

MARIN HEALTHCARE DISTRICT

100-B Drake's Landing Road, Suite 250, Greenbrae, CA 94904

Telephone: 415-464-2090

Fax: 415-464-2094

Website: www.marinhealthcare.org

Email: info@marinhealthcare.org

BOARD OF DIRECTORS FINANCE & AUDIT COMMITTEE MONDAY, APRIL 29, 2024 @ 4:00 P.M.

Committee:

Chair: Brian Su, MD

Members: Ann Sparkman, RN/BSN, JD

Staff: David Klein, MD, CEO

Eric Brettner, CFO

Colin Leary, General Counsel

Liz Lasnier, Controller

Support: Tricia Lee, EA

Location:

Via Zoom:

<https://mymarinhealth.zoom.us/join>

Meeting ID: 956 4969 9699

Passcode: 398522

Or via Zoom telephone: 1-669-900-9128

AGENDA

- | | | <u>TAB</u> |
|---|-------------------------|------------|
| 1. Call to Order / Approval of the Agenda (action) | Su | |
| 2. Approval of the Minutes of the MHD Finance & Audit Committee Meeting of January 30,2024 (action) | Su | #1 |
| 3. Public Comment
<i>Any member of the audience may make statements regarding any item NOT on the agenda. Statements are limited to a maximum of three (3) minutes. Please state and spell your name if you wish it to be recorded in the minutes.</i> | Su | |
| 4. District Financial Reports | Brettner | |
| A. February 2024 | | #2 |
| B. March 2024 | | #3 |
| 5. MHD Corporate Investment Portfolio | Canterbury/
Brettner | #4 |
| 6. Annual ADV Update | Canterbury | #5 |
| 7. Adjournment | Su | |

Next meeting: TBD

A copy of the agenda for the Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting.

In compliance with the Americans with Disabilities Act, if you require accommodations to participate in a District meeting please contact the District office at 415-464-2090 at least 48 hours prior to the meeting.

Tab 1

MARIN HEALTHCARE DISTRICT

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Board of Directors Finance and Audit Committee Tuesday, January 30, 2024 @ 5:00 pm District Office Conference Room

MINUTES

1. Call to Order

Chair Alfrey called the meeting to order at 5:00 pm.

2. Roll Call / Approval of Agenda / Approval of Minutes

Committee members present: Edward Alfrey, MD (Chair); Ann Sparkman (Board Member); Molly Koehler, MD (Community Member)

Staff members present: David Klein, MD (CEO); Eric Brettner (CFO); Liz Lasnier (Controller); Brad Malsed (Ex Dir Fin Pln); Tricia Lee (EA); Louis Weiner (EA)

Guests present: Jason Levey (Canterbury Consulting)

Approval of the Agenda: It was moved, seconded and carried to approve the agenda as presented.

Approval of the Minutes: It was moved, seconded and carried to approve the minutes of the meeting of the committee on October 24, 2023.

3. Public Comment

There was no public comment.

4. Review: District Corporate Investment Portfolio

Mr. Levy presented the report (Tab #2), commenting the fourth quarter was very a productive period, coincided nicely with the begin to move to equities for the portfolio. The portfolio recovered well from losses in the previous year, with a robust equity market and a rise in bond returns.

5. District Financial Reports

Mr. Brettner discussed the financial report for 2023. The positive investment results in October, November and December significantly boosted the district's income. The rental income was in line with the anticipated amount with a slight variance to inflation.

Mr. Brettner also reported the MHD is \$155,000 ahead of budget for the month and over \$300,000 ahead in the operating line. On the expense side, there were not significant changes and the MHD was \$24,000 ahead for the month and \$103,000 for the year.

Mr. Brettner spoke on the bond related activities, with the depreciation expense being on budget and the tax and bond payments being on schedule. However, the interest rate environment had an impact on the tax revenue.

6. Adjournment

Dr. Alfrey adjourned the meeting at 5:14 pm.

Tab 2



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO *EB*
Re: February 2024 Financial Report
Date: March 18, 2024

I. General Comments

These financial statements contain, in summary format, the balance sheet and income statement.

II. Income Statement and Budget

The District's net operating loss for the month was \$18,235 which was unfavorable to budget by \$21,235. The unfavorable variance is driven by lower than expected investment earnings. Rental revenue from the hospital lease was \$53,913 in February. Investment earnings were comprised of \$12,310 dividend and interest income as well as \$8,684 of realized loss and a \$22,572 decrease in the value of investments. The District incurred total operating expenses of \$53,202 which was favorable to budget by \$13,591. The favorable variance was due to lower than budgeted legal fees and election expenses. The District incurred community education expenses of \$22,858 for logo development and cooking demo seminar. Depreciation expense was \$989,896 in February. Bond Related Revenues and Expenses included \$1,311,603 of accrued tax revenues less bond fund earnings, and \$1,186,706 of bond interest expense.

III. Balance Sheet

Assets

Cash at February 29, 2024 of \$928,943 increased by \$26,413. The increase was due to rent revenue deposit offset by intercompany payments to related parties for program support. Investment account balances of \$3,668,463 decreased by \$18,984 from the prior month. Tax revenue receivables are \$7,725,215 and represent amounts due from the County of Marin. The payments received from the County are deposited directly into the bond fund accounts.

The tax payments received from the County, together with the balance of the proceeds from the bonds issued in November 2015 and September 2017, net of issuance costs, are reflected in the account "Assets Limited to Use – Interest & Sinking Funds". These funds total \$4,582,466 at February 29, 2043 to be used for bond principal and interest payments. The decrease of \$7,540,422 from the prior month is due to payment of interest.



Liabilities and Net Assets

Interest payable of \$1,268,075 decreased by \$6,340,375 from the prior month due to the payment of interest. Accrued expenses of \$46,513 are primarily comprised of accruals for audit fees, legal fees, and community education expenses.

Related party receivables of \$9,222 include \$14,370 due to the Hospital for ACHD dues and community education and \$5,147 due from the Network for bank fees.

Bonds payable are separated into current (principal due within one year) and non-current (due in greater than one year). The current payable amount of \$1,250,000 is due in August 2024. Bond Premium represents payments by bond purchasers greater than the face amount of the bond because the stated interest rate of the bonds was higher than the market rate at the date of issuance. The premium is amortized over the life of the bonds as a reduction to interest expense. The net assets of the District are \$35,215,793.

Marin Healthcare District
Balance Sheet
February 29, 2024

	2/29/2024	1/31/2024	Change	12/31/2023
Assets				
Current Assets				
Cash	928,943	902,530	26,413	867,658
Investment	3,668,463	3,687,447	(18,984)	3,690,043
Tax Revenues Receivable	7,725,215	6,481,640	1,243,575	5,369,725
Prepaid Expenses	-	-	-	-
Total Current Assets	12,322,621	11,071,617	1,251,004	9,927,426
Property, plant, and equipment, net	384,983,863	385,891,287	(907,424)	386,798,711
Parking Garage, net	19,111,515	19,193,987	(82,472)	19,276,460
Assets Limited To Use - Interest & Sinking Funds	4,582,466	12,122,888	(7,540,422)	11,946,664
Lease Receivable	11,136,137	11,136,137	-	11,136,137
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	419,849,981	428,380,299	(8,530,318)	429,193,972
Total Assets	432,172,602	439,451,916	(7,279,314)	439,121,398
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	266	1,736	(1,470)	735
Interest Payable	1,268,075	7,608,450	(6,340,375)	6,340,375
Accrued Expenses	46,513	30,583	15,930	28,175
Deferred Lease Inflows	10,374,681	10,374,264	417	10,366,037
Related Party Payables	9,222	(1,565)	10,787	(691)
Current Bond Maturities	1,250,000	1,250,000	-	1,250,000
Total Current Liabilities	12,948,757	19,263,468	(6,314,711)	17,984,631
Bonds Payable	362,540,000	362,540,000	-	362,540,000
Bond Premium	21,468,052	21,549,421	(81,369)	21,630,790
Total Liabilities	396,956,809	403,352,889	(6,396,080)	402,155,421
Net Assets				
Net Assets	36,965,977	36,965,977	-	46,565,238
Net (Loss)/Income	(1,750,184)	(866,950)	(883,234)	(9,599,261)
Total Net Assets	35,215,793	36,099,027	(883,234)	36,965,977
Total Liabilities and Net Assets	432,172,602	439,451,916	(7,279,314)	439,121,398

Marin Healthcare District
Income Statement - Actual vs. Budget
February 29, 2024

	2/29/2024			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	53,913	54,818	(905)	107,827	109,635	(1,808)
Investment Earnings	(18,946)	14,975	(33,921)	(21,501)	29,950	(51,451)
Total Income	34,967	69,793	(34,826)	86,326	139,585	(53,259)
Legal Fees	500	4,167	3,667	620	8,333	7,713
Accounting Fees	2,292	2,292	-	4,583	4,583	-
Board Compensation	945	1,167	222	2,415	2,333	(82)
Board Expenses	641	1,667	1,026	641	3,333	2,692
Consulting Fees	-	-	-	-	-	-
Election Expenses	-	16,667	16,667	-	33,333	33,333
Charitable Contributions	-	1,333	1,333	-	2,667	2,667
Community Education	22,858	12,083	(10,775)	22,858	24,167	1,309
Dues	966	1,000	34	1,931	2,000	69
Advertising	-	1,417	1,417	-	2,833	2,833
MHMC Program Support	16,667	16,667	-	33,333	33,333	-
MHMN Program Support	8,333	8,333	-	16,667	16,667	-
Total Expense	53,202	66,793	13,591	83,048	133,582	50,534
Net Operating Income (Loss) Before Depreciation, Bond Related Revenue and Expense, and Other Non Operating Expenses	(18,235)	3,000	(21,235)	3,278	6,003	(2,725)
Depreciation Expense	989,896	989,898	2	1,979,793	1,979,796	3
Net Operating Income (Loss) Before Bond Related Revenue and Expense and Other Non Operating Expenses	(1,008,131)	(986,898)	(21,233)	(1,976,515)	(1,973,793)	(2,722)
Bond-Related Revenue(Expense)						
Tax Revenue	1,258,442	1,258,442	-	2,516,885	2,516,885	-
Bond Fund Earnings	53,161	5,521	47,640	82,858	11,043	71,815
Bond Interest Expense	(1,186,706)	(1,184,970)	(1,736)	(2,373,412)	(2,369,940)	(3,472)
Net Income (Loss)	(883,234)	(907,905)	24,671	(1,750,184)	(1,815,805)	65,621

Tab 3



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO *EB*
Re: March 2024 Financial Report
Date: April 15, 2024

I. General Comments

These financial statements contain, in summary format, the balance sheet and income statement.

II. Income Statement and Budget

The District's net operating income for the month was \$76,983 which was favorable to budget by \$73,984. The favorable variance is driven by higher than expected investment earnings. Rental revenue from the hospital lease was \$53,913 in March. Investment earnings were comprised of \$17,018 dividend and interest income as well as \$9,176 of realized loss and a \$44,365 increase in the value of investments. The District incurred total operating expenses of \$29,137 which was favorable to budget by \$37,656. The favorable variance was due to lower than budgeted legal fees and election expenses. Depreciation expense was \$989,896 in March. Bond Related Revenues and Expenses included \$1,277,296 of accrued tax revenues less bond fund earnings, and \$1,186,706 of bond interest expense.

III. Balance Sheet

Assets

Cash at March 31, 2024 of \$957,923 increased by \$28,980. The increase was due to rent revenue deposit offset by intercompany payments to related parties for program support. Investment account balances of \$3,717,002 increased by \$48,539 from the prior month. Tax revenue receivables are \$8,964,508 and represent amounts due from the County of Marin. The payments received from the County are deposited directly into the bond fund accounts.

The tax payments received from the County, together with the balance of the proceeds from the bonds issued in November 2015 and September 2017, net of issuance costs, are reflected in the account "Assets Limited to Use – Interest & Sinking Funds". These funds total \$4,620,470 at March 31, 2024 to be used for bond principal and interest payments.



Liabilities and Net Assets

Interest payable of \$2,536,150 increased by \$1,268,075 from the prior month due to the payment of interest. Accrued expenses of \$34,877 are primarily comprised of accruals for audit fees and legal fees.

Related party receivables of \$12,828 include \$12,858 due to the Hospital for community education.

Bonds payable are separated into current (principal due within one year) and non-current (due in greater than one year). The current payable amount of \$1,250,000 is due in August 2024. Bond Premium represents payments by bond purchasers greater than the face amount of the bond because the stated interest rate of the bonds was higher than the market rate at the date of issuance. The premium is amortized over the life of the bonds as a reduction to interest expense. The net assets of the District are \$34,393,470.

Marin Healthcare District
Balance Sheet
March 31, 2024

Assets	3/31/2024	2/29/2024	Change	12/31/2023
Current Assets				
Cash	957,923	928,943	28,980	867,658
Investment	3,717,002	3,668,463	48,539	3,690,043
Tax Revenues Receivable	8,964,508	7,725,215	1,239,293	5,369,725
Prepaid Expenses	-	-	-	-
Total Current Assets	13,639,433	12,322,621	1,316,812	9,927,426
Property, plant, and equipment, net	384,076,439	384,983,863	(907,424)	386,798,711
Parking Garage, net	19,029,043	19,111,515	(82,472)	19,276,460
Assets Limited To Use - Interest & Sinking Funds	4,620,470	4,582,466	38,004	11,946,664
Lease Receivable	11,136,137	11,136,137	-	11,136,137
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	418,898,089	419,849,981	(951,892)	429,193,972
Total Assets	432,537,522	432,172,602	364,920	439,121,398
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	17,447	266	17,181	735
Interest Payable	2,536,150	1,268,075	1,268,075	6,340,375
Accrued Expenses	34,877	46,513	(11,636)	28,175
Deferred Lease Inflows	10,366,037	10,374,681	(8,644)	10,366,037
Related Party Payables	12,858	9,222	3,636	(591)
Current Bond Maturities	1,250,000	1,250,000	-	1,250,000
Total Current Liabilities	14,217,369	12,948,757	1,268,612	17,984,631
Bonds Payable	362,540,000	362,540,000	-	362,540,000
Bond Premium	21,386,683	21,468,052	(81,369)	21,630,790
Total Liabilities	398,144,052	396,956,809	1,187,243	402,155,421
Net Assets				
Net Assets	36,965,977	36,965,977	-	46,565,238
Net (Loss)/Income	(2,572,507)	(1,750,184)	(822,323)	(9,599,261)
Total Net Assets	34,393,470	35,215,793	(822,323)	36,965,977
Total Liabilities and Net Assets	432,537,522	432,172,602	364,920	439,121,398

Marin Healthcare District
Income Statement - Actual vs. Budget
March 31, 2024

	3/31/2024			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	53,913	54,817	(904)	161,740	164,452	(2,712)
Investment Earnings	52,207	14,975	37,232	30,707	44,924	(14,217)
Total Income	106,120	69,792	36,328	192,447	209,376	(16,929)
Legal Fees	564	4,167	3,603	1,185	12,500	11,315
Accounting Fees	2,292	2,292	-	6,875	6,875	-
Board Compensation	315	1,167	852	2,730	3,500	770
Board Expenses	-	1,667	1,667	641	5,000	4,359
Consulting Fees	-	-	-	-	-	-
Election Expenses	-	16,667	16,667	-	50,000	50,000
Charitable Contributions	-	1,333	1,333	-	4,000	4,000
Community Education	-	12,083	12,083	22,858	36,250	13,392
Dues	966	1,000	34	2,897	3,000	103
Advertising	-	1,417	1,417	-	4,250	4,250
MHMC Program Support	16,667	16,667	-	50,000	50,000	-
MHMN Program Support	8,333	8,333	-	25,000	25,000	-
Total Expense	29,137	66,793	37,656	112,186	200,375	88,189
Net Operating Income (Loss) Before Depreciation, Bond Related Revenue and Expense, and Other Non Operating Expenses	76,983	2,999	73,984	80,261	9,001	71,260
Depreciation Expense	989,896	989,898	2	2,969,689	2,969,693	4
Net Operating Income (Loss) Before Bond Related Revenue and Expense and Other Non Operating Expenses	(912,913)	(986,899)	73,986	(2,889,428)	(2,960,692)	71,264
Bond-Related Revenue(Expense)						
Tax Revenue	1,258,442	1,258,442	-	3,775,327	3,775,327	-
Bond Fund Earnings	18,854	5,521	13,333	101,712	16,564	85,148
Bond Interest Expense	(1,186,706)	(1,184,970)	(1,736)	(3,560,118)	(3,554,911)	(5,207)
Net Income (Loss)	(822,323)	(907,906)	85,583	(2,572,507)	(2,723,712)	151,205

Tab 4



CanterburyConsulting

Investment Performance Review

Presentation To:

Marin Healthcare District

Presented By:

Canterbury Consulting
610 Newport Center Drive, Suite 500
Newport Beach, California 92660

canterburyconsulting.com

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%

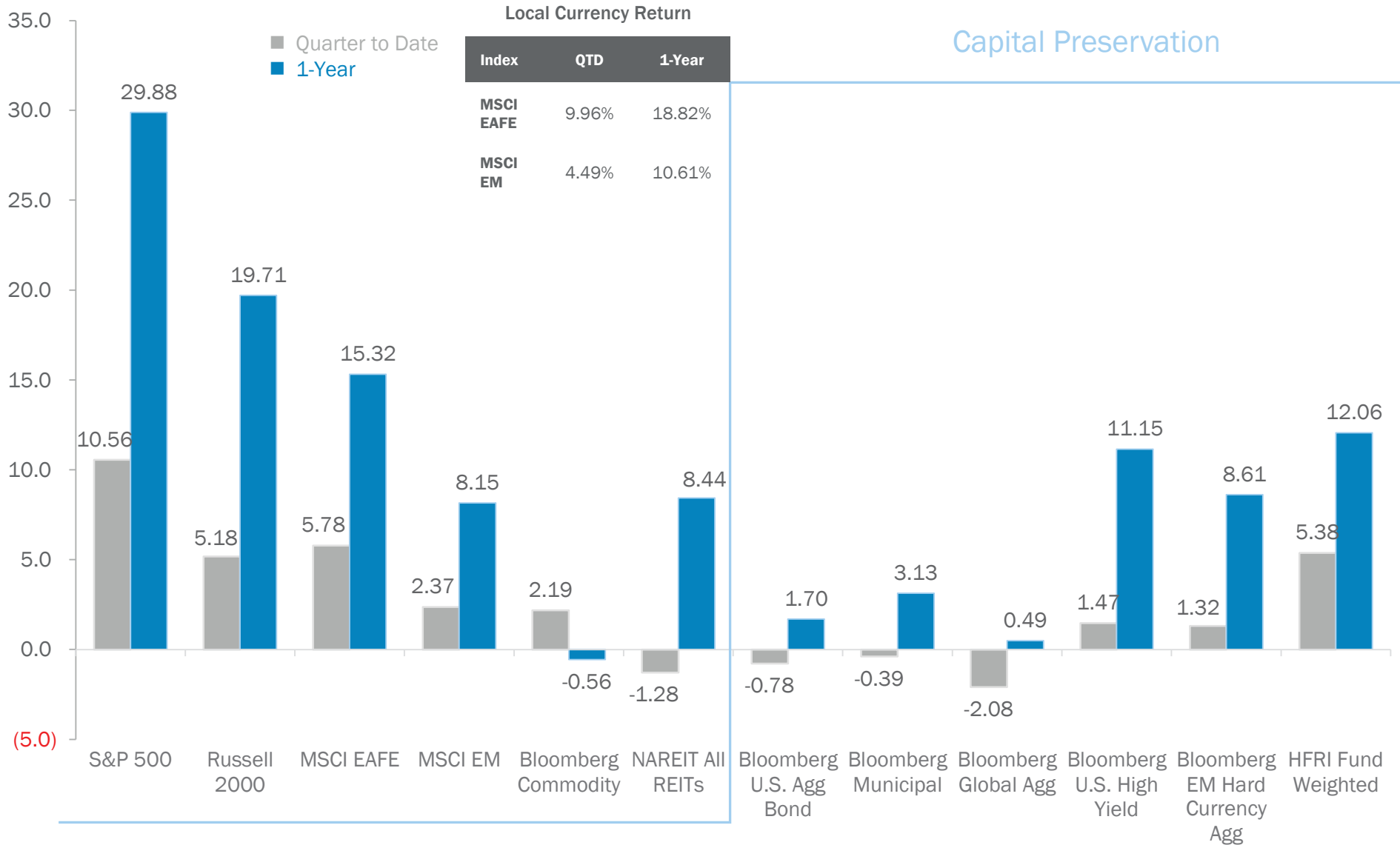
Sources: MSCI ACWI Index, MSCI ACWI ex-US Index, MSCI EAFE Index, MSCI EM Index, Federal Reserve Board of Governors, U.S. Bureau of Labor Statistics, Morningstar

[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



Growth & Inflation Protection

Capital Preservation

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



Current

+/- 1 Standard Deviation From the Mean

20-Year High and Low

Source: Bloomberg

	GROWTH		CAPITAL PRESERVATION		INFLATION PROTECTION
Asset Class	Public Equity	Private Equity	Fixed Income	Hedge Funds	Real Assets
Benchmark	MSCI ACWI	Russell 3000 (lagged)	Barclays Global Aggregate	HFRI Fund Weighted	Morningstar U.S. Real Asset
Canterbury Positioning	<ol style="list-style-type: none"> 1. Consider rebalancing back to targets if underweight 2. Allocate to high active share strategies within active segment 	<ol style="list-style-type: none"> 1. Focus on operational hands-on strategies 2. Continue to allocate in accordance with prior pacing expectations if liquidity allows 	<ol style="list-style-type: none"> 1. Maintain diversification and consider gradually rebalancing to target fixed income allocations 2. Maintain home country bias given higher yields on a relative basis 	<ol style="list-style-type: none"> 1. Slight bias toward long/short credit and event-driven strategies 	<ol style="list-style-type: none"> 1. Diversify exposure to real assets 2. Rebalance real asset exposure
Reason	<ol style="list-style-type: none"> 1. Market dislocation provides opportunity to earn a rebalancing premium 2. Elevated volatility and dispersion as we enter a recession support thoughtful security selection 	<ol style="list-style-type: none"> 1. Persistent value creation across market cycles; ability to influence key company decisions 2. Long term asset class; funds raised during or just after a downturn have historically generated strong returns 	<ol style="list-style-type: none"> 1. Front end maturities offer more attractive yields per unit of duration relative to previous years. Long maturities may offer more diversification and protection in the event of a recession 2. Less non-U.S. developed currency risk and a better hedge against investor liabilities 	<ol style="list-style-type: none"> 1. Stressed opportunities potentially developing in the credit markets 	<ol style="list-style-type: none"> 1. Increases the reliability of the asset class against inflation 2. Offers diversified exposure to a broad set of real assets given volatility characteristics

Portfolio Activity

- In February, the portfolio was rebalanced to bring the allocation in line with its new targets (20% equities and 80% fixed income). As part of this rebalance, 10% of the fixed income segment was reallocated into equities.
- The equity segment consists of the following:
 - U.S. Equity (55%): Vanguard S&P 500 Index fund, Brown Small Cap and WCM Small Growth
 - Non-U.S. Equity (45%): American Funds EuroPacific Growth and Dodge & Cox International

	Allocation			Net-of-Fees Performance (%)						
	Market Value \$	%	Policy(%)	1 Quarter	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
District Corporate	\$3,717,002	100.0	100.0	0.9	4.3	(1.6)	0.4	1.0	1.3	May 2016
Policy Index (District Corporate) ¹				0.9	4.8	(2.8)	0.0	0.9	0.4	
Global Equity Composite	\$764,302	20.6	20.0	8.3	-	-	-	-	13.7	Dec 2023
MSCI AC World Index (Net)				8.2	23.2	7.0	10.9	10.2	13.4	
US Equity Composite	\$460,459	12.4	11.0	10.0	-	-	-	-	15.6	Dec 2023
Russell 3000 Index				10.0	29.3	9.8	14.3	13.4	15.9	
Vanguard S&P 500	\$394,922	10.6	-	10.5	-	-	-	-	15.6	Dec 2023
S&P 500 Index (Net)				10.4	29.3	11.0	14.5	13.5	15.4	
Brown Advisory Small Value	\$32,628	0.9	-	4.8	-	-	-	-	14.8	Dec 2023
Russell 2000 Value Index				2.9	18.8	2.2	8.2	6.6	15.7	
WCM Small Growth	\$32,910	0.9	-	7.1	-	-	-	-	17.8	Dec 2023
Russell 2000 Growth Index				7.6	20.3	(2.7)	7.4	8.4	20.5	
Non-US Equity Composite	\$303,843	8.2	9.0	5.3	-	-	-	-	10.4	Dec 2023
MSCI AC World ex USA (Net)				4.7	13.3	1.9	6.0	5.9	9.9	
Dodge & Cox International	\$151,383	4.1	-	3.1	-	-	-	-	8.0	Dec 2023
MSCI AC World ex USA (Net)				4.7	13.3	1.9	6.0	5.9	9.9	
American Funds EuroPacific Growth	\$152,460	4.1	-	7.5	-	-	-	-	12.8	Dec 2023
MSCI AC World ex USA (Net)				4.7	13.3	1.9	6.0	5.9	9.9	
Fixed Income Composite	\$2,950,530	79.4	80.0	(0.2)	3.0	(2.0)	0.1	0.8	1.1	May 2016
Blmbg. U.S. Aggregate Index				(0.8)	1.7	(2.5)	0.4	1.1	0.9	
CCI Core Bond	\$1,166,879	31.4	-	(0.7)	2.2	(2.4)	1.2	1.7	1.5	May 2016
Blmbg. U.S. Aggregate Index				(0.8)	1.7	(2.5)	0.4	1.1	0.9	
WAMCO Core Plus	\$671,858	18.1	-	(1.2)	2.0	(4.1)	-	-	(4.1)	Sep 2020
Blmbg. U.S. Aggregate Index				(0.8)	1.7	(2.5)	0.4	1.1	(2.8)	
Payden Limited Maturity	\$664,600	17.9	-	1.5	6.4	2.8	-	-	2.5	Sep 2020
90 Day U.S. Treasury Bill				1.3	5.2	2.6	2.0	1.9	2.2	

CCI Core Bond track record includes history for the MetWest Total Return mutual fund prior to the funding of the co-mingled fund in March 2020.

	Allocation			Net-of-Fees Performance (%)						
	Market Value \$	%	Policy(%)	1 Quarter	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
DoubleLine Total Return	\$447,193	12.0	-	(0.2)	-	-	-	-	2.0	May 2023
Blmbg. U.S. Aggregate Index				(0.8)	1.7	(2.5)	0.4	1.1	1.1	
Cash Composite	\$2,170	0.1	0.0	0.1	0.5	-	-	-	0.5	Feb 2023
90 Day U.S. Treasury Bill				1.3	5.2	2.6	2.0	1.9	5.2	
Cash	\$2,170	0.1	-	0.1	0.5	-	-	-	0.5	Feb 2023

CCI Core Bond track record includes history for the MetWest Total Return mutual fund prior to the funding of the co-mingled fund in March 2020.
¹Russell 3000 Index: 11.00%, MSCI AC World ex USA (Net): 9.00%, Blmbg. U.S. Aggregate Index: 80.00%

Information Disclaimer

The information set forth herein is confidential, and is for the sole use of our client and only in connection with the purposes for which it is presented. By accepting delivery of this document, the intended recipient agrees that:

The information set forth and the methodologies utilized herein are proprietary to Canterbury Consulting Incorporated (“Canterbury”); and

No part hereof will be reproduced for any reason, transferred or disclosed to others, or utilized for other than the express purposes set forth herein without the prior written consent of Canterbury, which consent may be withheld in Canterbury’s sole discretion.

Canterbury has exercised all reasonable professional care in preparing this report. However, we cannot ensure the accuracy of all the information contained in each investment value and performance measurement. Additionally, as clients may have investments with different managers, including managers not recommended by Canterbury, Canterbury is not involved in determining and/or reporting those values and therefore there may be a risk that the reproduction of these values on the Investment Performance Review could be inaccurate. Canterbury shall not be liable to customers or anyone else for inaccuracy, inauthenticity of information, errors, or omission of content contained herein. Regardless of the cause of such inaccuracy, inauthenticity, error, or omission, in no event shall Canterbury be liable for related or consequential damages.

This Investment Performance Review is provided as a management aid for our customers’ internal and informational use only, may include assets not covered by the SIPC, and may not reflect your actual portfolio. Please refer to your underlying custodial statements for more information. Data is taken directly from the underlying account’s current period statement and, in the case of private equity holdings, is calculated by adding/subtracting any current period contribution distribution to or from the prior period statement. The results are not to be distributed to any other party unless in full conformity with prevailing FINRA and SEC regulations. The Investment Performance Review does not constitute a recommendation by Canterbury and cannot be used for advertising or sales promotion purposes.

Please contact us at 949-721-9580 with any questions regarding the measurement, calculations, underlying custodial accounts, or any other information related to this report.

Tab 5

Form ADV Part 2A

Last Updated: March 27, 2023



Canterbury Consulting

610 Newport Center Drive, Suite 500
Newport Beach, CA 92660
Toll Free (800) 888-4551
Tel (949) 721-9580
Fax (949) 721-9973
www.canterburyconsulting.com

This brochure provides information about the qualifications and business practices of Canterbury Consulting Incorporated ("Canterbury"). If you have any questions about the contents of this brochure, please contact Poorvi Parekh at (949) 718-2224. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Canterbury also is available on the SEC's website at www.adviserinfo.sec.gov.

Although Canterbury uses the term "registered investment adviser" or "registered" throughout this Form ADV Part 2A, the use of these terms is not intended to imply a certain level of skill or training.

Item 2. Material Changes Since Last Update

Material Changes Since Last Annual Amendment:

Since our last annual amendment filing on March 25, 2022, we have no material changes to report. However, we have launched a new private fund, Canterbury Private Income Fund I, LP. In connection with this fund there is a new affiliate: Canterbury Consulting GP V, LLC, established as the General Partner for the fund.

Annual Update

The Material Changes section of this brochure will be updated annually and/or when material changes occur since the previous release of Canterbury's Brochure. A summary of changes is necessary to inform clients of any substantive changes to Canterbury's policies, practices or conflicts of interests so that they can determine whether to review the brochure in its entirety or to contact Canterbury with questions about the changes. Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will further provide other ongoing disclosure information about material changes as necessary.

Full Brochure Available

Clients who would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (949) 721-9580 or by fax (949) 721-9973, or visit our website at www.canterburyconsulting.com.

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Item 4. Advisory Business

Canterbury Consulting Incorporated, (“Canterbury”) is an SEC registered investment adviser and independent consulting firm established in 1988. Canterbury provides consulting services primarily to endowments, foundations, individuals and family offices, (collectively referred to as “Clients”). Canterbury manages customized investment programs for institutional and taxable investors whereby we are the investment office for our clients. In that role, we provide objective and aligned investment strategies, asset allocation, manager selection, risk management, implementation, and measurement. Our goal is to deliver a program that exceeds the needs and expectations of our clients in terms of performance and service.

Canterbury, through certain affiliates, also provides investment advisory services to privately pooled investment vehicles. These affiliates are Supervised Persons of Canterbury and intend to conduct their activities in accordance with the Investment Advisers Act of 1940 as amended (the “Advisers Act”) and the rules thereunder. Any employees of such affiliates and other persons acting on their behalf are and shall be subject to the supervision and control of Canterbury. Such affiliates rely on Canterbury’s registration under the Advisers Act and are not registered themselves.

The fee range for each particular service is subject to negotiation and will vary depending on various circumstances, including the scope of the services to be provided (the minimum fees and fee ranges for existing clients prior to current calendar year for some clients differ from those indicated below).

Principal Owners

For the purpose of this section, Canterbury lists its principal owners as any person directly owning 25% or more of Canterbury as disclosed on Schedule A of Part 1A of Form ADV as of the date of the last update filing.

Canterbury’s principal owner:

Name: D. Robinson Cluck
Education: Pepperdine University, Malibu, CA; M.B.A.
University of California, Irvine, B.A.
Background: Canterbury Consulting Incorporated, Chairman (2009-Present)
Canterbury Consulting Incorporated, President/CEO (1990-2009)
Flint, Krueger, Beimfohr & Cluck, Inc., Managing Director (1988-1990)
Kidder, Peabody & Co., Inc., Vice President (1980-1988)
Smith, Barney & Co., Inc., Account Executive (1978-1980)

Mr. Cluck is a co-founder of Canterbury Consulting and has over 40 years of investment consulting experience. He serves as the chair of Canterbury’s Board of Directors and is a member of the firm’s Outsourced CIO Committee. He also sits on Canterbury’s Fixed Income and Hedge Fund Manager Research Committees that perform due diligence and make recommendations on specific fixed income managers. Prior to forming Canterbury in 1988, Mr. Cluck was a founder, principal, and vice president of the Institutional Consulting Services of Kidder Peabody, Newport Beach. From 1978 to 1979, he was with Smith Barney Harris Upham & Company. Mr. Cluck is a trustee and serves as chair of the investment committee of the University of California, Irvine Foundation; a board member of Big Brothers Big Sisters, Orange County/Inland Empire; and co-author of “Asset Management for Endowments & Foundations.”

He holds a Bachelor of Arts degree in economics from the University of California, Irvine and a Master of Business Administration from Pepperdine University.

Canterbury is not a publicly held company and no part of Canterbury is owned by an individual or company through any subsidiaries or “intermediate subsidiaries.”

Canterbury focuses on meeting the needs of clients; as a result, our service offerings reflect that focus and have grown to match our clients’ evolving needs. Our clients have differing levels of staffing, resources, and needs as related to portfolio oversight and implementation. Therefore, we provide the following service

platforms to institutional clients: Institutional Advisory Services and Canterbury Outsourced CIO Services. We also provide Wealth Management Services to private clients and family offices.

Institutional Services

Institutional Advisory Services

Institutional Advisory Services encompass all aspects of a traditional non-discretionary consulting engagement. Under this arrangement Canterbury collaborates with decision makers and staff on all matters related to their investment policy development and portfolio construction and provides ongoing oversight and advice. Advisory services are most suitable for institutions with an investment committee that is highly focused on all aspects of their portfolio construction and oversight and has the staff to support ongoing administration.

Institutional Advisory Services include:

- Portfolio assessment
- Spending policy analysis
- Investment policy development
- Strategic asset allocation planning
- Portfolio construction and risk management
- Investment manager research
- Implementation of socially responsible investing guidelines
- Performance reporting
- Custodian evaluation
- Client education
- Quarterly meetings

Canterbury Outsourced CIO Services (OCIO)

Canterbury Outsourced CIO is our discretionary consulting engagement. Under this arrangement Canterbury works with clients' investment committees to set appropriate investment policy constraints. All other aspects of portfolio construction, trading, and back-office and administrative functions are delegated to Canterbury via a Limited Power of Attorney (LPOA). Canterbury Outsourced CIO Services are most suitable for institutions that seek to delegate day-to-day activities, allowing our clients' decision makers and staff to focus on high-level portfolio policy decisions.

Canterbury's Outsourced CIO Services includes all services listed under Institutional Advisory Services as well as the following:

- Administrative implementation of all investment decisions
- Engagement and termination of investment managers
- Portfolio construction and tactical shifts within the parameters of the investment policy statement
- Support client's internal staff in their work with their auditors

Wealth Management and Family Office Services

Canterbury provides Wealth Management and Family Office Services to our private clients and family offices considering each investor's specific investment goals, cash flow needs, tax situation, gifting and estate planning goals, and philanthropic goals.

Wealth Management Services include:

- Prepare a family strategic plan
- Portfolio assessment

- Investment policy development
- Strategic asset allocation planning
- Portfolio construction and risk management
- Investment manager research
- Implementation of socially responsible investing guidelines
- Assistance with charitable giving
- Performance reporting
- Custodian evaluation
- Client education
- Quarterly meetings

Other services including but not limited to: philanthropic planning, wealth planning, consideration for outside assets, engaging with future generations and assistance with direct investments.

Private Funds

Canterbury Consulting provides investment advisory services to following pooled investment vehicles:

- Canterbury Consulting SPFS Fund VIII, L.P.
- Canterbury Consulting SPFS Fund VIII (onshore), L.P.
- CCI Core Bond Fund L.P.
- Canterbury Consulting PC Fund I (A), L.P.
- Canterbury Consulting PC Fund I (B), L.P.
- Canterbury Consulting PC Fund II (A), L.P.
- Canterbury Consulting PC Fund II (B), L.P.
- Canterbury Private Income Fund I, L.P.

Canterbury Consulting SPFS Fund VIII, L.P. and Canterbury Consulting SPFS Fund VIII (onshore), L.P. are private equity funds that invest in an underlying fund, Blackstone Strategic Partners Fund VIII (BSPF VIII), and were created to accommodate investors whose individual commitment amount falls below the minimum required by BSPF VIII for an individual investor and who meet the requirements as described in the funds' Offering Documents.

CCI Core Bond Fund L.P.'s investment objective is to maximize long-term total return. To achieve its objectives, the General Partner (through the Subadvisors, selected by the General Partner) generally seeks to invest in debt securities that, in its opinion, possess fundamental value.

The Canterbury Consulting PC Fund I (A), L.P. and Canterbury Consulting PC Fund I (B), L.P. funds are private equity fund of funds. The General Partner has organized Canterbury Consulting PC Fund I (A), L.P. (the "Taxable Partnership") and Canterbury Consulting PC Fund I (B), L.P. (the "Tax-Exempt Partnership") to make investments in private equity pooled investment vehicles with investment managers selected by the General Partner

Investors in Canterbury Consulting PC Fund I (A), L.P. and Canterbury Consulting PC Fund I (B), L.P. must be: (i) "accredited investors," as such term is defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended; and (ii) "qualified purchasers," as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940.

The Canterbury Consulting PC Fund II (A), L.P. and Canterbury Consulting PC Fund II (B), L.P. funds are private equity fund of funds. The General Partner has organized Canterbury Consulting PC Fund II (A), L.P. (the "Taxable Partnership") and Canterbury Consulting PC Fund II (B), L.P. (the "Tax-Exempt Partnership") to make investments in private equity pooled investment vehicles with investment managers selected by the General Partner

Investors in Canterbury Consulting PC Fund II (A), L.P. and Canterbury Consulting PC Fund II (B), L.P. must be “accredited investors,” as such term is defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended.

The Canterbury Private Income Fund I, L.P. is a private income fund of funds. The General Partner has organized Canterbury Private Income Fund I, L.P. to make investments in private debt pooled investment vehicles with investment managers selected by the General Partner. Investors in Canterbury’s Private Income Fund I must be “accredited investors,” as such term is defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended.

The Taxable Partnerships intend to operate principally for the benefit of U.S. taxable investors. The Tax-Exempt Partnerships intend to operate principally for the benefit of U.S. tax exempt investors who are sensitive to "unrelated business taxable income" ("UBTI"), as defined in section 512 of the U.S. Internal Revenue Code of 1986, as amended (the "Code").

Some clients are invested through the Partnership across an array of private equity strategies with investment management teams that the General Partner believes are top-tier in their sectors. Each underlying fund will have a specific investment strategy focus, such as buyouts and other later-stage private equity, growth equity, secondary investments, distressed for control, and other opportunistic private investments.

For complete fund information and fund detail please refer to each fund’s operating documents.

Retirement Account Advice

When we recommend investing in one of our proprietary or related private funds or provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Securities Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. The receipt of our advisory fee for making a recommendation creates a conflict of interest under ERISA/IRC with your interests. In these scenarios Canterbury is required to act in your best interest and not put our interest ahead of those of our clients. For example, if we recommend that you roll over assets from one retirement account to another and we will receive increased compensation as a result of that recommendation, we have a conflict that requires us to act in the best interest of our clients.

Assets Under Advisement

Asset as of December 31, 2022:

Regulatory Assets Under Management (RAUM)	
Discretionary	\$ 2,232,489,259
Non-Discretionary	<u>\$ 3,155,439,685</u>
Total RAUM	<u>\$ 5,387,928,944</u>
Assets Under Advisement	<u>\$23,270,833,749</u>
Total Assets	\$28,658,762,693

As of December 31, 2022 Canterbury’s total assets include \$5.4 billion of discretionary and non-discretionary assets under management over which Canterbury has trading authority. In addition, Canterbury has \$23.3 billion of assets under advisement, on which Canterbury makes recommendations but does not have authority to execute or facilitate trades on behalf of the client.

Item 5. Fees and Compensation

Service Platform	Brief Description	Fee
Advisory Services	<ul style="list-style-type: none"> We assist client in building a custom investment portfolio on a non-discretionary basis by providing recommendations on asset allocations and manager selection. We also provide assistance in the implementation of investment decisions by coordinating communication between the client and their managers and custodians. 	<ul style="list-style-type: none"> Our standard fee schedule consists of an asset-based fee that ranges from 20 basis points to 5 basis points on the value of the investments and is subject to a minimum fee.
Outsourced CIO services	<ul style="list-style-type: none"> Clients delegate to us the responsibility of manager selection and allocation of asset classes within permissible ranges. We also implement investment decisions by providing directives to managers and custodians on behalf of our OCIO clients. Depending on a client's specific preference, they may delegate one or both the components of investment decision making and implementation. 	<ul style="list-style-type: none"> Our standard fee schedule consists of an asset-based fee that ranges from 35 basis points to 10 basis points on the value of the investments and is subject to a minimum fee.
Wealth Management and Family Office Services	<ul style="list-style-type: none"> Depending on the client's specific needs, we build custom investment portfolios taking into consideration their tax circumstances, inter-generational capital transfers and organizational infrastructure. 	<ul style="list-style-type: none"> Our standard fee schedule consists of an asset-based fee that ranges from 50 basis points to 10 basis points on the value of the investments and is subject to a minimum fee.

We charge fees in accordance with the fee schedule(s) in effect at that time; however, fees and minimums are subject to negotiation. Our current fee schedules are listed above. Existing clients are subject to the minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Our fees vary based on the service platform as well as the scale and complexity of the mandate. Canterbury groups certain asset pools related to the same client for the purpose of determining the annualized fee. Certain clients engage in a flat fee arrangement that includes an escalator.

Each client's fee is set forth in the client's advisory agreement. Fees are generally charged quarterly, in arrears. Clients may select fees to be billed directly or deducted from their accounts. Canterbury also offers the option of performance-based fees to certain clients. When calculating either an asset-based fee or a performance-based fee, we rely on a valuation provided by a third party (typically the client's custodian bank) since Canterbury does not determine asset values.

Our investment philosophy is consistent across discretionary and non-discretionary mandates. We generally customize our services based on each client's individual needs. We gear our advice on portfolio complexity and asset mix taking into consideration the investment objectives, the size of the assets, the governance structure, where the client is domiciled and the type of client.

Upon termination of Canterbury's services, Canterbury will assess a pro-rated fee for services rendered in accordance with the fee payment and termination provisions contained in the client contract.

In addition, Canterbury will enter into an agreement with a client to perform one or more services on a project or one-time basis. In these instances, a flat fee is typically negotiated. Fees for projects generally start at \$25,000 but can vary considerably depending on the nature of the services required. No hourly fees are charged to clients at this time.

Other Fees and Expenses

All fees paid to Canterbury for management services are separate and distinct from fees and expenses charged by the external money management firms who manage the client assets and by custodians which hold the assets and by broker-dealers for transactions.

Private Funds

Each of Canterbury's private funds are non-registered funds, considered to be private placements, and only open to investors who are both accredited investors and qualified purchasers, as such marketing information and fee information are not publicly available. Individual fund management and incentive fees are fully disclosed and included within each fund's operating documents.

No Management Fee is paid in respect of Interests in the Partnership held: (i) by the General Partner (either for itself or invested on behalf of Canterbury employees); (ii) by employees and partners of Canterbury; or (iii) by current consulting clients of Canterbury, for such periods as such persons are consulting clients of Canterbury.

The private funds will generally be responsible for all legal, accounting, administration, filing and other organizational expenses related to the formation and operation of the fund. These expenses will be paid by the investors in the fund. The General Partner of the funds will pay all their ordinary administrative and overhead expenses in managing the private funds' investments, including salaries, benefits and office rent.

Item 6. Performance-Based Fees and Side-By-Side Management

Performance-Based Fees

As referenced in Item 5, Canterbury negotiates a performance-based fee option with select qualified clients. Canterbury can enter into a fee agreement with a client where Canterbury is paid a base annual fee that is flat or a percentage of assets, plus an additional amount when specific performance objectives are achieved. Performance-based fee arrangements may create an incentive for Canterbury to recommend or make investments that are more risky or more speculative than would be the case if such arrangements were not in effect. Canterbury has adopted policies and procedures that are reasonably designed to ensure that recommendations made are in alignment with the client's objectives. There is also an incentive for Canterbury to favor clients with performance-fee arrangements over others in the allocation of investment opportunities. Canterbury has put policies and procedures in place to address fair treatment of clients and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Side-by-Side Management

Certain management persons of Canterbury are limited partners in certain Canterbury funds. These partnerships interests are passive investments that include hedge funds or private equity partnerships which have the potential to earn performance fees. Therefore, a potential conflict may exist in that limited partners receive certain economic benefit from investments made in corresponding limited partnerships.

Side Letters

The General Partners of Canterbury engage in a side letter with one or more co-investors in the funds to accommodate special requests. However, the GP will not look to agree to any term that puts other investors in the fund at a disadvantage with regard to their investments or economic interest in the fund.

Item 7. Types of Clients

Canterbury was founded on December 8, 1988 and is a SEC registered investment adviser firm that provides investment related consulting services to endowments, foundations, pension and profit-sharing plans, individuals, and family offices, (collectively referred to as "Clients").

The types of clients we seek to serve include:

- Colleges and Universities
- Independent Schools
- Hospitals/Healthcare Organizations
- Community Foundations
- Private Foundations
- Religious Institutions
- Arts and Cultural Institutions
- Private Clients/Family Offices
- Corporations

Canterbury's private funds are available only to investors who are both accredited investors and qualified purchasers. Please refer to the private fund operating documents for fund detail.

Requirement for Opening Accounts (Minimum Investment Amount)

Canterbury has minimum annual fee requirements. Those minimums are dependent on the client type and service platform and are outlined in **Item 5 – Fees and Compensation** section above.

Minimum investments for the private funds are fully described in each fund's Private Placement Memorandum.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Canterbury's analysis methods may include fundamental analysis of macroeconomic and market factors, technical analysis, and the monitoring of investment cycles and trends.

Investing Involves Risk

As with most investment products, because investment portfolios include securities, investing in securities involves risk of loss that may stem from factors that include, but are not limited to, changes in economic and market conditions, inflation, geopolitical events and loss of key investment personnel. Portfolios will include investment in US and non-US securities, securities of small companies, emerging market securities that may have costs associated with turnover, transactions, as well as taxes. Certain investment strategies may also be associated with illiquidity and make investments that do not have readily available markets.

As part of Canterbury's investment service, we provide investment recommendations on strategy and manager selection. While we conduct comprehensive research on the underlying managers and their products, there is a risk that we were not informed of certain activity related to the recommended advisory firm or its personnel.

Our research team conducts diligence on managers who we recommended to our clients. These managers go through an asset class committee for approval.

There are multiple sources of investment ideas, including those sourced from clients who bring them to us for consideration for their portfolios. Certain client portfolios include select investments that have not gone through our full diligence and ongoing monitoring process. Clients will be made aware that these investments have not gone through the full Canterbury diligence process.

Private Funds

A private fund is an investment vehicle that pools capital from investors and invests in securities and other instruments. In almost all cases, a private fund is a private investment vehicle that is typically not registered under federal or state securities laws. As private funds do not have to register under these laws, issuers make the funds available only to certain sophisticated or accredited investors and cannot be offered or sold to the general public. Private funds are generally smaller than mutual funds because they are often limited to a small number of investors and have a more limited number of eligible investors. Many but not all private funds use leverage as part of their investment strategies. Private funds' management fees typically include a base management fee along with a performance component. In many cases, the fund's managers become "partners" with their clients by making personal investments of their own assets in the fund.

The primary risks of private funds investing includes:

1. Private funds do not sell publicly and are therefore illiquid. An investor may not be able to exit a private fund or sell its interests in the fund before the fund closes.
2. Private funds are subject to various other risks, including risks associated with the types of securities in which the private fund invests or the type of business issuing the private placement.
3. Private fund investing has an element of risk in that private fund investments are not as transparent compared to a separately managed account. Investors do not generally see daily activity and therefore are not as current on the fund's performance or profitability.

Prospective investors in a private fund are provided with the fund's Offering Documents which generally include an offering memorandum or private placement memorandum ("PPM"). These documents address important information for investors on investment strategies, terms and risks, and investors should review these documents carefully and should consider conducting additional due diligence before investing in a private fund.

The underlying funds that Canterbury allocates to within its private funds have been vetted by Canterbury's research team. Canterbury recommends these funds to its clients for a direct investment where appropriate for clients. The Canterbury fund is treated as another "client" from the perspective of committing to the underlying funds. Occasionally an underlying fund will be heavily subscribed which causes the manager to "cut back" the commitment interest from their investors. Canterbury's clients as well the Canterbury fund will be subject to any such cut back on a pro-rata basis.

Canterbury allows its employees to invest with the managers that it recommends to its clients. This includes private equity funds and the Canterbury private funds. When there are manager-directed reductions in the allocation/commitment to any underlying fund due to capacity constraint, Canterbury employees investing directly with the fund will be cut back on a pro-rata basis along with other individual clients who are invested directly in the capacity constrained fund. In some cases there are manager-directed reduction in commitment to an underlying funds within the Canterbury fund. In such a situation, Canterbury fund's interest in the underlying fund will be reduced on a pro-rata basis along with other individual clients who have opted to invest directly in the underlying fund. Any such reduction of underlying fund interest within Canterbury private fund does not alter the interest of the underlying investors, including employees, in the Canterbury fund. The employee's proportional interest in the affected underlying fund may disadvantage other clients' interest that are invested directly in the underlying fund outside of the Canterbury fund.

Although our firm's professionals have experience investing in the private markets, the Canterbury private fund of funds and the GP/Managers are recently formed entities with little operating history upon which to evaluate the funds' likely performance. The performance of the past portfolio investments by the team are not necessarily indicative of the results that will be achieved by the funds. There can be no assurance that the targeted internal rate of return will be attained or that an investor will receive a return of capital. On any given investment, a total loss of principal is possible.

This Form ADV Part 2A Brochure is not an offer to sell, or a solicitation of an offer to purchase, membership interests in any private fund. Such an offer can only occur when the prospective investor receives the Offering Documents. Investors in the funds should refer to the Offering Documents for disclosure on the investment strategy and the risks of investing in the different Canterbury funds.

Allocation of Investment Opportunities

Canterbury allocates assets from client portfolios over which it has discretionary authority into the Canterbury private funds if it is in the best interest of the client. The decision will be made only where Canterbury believes the investment is suitable and the client meets the requisite income and/or net worth requirements, and where we believe that the investment is appropriate based on the client's ability to accept the risk.

As noted in **Item 5 – Fees and Compensation**, currently no Management Fee is typically paid in respect of interests in the private funds held by current clients of Canterbury, the General Partner (either for itself or invested on behalf of Canterbury employees), or by employees and partners of Canterbury and/or their estate planning entities. However, as an affiliate of the General partners Canterbury provides services to the Funds, such as strategic advice, financial management, back office, and other services, for which it may charge a Service Fee. However, it does not currently charge any fee for the services.

As an investment adviser and fiduciary to its clients, Canterbury has the duty to allocate investment opportunities fairly and equitably among clients over time. Canterbury has the authority to allocate among its clients any sourced investment opportunity. Canterbury may deviate from allocating opportunities on a strictly pro-rata basis to allocate such opportunities on a basis that Canterbury determines in good faith is appropriate at the time of allocation. In making such determinations, Canterbury considers the following factors, without limitation:

- i. The terms of each Client agreement and any contractual and/or legal duties owed to Clients;
- ii. Investment mandates and objectives of Clients;
- iii. The risk profile and investment diversification requirements of Clients at the time an opportunity is made available to such Client;
- iv. The source of the opportunity, including opportunities originating from Canterbury investment professionals who may source proprietary opportunities in accordance with certain Client objectives, Additionally, the investment professionals' relationship to certain Canterbury Clients and the fit of a proprietary investment opportunity with such Client's investment objectives;
- v. Client access to investments in nearly identical securities or investment vehicles wherein the offering of such investment would not present a materially new or different investment opportunity than other available opportunities;
- vi. The source of the opportunity, as different treatment may be warranted if the opportunity is sourced by a Client for its own account;
- vii. An existing investment with the manager or an affiliate of the manager being reviewed;
- viii. Minimum investment amounts;
- ix. Current and anticipated market conditions;
- x. The requirements of the investment manager offering the opportunity and whether the manager accepts or rejects Canterbury's desired investment amounts;
- xi. Any other factors deemed by Canterbury in good faith to be reasonably related to the allocation of a particular investment opportunity to one or more Clients.

In the opportunity that an investment opportunity has to be allocated among various Clients after taking into account all relevant facts and circumstances as outlined above then the allocation shall be made, to the extent practicable, strictly pro-rata among all such clients based on the proportion of that capital available for investment by each client in the particular investment bears to the total amount of capital available for investment by all clients in the particular investment; provided that, existing investors (in the prior fund managed by the same investment manager in the case of private capital or a current fund in the case of traditional strategies and hedge funds) shall receive a preference for their allocation amount up to their prior investment amount.

Item 9. Disciplinary Information

Disclosure Events

There are no disclosure events involving a criminal action in a domestic, foreign, or military court of competent jurisdiction in which Canterbury or its management personnel are involved.

Canterbury provides the following disclosure event involving an SEC administrative proceeding:

Canterbury was named in an administrative proceeding by the SEC (File No. 3-18269) alleging that from January 2013 through November 2014, Canterbury did not provide sufficient supervision of a former minority owner involving preferential trade allocations and did not adopt and implement specific written

policies and procedures designed to prevent such trading activity. Additionally, Canterbury did not maintain any record of the clients or prospective clients to whom it offered or delivered its Form ADV Part 2 as filed with the SEC on March 28, 2013. The practice of block trading in allocation accounts, which was used solely by a former member and affected only a limited number of advisory clients assigned to that member, was not part of Canterbury's core consulting services and ultimately discontinued. As part of the undertaking and resolution of this matter, Canterbury signed an Offer of Settlement and agreed to provide a notice to all affected advisory clients regarding the Order, pay a civil monetary penalty in the amount of \$100,000, disgorgement of \$66,071, prejudgment interest of \$6,915 and provide certification of compliance in the above matter. In addition, Canterbury paid \$207,102, on a voluntary basis, to affected clients to remediate the harm by the former employee.

There are no disclosure events involving an administrative *proceeding* before any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which Canterbury or its management personnel are involved.

There are no disclosure events involving a self-regulatory organization (SRO) proceeding in which Canterbury or its management personnel are involved.

Item 10. Other Financial Industry Activities and Affiliations

Broker/Dealer Affiliation

Neither Canterbury nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Canterbury nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Limited Partnerships / Private Funds

Canterbury launched two private equity funds in 2019, three private funds in early 2020 and two in 2021. Please refer to **Item 4 - Advisory Business** for details. In connection with the establishment of these private funds the following affiliates of Canterbury have been established to serve as the General Partner for the private funds:

- Canterbury Consulting GP I, LLC - General Partner for SPFS Fund VIII, L.P. and the Canterbury Consulting SPFS Fund VIII (onshore), L.P.
- Canterbury Consulting GP II, LLC - General Partner for CCI Core Bond Fund L.P.
- Canterbury Consulting GP III, LLC - General Partner for Canterbury Consulting PC Fund I (A), L.P. and Canterbury Consulting PC Fund I (B), L.P.
- Canterbury Consulting GP IV, LLC – General Partner for Canterbury Consulting PC Fund II (A), L.P. and Canterbury Consulting PC Fund II (B), L.P.
- Canterbury Consulting GP V, LLC – General Partner for Canterbury Private Income Fund I, L.P.

These affiliates are owned by Canterbury Consulting, LLC, and as General Partners conduct the offerings of the Limited Partnerships in accordance with the respective fund documents.

Item 11. Code of Ethics, Participation/Interest in *Client* Transactions and Personal Trading

Code of Ethics

Canterbury has adopted the following Code of Ethics in accordance with SEC rule 204A-1 or similar state rules:

- **Fiduciary Responsibility** - Canterbury and its staff shall exercise the highest standard of care in protecting and promoting the interests of its clients and will provide a written disclosure containing any conflicts of interest that may compromise their impartiality or independence. As a fiduciary, Canterbury shall not accept any referral fees or compensation that is contingent upon the purchase or sale of any financial product.
- **Integrity** - All professional services shall be rendered with the highest level of integrity.
- **Objectivity** - Canterbury and its staff shall provide advice that is objective and in the best interest of the client and without conflicts of interest.
- **Competence** - Canterbury and its staff shall maintain the necessary knowledge and skills to provide our clients with competent advice and services.
- **Fairness** - All professional services shall be performed by Canterbury and its staff in a manner that is fair and reasonable to its clients.
- **Confidentiality** - Canterbury and its staff shall maintain and safeguard all confidential client information in accordance with applicable laws.
- **Diligence** - Canterbury and its staff shall ensure the accuracy and completeness of records, information, and data collected, used and managed, and will take necessary steps to correct any discrepancies.
- **Regulatory Compliance** - Canterbury and its staff shall comply fully with appropriate laws and internal regulations.

Canterbury will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Participation / Interest in Client Transactions

Canterbury or its related persons occasionally invest in the same securities (or related securities, e.g., warrants, options or futures) or private funds that Canterbury or its related persons recommend to clients. Canterbury and its related persons can recommend securities to clients or buy or sell securities for client accounts at or about the same time that Canterbury or any of its related persons buy or sell the same securities for a Canterbury related person's own account. Certain persons of Canterbury are limited partners in certain investment related limited partnerships that they recommend to their clients.

To mitigate any potential conflict of interest related to investments in limited offerings, pre-approval by the CCO is required before employees may invest in limited offerings and the CCO may review personal security holdings of its Supervised Persons.

Canterbury or a related person acts as a general partner in eight private funds in which Canterbury solicits clients. We only recommend these funds to clients whom we believe the investment is suitable and meet the requisite income and/or net worth requirements, and where we believe that the investment is appropriate based on the client's ability to accept the risk. For more information in employee participation in Canterbury private funds, please see Item 8.

PTE 2020-02

PTE 2020-02 is the prohibited transaction exemption under ERISA that Canterbury relies on to give investment advice on retirement assets where there is a conflict. The exemption emphasizes mitigating conflicts of interest and ensuring retirement investors that they are receiving advice that is prudent and loyal.

When we provide investment advice to our clients regarding their retirement plan account or individual retirement account (IRA), we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts of interests, so we operate under the provisions of the rule that requires us to act in the best interest of retirement investors (e.g., plan participants and beneficiaries, and IRA owners) and not put our interest ahead of theirs.

Under the rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice),
- Never put our financial interests ahead of our clients when making recommendations (give loyal advice),
- Avoid misleading statements about conflicts of interest, fees, and investments,
- Follow policies and procedures designed to ensure that we give advice that is in our clients' best interest,
- Charge no more than is reasonable for our services, and
- Give our client basic information about conflicts of interest.

Item 12. Brokerage Practices

Research and Other Soft Dollar Benefits

Canterbury does not receive any research, products, services or soft dollar benefits from investment managers or other third parties.

Brokerage for Client Referrals

In selecting or recommending broker-dealers, Canterbury does not consider whether the firm or a related person receives client referrals from a broker-dealer or third party.

Directed Brokerage

Canterbury does not recommend, request or require that clients direct Canterbury to execute transactions through a specified broker-dealer.

Item 13. Review of Accounts

Accounts are reviewed quarterly on an ongoing basis. Overall investment management performance, market prospects, and individual client situations are considered in the review process. Triggering factors that may affect an account review could be any material change in a client's profile. All account reviews are conducted by the designated investment consultant responsible for each account. Accounts are also periodically reviewed by the Chief Compliance Officer. All clients are encouraged to conduct an annual review of their financial objectives, account performance, as well as other relevant factors.

The nature and frequency of reports are determined by client's needs and the services provided. Both Advisory and Outsourced CIO clients receive comprehensive quarterly performance reports produced by Canterbury.

The details of reporting related to the private funds is described within each funds' offering document.

Item 14. Client Referrals and Other Compensation

Economic Benefit from Non-Clients

None of the investment advisor representatives of Canterbury Consulting, Inc. receive any "economic benefit" as that term is defined (e.g., *sales awards and other prizes*) from a non-client for providing advisory services.

Direct/Indirect Compensation for Client Referrals

Neither Canterbury nor any of its related persons directly or indirectly compensate any person who is not its associated person for client referrals.

Canterbury may engage with a third party to solicit interest for investors in Canterbury funds. Solicitor fees are borne by the General Partner and not passed onto the investors of the fund.

Item 15. Custody

Canterbury generally does not maintain physical custody of client assets. Client assets are typically held by a qualified custodian pursuant to a separate custody agreement. However, pursuant to Rule 206(4)-2 under the Advisers Act and more recent SEC No-Action Letters, and supporting FAQs and IM Guidance Update 2017-01, Canterbury is deemed to have custody of client assets under certain circumstances. Canterbury is deemed to have custody of certain client assets because Canterbury directly or indirectly holds clients' funds or securities or has authority to obtain possession of them (see Fee Debiting Authority; Third-Party SLOAs; and First-Party Disbursements below for details).

Clients receive account statements at least quarterly directly from their qualified custodian. Clients also receive information on their investments from Canterbury. Clients are encouraged to compare the account statements that they receive from their qualified custodian with those that they receive from Canterbury. If clients do not receive statements at least quarterly from their qualified custodian in a timely manner, they should contact Canterbury immediately.

Fee Debiting Authority & Third-Party Standing Letters of Authorization

For some clients Canterbury maintains fee debiting authority and/or third-party Standing Letter of Authorization (SLOA) disbursement authority which both trigger differing levels of custody requirements. Although fee debiting authority is not required to be reported on Form ADV Part 1, Item 9, Canterbury is required to report client accounts of third-party SLOA disbursement authority under Form ADV Part 1, Item 9 and does so to the extent applicable.

To avoid the annual surprise exam requirements under the custody rule, Canterbury will exercise fee debiting authority only or third-party SLOA disbursement authority by complying with the following seven conditions for SLOAs as addressed in the Investment Adviser Association ("IAA") No Action Letter and SEC's subsequent response on February 21, 2017:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed;
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time;
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer;
4. The client has the ability to terminate or change the instruction to the client's qualified custodian;
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction;
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser; and
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

First-Party Disbursements

For first-party disbursements effected by a journal, check, or ACH, Canterbury will not be deemed to have custody. However, first-party disbursements via wire may constitute custody unless the destination account number (and other particulars) are included on the original authorization. In the event that Canterbury does not currently maintain the destination account number on the original authorization, Canterbury will replace its authorization with a new compliant authorization form that includes the like-registration destination account details.

Canterbury is deemed to have custody for those Canterbury Outsourced CIO client assets where Canterbury gives directives on money movements as described above.

Private Funds

With respect to any private funds for which Canterbury is deemed to have custody, the firm complies with Rule 206(4)-2 under the Advisers Act by maintaining fund assets in properly designated accounts with qualified custodian and providing investors in the private fund with audited financial statements within 120 days following the private fund's fiscal year end and within 180 days for private fund of funds.

Item 16. Investment Discretion

The firm provides services on both a non-discretionary and discretionary basis. In a non-discretionary relationship, the firm leads the investment decision-making process with the client as the final decision-maker; whereas in a discretionary relationship, the firm makes the investment decisions. For both types of relationships, the firm coordinates the construction of investment portfolios, conducts initial and ongoing investment and operational due diligence, and generally receives statements and other communications directly from investment managers.

Discretionary relationships have the following attributes or limits. In some instances, Canterbury can hold a limited power of attorney, primarily enabling the firm to carry out one or more functions on behalf of the client; make investment decisions to manage the portfolio within the client's investment guidelines, meet capital calls, transfer funds to a client's bank account, or otherwise facilitate logistics involved with a client's investments. Generally, these types of authority are documented in writing by a client before they are initially exercised. A client may impose limits different from, or in addition to, those mentioned here.

Please refer to **Item 4 - Advisory Business** above for a more detailed description of Canterbury's service platforms.

Item 17. Voting Client Securities

Canterbury does not have the authority to vote client proxies and therefore is not required to take action or render advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which assets of the clients account(s) may be invested from time to time. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Canterbury assists in voting client proxies in special situations for an additional fee.

Item 18. Financial Information

Pre-Payment of Fees

Canterbury does not require or solicit prepayment of fees, six months or more in advance.

Material Impact of Discretionary Authority

Canterbury exercises discretionary authority over certain client funds or securities. However, Canterbury does not anticipate any financial condition that may be reasonably likely to impair its ability to meet contractual commitments to clients at this time.

Custody Disclosure

Please see Custody section above for further details.

Bankruptcy Disclosure

Canterbury has never been the subject of a bankruptcy petition.

Privacy Policy

Privacy Policy Notice

Your privacy is important to us. Your personal information is kept secure. Under federal and state law, you have a right to know what information is being collected about you and how that information will be used. Canterbury collects nonpublic personal information about you from the following sources:

- Information Canterbury receives from you on applications or other forms;
- Information about your transactions with Canterbury; and
- Information that you specifically have had your other professional advisors forward to Canterbury.

Canterbury does not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as directed by you.

Under law, the information Canterbury collects, in servicing your account, is provided to companies that perform support services on our behalf as necessary to effect, administer, or process a transaction, or for maintaining and servicing your account. As directed by you, Canterbury will be working with your other professional advisors and Canterbury will provide information in our possession that is reasonably requested by the other advisors.

Canterbury does not give or sell information about you or your accounts to any other company, individual or group. Canterbury restricts access to nonpublic personal information about you to those employees who need to know that information to provide services to you. Canterbury maintains physical, administrative, and technical procedural safeguards to protect your nonpublic personal information. You do not need to call or do anything as a result of this notice. It is meant to inform you of how we safeguard your nonpublic personal information.

Privacy Policy Statement

At Canterbury Consulting Incorporated (“CCI”), protecting your privacy is our top priority. When you work with a financial services firm, you may share highly personal information which may be critical to providing superior products and service. Therefore, we understand our obligation to keep information about you secure and confidential. We will inform you of our policies for collecting, using, securing, and sharing your nonpublic personal information (“Customer Information”) the first time we do business and every year that you remain a customer with us. The following information describes our policies and procedures for handling your personal financial information.

Information We Collect. We collect and use various types of information we believe is necessary to administer our business, and to offer you the best possible customer service. Customer Information we collect is categorized into the following types: (1) information we receive from you on applications, or on other forms, through telephone or in-person interviews, such as your name address, phone number, social security number; your assets, income and other household information; (2) information about your transactions and account experience with us or others, such as your account balance, transaction history; (3) other general information we obtain about you that is assembled for the purpose of opening an account or offering certain products or services that you may request.

Information We Share. We may disclose your non-public personal information as part of servicing and maintaining your account, and/or for other purposes as permitted or required by law. In the normal course of business, we may share personal information with persons or entities involved in servicing and administering products and services on our behalf.

We may also disclose any of the types of Customer Information to other organizations under certain conditions as permitted by law including but not limited to (1) a disclosure in connection with a subpoena or similar legal process; (2) a fraud investigation; and/or (3) a regulatory audit or examination.

We will NOT disclose personal information about current or former customers to non-affiliated third parties, except as permitted or required by law, and we do NOT sell any personal information about you to any third party.

Protection and Confidentiality of Information. We have procedures in place that limit access to Customer Information to only those employees, representatives and service providers who are considered “authorized” personnel who need to know the information to perform business services or market products on our behalf. We also educate our employees about the importance of protecting the privacy and security of confidential personal information. Additionally, we maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to guard your personal information.

Maintaining Accurate Information. We have procedures in place that help us maintain the accuracy of the personally identifiable information that we collect. Please write to us or call if you believe that our information about you is incomplete, out-of-date, or incorrect.

Updating Our Privacy Policy. We will also update our policies and procedures when necessary to ensure that your privacy is maintained and that we conduct our business in a way that fulfills our commitment to you. If we make any material changes in our privacy policy, we will provide our customers with an updated notice.

Please Contact Us With Any Questions. Confidentiality is an established hallmark of our business. We understand the need to safeguard the personal information that you disclose to us, and we have an established tradition of discretion and respect for our customers' privacy. We reinforce this daily in the way we routinely handle sensitive client information as part of our normal business operations. If you have any questions about our privacy policy, please contact us at (949) 721-9580 or visit our Website at www.canterburyconsulting.com.

Business Continuity Disclosure Policy

Canterbury Consulting Incorporated, (“CCI”) is a SEC registered investment adviser and independent consulting firm providing consulting services to endowments, foundations, pension and profit sharing plans, individuals and family offices, (collectively referred to as “Clients”). Accordingly, CCI is furnishing this document to all Clients to provide information about its efforts to ensure that CCI’s advisory operations will not be significantly impacted as a result of an emergency or significant business disruption.

Current regulations require investment adviser firms to create and maintain a business continuity plan reasonably designed to meet its obligations to its clients or other counter-parties. In accordance with these requirements, CCI has designed a business continuity plan to address possible scenarios in efforts to minimize any service impact to our clients.

In keeping with the regulatory requirements, the business continuity plan for CCI is designed to address key areas of concern - including but not limited to the following:

- Data back-up and recovery;
- All mission critical systems;
- Financial and operational assessments;
- Alternate means of communication between CCI and its customers;
- Alternate means of communication between CCI and its employees;
- Alternate physical locations of employees;
- Critical business constituent, bank and counter-party impact;
- Regulatory reporting;
- Communications with regulators; and
- How CCI will ensure that customers have access to their funds and securities in the event that CCI determines it is unable to continue its business.

Since events creating business disruptions may vary in nature and scope, CCI has anticipated scenarios in which the following are affected:

- A disruption to CCI’s primary or main office location
- A disruption to a single building in which CCI’s main office is located
- A disruption to the business district or city where CCI’s primary systems are located
- A disruption to the region where CCI’s primary systems are located

Regardless of the scope of potential disruption, CCI intends to continue to provide service to its clients.

A Disruption to the Firm and/or Single Building

In the event that there is a significant business disruption to the firm and/or the building in which the Firm is located, CCI has duplicative systems that will be operated from a separate back-up (“alternate”) site. This disruption may be caused by physical damage, technology problems, or an inability to have personnel arrive at the office. As such, CCI will transfer its operations to one or more designated alternate site(s) located in the same city or in adjoining cities that are sufficiently separated from CCI’s main operations. The alternate site will be used to restore internal operations as well as electronic access and communications as soon as key employees are relocated to the designated sites. In this process, Clients may experience a delay in reaching CCI due to increased telephone calls, technology delays, or other minor difficulties arising from the transfer of operations. CCI expects that any delay will be less than twenty-four (24) hours. Nevertheless, the

unlikely failure of the telephone or other ancillary communication systems could result in a delay of up to forty-eight (48) hours.

A Business-District, Citywide, or Regional Disruption

In the event that there is a significant business disruption that affects the *business district* or *city* where any of CCI's primary systems are located, CCI will transfer operations to its designated back-up ("alternate") site located in a separate and distinct business district and city from its main operations. The alternate site will be used to restore internal operations, electronic access and communications as soon as key employees are relocated to the site.

In the event of a significant business disruption to the *region* where CCI's primary systems are located, CCI would intend to take advantage of any available branch or other facilities that may be located in other geographical regions to use in limited capacity to resume operations temporarily. As a secondary back-up, CCI may enter into a "BCP Joint Pact" with another investment adviser or similar firm that currently operates in an adjoining region that will effectively leverage the use of technology and infrastructure to continue operations. Under the BCP Joint Pact, the selected firm will be determined as sufficiently capable to operate as a designated back-up facility. In this process, clients may experience minor delays in reaching CCI due to increased telephone calls, technology delays, or other minor difficulties arising from the transfer of operations. CCI expects that any delay will be less than forty-eight (48) hours.

Nevertheless, please be aware that due to the unpredictability of events, there can be no assurance that service will continue without interruption in certain circumstances, such as a regional blackout, a natural disaster or a terrorist attack. However, in the unlikely event that CCI has determined that it cannot resume operations within a reasonable amount of time, it will provide as much advance notice as possible regarding its ongoing operations.

Please be advised that CCI's business continuity plan is reviewed and updated on an annual basis and subject to change and modification. Therefore, any changes and updated information will be promptly posted on CCI's Website located at www.canterburyconsulting.com. Alternatively, customers may obtain a copy of CCI's business continuity plan by requesting a written copy in writing or by calling (949) 721-9580.



Canterbury Consulting

Memorandum

To: Canterbury Clients
From: Canterbury Consulting
Subject: ETF Trades
Date: March 28, 2023

As part of our commitment to provide transparency regarding business processes that affect your investments, we would like to confirm our process as it relates to trading in ETFs and other securities whose prices fluctuate during market hours. Our objective in handling such trades is to assist the client in coordinating the transaction with the custodian where the security is held. We will use reasonable efforts given the events of the markets. Investors should be aware that market and price volatility can affect order execution. In some cases, there may be a lag between the time a trade request is submitted and the time the trade is executed. In those cases, market volatility and pricing movements could result in a trade execution that differs in price or quantity from what was stated in the original request.

Thank you,
Poorvi Parekh
Chief Compliance Officer



Canterbury Consulting

Memorandum

Subject: AML & KYC document certification

Date: March 21, 2023

In line with new regulations designed to enhance security and curb fraud, there is an increasing trend from private fund managers to require an assortment of documents from investors in order to satisfy Anti-Money-Laundering (AML) and Know-Your-Client (KYC) requirements.

Managers are responding to new laws like the “Corporate Transparency Act of 2020”, which in turn is part of the “Anti-Money Laundering Act of 2020” with more stringent requirements around the collection of AML and KYC documents. For example, a fund manager may require a recent utility bill to verify a new investor’s address. In the past, we have often been able to respond to such requests on behalf of our clients to lessen the effort required from the client to satisfy these requirements. While we are still sometimes able to do so, we are seeing more cases where the manager may not be as flexible as they’ve been in the past. Now they are more stringent with either the types of documentation required or how recent/current they must be.

In addition to simply requiring additional and more recent documentation, some managers are now requiring that any copies of documents we respond with be “certified copies”. Similar to how the notary process verifies a signer’s identity, a certified copy is intended to verify that the copy provided is a true copy of an original document. Managers vary in their criteria regarding the type of individual that qualifies to certify a document, though they most often include either a CPA or an attorney. In some states (unfortunately not California) a notary can also certify documents.

As we work to accommodate these requirements, we will be working with our clients to ensure that we have up-to-date copies of the most commonly requested documents. However, there will likely be situations where the fund manager may not accept our intermediation and will require the documents directly from the client. For that reason, we encourage our clients to put into place a process by which they can have documents “certified” in a timely manner if required by a fund manager.

Thank you,

Canterbury Consulting



Canterbury Consulting

Memorandum

To: Canterbury Clients
From: Canterbury Consulting
Subject: ETF Trades
Date: March 15, 2024

As part of our commitment to provide transparency regarding business processes that affect your investments, we would like to confirm our process as it relates to trading in ETFs and other securities whose prices fluctuate during market hours. Our objective in handling such trades is to assist the client in coordinating the transaction with the custodian where the security is held. We will use reasonable efforts given the events of the markets. Investors should be aware that market and price volatility can affect order execution. In some cases, there may be a lag between the time a trade request is submitted and the time the trade is executed. In those cases, market volatility and pricing movements could result in a trade execution that differs in price or quantity from what was stated in the original request.

Thank you,
Poorvi Parekh
Chief Compliance Officer