 500	2,834.40	2,584.59	3,972.89	4,530.41	4,109.31	5,254.35
S&P 500 EPS	161.45	164.79	140.30	212.31	223.90	223.19
P/E of S&P 500	18.41	16.65	30.95	22.93	19.66	23.54
P/E of MSCI EAFE	14.80	12.99	25.36	14.40	14.48	15.70
P/E of MSCI EM	13.11	11.69	20.38	12.98	12.53	15.61
S&P 500 Earnings Yield	5.43	6.00	3.23	4.36	5.09	3.97
Fed Funds Effective Rate	2.41	0.65	0.07	0.20	4.65	5.33
3 Month LIBOR	2.60	1.45	0.19	0.96	5.19	5.56
10 Year Treasury Yield	2.41	0.67	1.74	2.34	3.47	4.20
30 Year Mortgage Rate	4.08	3.86	3.27	4.90	6.81	7.25
Bloomberg U.S. Agg Yield	2.93	1.59	1.61	2.92	4.40	4.85
Bloomberg HY Spread	3.91	8.80	3.10	3.25	4.55	2.99
Gold (\$/oz)	1,292.38	1,577.18	1,707.71	1,937.44	1,969.28	2,229.87
WTI Crude Oil (\$/bbl)	60.14	20.48	59.16	100.28	75.67	83.17
Unemployment Rate	3.80	4.40	6.10	3.60	3.50	3.80
Headline CPI²	1.90	1.50	2.60	8.50	5.00	3.20
VIX Index	13.71	53.54	19.40	20.56	18.70	13.01

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
2024	2.2%	2.9%	4.0%	3.89%	\$242.28	21.69	\$155.95	15.06	\$83.18	12.54
2025	1.7%	2.4%	4.1%	3.70%	\$271.97	19.32	\$168.25	13.96	\$96.03	10.86

1) Source: Bloomberg

2) Values are carried forward from the most recent reported value (3/31/2024)

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. Mar. 31, 2024 - Mar. 31, 2025). Price in P/E ratio static as of quarter end.

Current U.S. Economic Conditions: Cautious Growth

Contraction

U.S. GDP Growth
 U.S. Unemployment
 U.S. Credit Markets
 Volatility (VIX)
 Yield Curve
 Investor Sentiment

Normal Growth

U.S. GDP Growth: Above avg. growth
 U.S. Unemployment: Below avg. unemployment
 U.S. Credit Markets: Below avg. spreads
 Volatility (VIX): Below avg. volatility
 Yield Curve
 Investor Sentiment

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
 Volatility (VIX)
 Yield Curve
 Investor Sentiment: Sig. above average

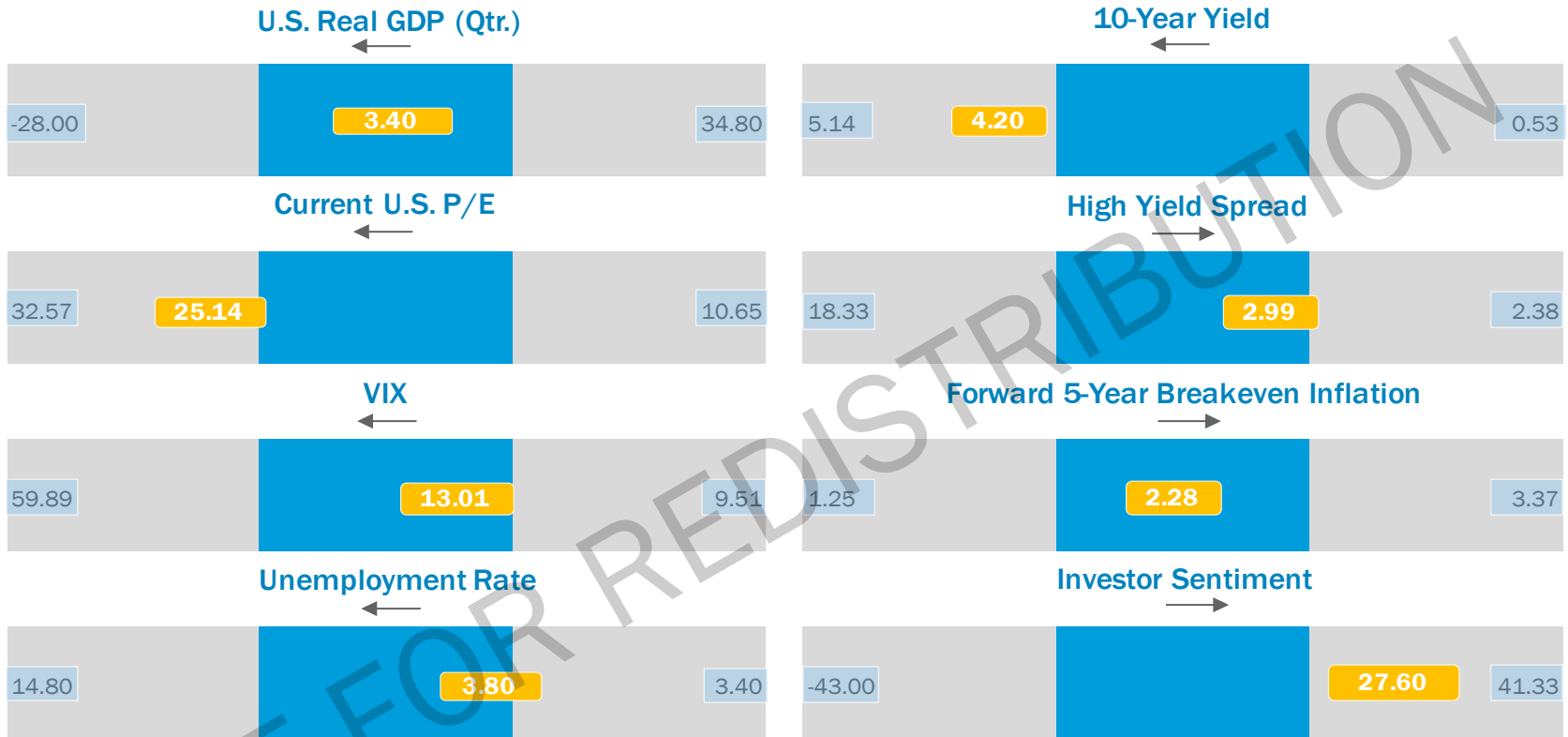
Metrics	Quarter avg.	10-year avg.
U.S. GDP Growth: Prior quarter U.S. Real GDP versus the 10 year U.S. Real GDP average*	3.4%	2.6%
U.S. Unemployment: Quarter avg. unemployment rate versus the 10 year average	3.8%	4.9%
U.S. Credit Markets: Quarter avg. Barclays US Corporate HY Average OAS versus the 10 year average	318	425
Volatility (VIX): Quarter avg. VIX average versus the 10 year VIX average	13.6	18.3
Yield Curve: Quarter avg. 30-year yield minus the quarter avg. 2-year yield versus the 10 year average	(-19) bps	112 bps
Investor Sentiment: Quarterly Sentiment spread versus the 10 year average spread. Spread measured by difference between Bull Sentiment Index and Bear Sentiment Index.	22.0	1.5

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

Source: Bloomberg

Global Positioning Indicators

Through March 31, 2024



Current

+/- 1 Standard Deviation From the Mean

20-Year High and Low

Source: Bloomberg