

Form ADV Part 2A

Last Updated: March 27, 2018



CanterburyConsulting

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The address listed above is for the new location of Canterbury's main office. Completion of the move is anticipated in May 2018. The address prior to May 2018 is 660 Newport Center Dr, Ste 300, Newport Beach, CA 92660.

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 Katie Sullivan at (949) 718-2219. 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 may use the term "registered investment adviser" or use the term "registered" through 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

This brochure incorporates changes since the firm's last "annual update" including changes previously disclosed in the brochure dated October 27, 2017.

Material Changes Since Last Update (dated October 27, 2017):

Regulatory Assets Under Management (RAUM) Amended

Canterbury Consulting has amended the assets reported in Form ADV Part 1A Item 5 to represent only Regulatory Assets Under Management. Previously the section inadvertently included both assets under management and assets under advisement. Total assets, inclusive of assets under management and assets under advisement are disclosed in Part 2A, Item 4.

Office Address Change

Canterbury Consulting is relocating its Newport Beach office

From:

660 Newport Center Drive, Suite 300
Newport Beach, CA 92660

To:

610 Newport Center Drive, Suite 500
Newport Beach, CA 92660

This relocation is anticipated to be completed in May 2018.

Personnel Change

Jaylene Howard, Vice President and consultant – resigned from the firm in February 2018

Description of Services has been Updated

Canterbury has updated and reformatted the description of its Institutional and Wealth Management advisory services. This update does not reflect a change to the type of service offered by Canterbury; but is a consolidation of the discretionary services under one name and one fee schedule.

Previously, Canterbury services were listed as:

Institutional Advisory Services
Institutional Advisory Plus Administrative Services
Outsourced Investment Management (OIM)
Wealth Management Services

Updated Canterbury services are listed as:

Institutional Advisory Services
Canterbury Outsourced CIO Services
Wealth Management Services

A comprehensive description is included in Form ADV Part 2A Item 4, Advisory Business.

Material Changes Since Last "Annual Update" (dated March 31, 2017), previously reported:

- Disciplinary Information

Form ADV Part 2A Item 9 (Disciplinary Information). Canterbury updated its disclosure information to reflect SEC administrative proceeding information.

- Expanded Custody Disclosure

Form ADV Part 2A Item 15 (Custody). Canterbury updated its custody information regarding Fee Debiting Authority, Third-Party Standing Letters of Authorization and First-Party Disbursements.

- Expanded Fiduciary Disclosure

Form ADV Part 2A. Canterbury updated its Form ADV language to include disclosure of its Fiduciary status under the final DOL Definition of “Fiduciary” and Conflict of Interest Rule and Level-Fee Fiduciary Disclosure Statement.

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 may 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 a SEC registered investment adviser and independent consulting firm established in 1988 to provide consulting services to endowments, foundations, pension and profit sharing plans, 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.

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 may 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 is as follows:

D. Robinson Cluck is a direct owner and Chairman of Canterbury with more than 25% ownership.

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 Investment Management 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 co-author of Asset Management for Endowments & Foundations and currently serves on the United Cerebral Palsy Foundation of Orange County as both board member and Treasurer. He also serves as Chair on the Investment Committee of the University of California Irvine Foundation. He holds a degree in Economics from the University of California at Irvine and an MBA 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 encompasses 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.

Canterbury Outsourced CIO Services (OCIO)

Canterbury Outsources CIO Services are our discretionary consulting offering. 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.

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

In addition to the list of services above, Canterbury Outsourced CIO Services include:

- 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 Services

Canterbury provides Wealth Management 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
- Performance reporting
- Custodian evaluation
- Client education
- Quarterly meetings

Assets under Advisement

Asset as of December 31, 2017:

Regulatory Assets Under Management (RAUM)	
Discretionary	\$426,771,141
Non-Discretionary	<u>\$3,661,360,446</u>
Total RAUM	<u>\$4,088,131,587</u>
Assets Under Advisement	<u>\$14,507,395,339</u>
Total Assets	<u>\$18,595,526,926</u>

As of December 31, 2017 Canterbury's total assets include \$4.1 billion of discretionary and non-discretionary assets under management over which Canterbury has trading authority, as well as \$14.5 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

Institutional Advisory Services

Annual fee schedule: 0.20% on first \$50 million
 0.10% on next \$50 million
 0.05% thereafter
 \$50,000 minimum annual fee

Canterbury Outsourced CIO Services

Annual fee schedule: 0.30% on first \$100 million
 0.10% thereafter
 \$75,000 minimum annual fee

Wealth Management Services

Annual fee schedule: 0.50% on first \$50 million
 0.40% on the next \$50 million
 0.10% thereafter
 \$75,000 minimum annual fee

Fees charged to clients may be higher or lower than the aforementioned fees depending on the nature of any pre-existing relationship, the complexity of the accounts, or terms and conditions of any outstanding or pre-existing verbal or written agreement to which Canterbury is a party.

In addition, Canterbury may 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.

Canterbury charges a minimum fee or a fee based on the amount of assets under advisement as listed above. No hourly fees are charged to clients at this time.

Payment Terms: For clients on a retainer service agreement, fees are due and payable on a quarterly basis in arrears. Clients may select fees to be billed directly or deducted from their accounts.

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

Neither Canterbury nor any of its supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client. Therefore, there are no conflicts of interest that Canterbury or its supervised persons may face by advising these accounts that include any incentive to favor accounts for which Canterbury or its supervised persons receive a performance-based fee.

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 serve include:

- | | |
|--------------------------------------|---------------------------------------|
| — Colleges and Universities | — Defined Benefit Plans |
| — Independent Schools | — Defined Contribution Plans |
| — Hospitals/Healthcare Organizations | — Charitable/Non-Profit Organizations |
| — Community Foundations | — Arts and Cultural Institutions |
| — Private Foundations | — Private Clients/Family Offices |
| — Religious Institutions | — Corporations |

Requirement for Opening Accounts (Minimum Investment Amount)

Canterbury generally does not impose minimum account size requirements; however, we do have minimum annual fee requirements. Those minimums are dependent on the client type and service platform and are outlined in the Fees and Compensation section above.

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.

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.

Canterbury does not employ a significant investment strategy nor does it recommend any particular type of security as part of its overall consulting services.

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 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 maintains discretionary authority to advise on a portion of the SALI Multi-Series Fund, L.P. ("Fund") managed by SALI Fund Management, LLC/SALI Fund Services (SEC #801-61702). Canterbury does not solicit clients to invest in the Fund.

Disclosure of Material Conflicts

Certain management persons of Canterbury may be limited partners in certain investment related limited partnerships. These partnerships interests are passive investments that may include hedge funds or private equity partnerships. Therefore, a potential conflict may exist in that limited partners receive certain economic benefit from investments made in corresponding limited partnerships.

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 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

Neither Canterbury nor any of its related persons recommend to clients, or buys or sells for client accounts, securities in which Canterbury or a related person has a material financial interest including but not limited to incidents where Canterbury or a related person, as principal, buys securities from (or sells securities to) Canterbury clients; Canterbury or a related person acts as general partner in a partnership in which Canterbury solicit client investments; or Canterbury or a related person acts as an investment adviser to an investment company that Canterbury recommends to client.

Canterbury or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that Canterbury or its related persons recommend to clients. Canterbury or its related persons may recommend securities to clients, or buys or sells of 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.

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 offered. Both Advisory and Outsourced CIO clients receive comprehensive quarterly performance reports produced by Canterbury.

Item 14. Client Referrals and Other Compensation

Economic Benefit from Non-Clients

None of the supervised persons listed above or below as part of this Brochure Supplement 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.

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 may be 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 will receive account statements at least quarterly directly from their qualified custodian. Clients may also receive account statements 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.

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

Item 16. Investment Discretion

The firm provides services on either a non-discretionary or 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 may have the following attributes or limits. In some instances, Canterbury may hold a full power of attorney with respect to a client account, while in other instances Canterbury may hold a limited power of attorney, primarily enabling the firm to 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. Clients may contact Canterbury directly at (949) 721-9580 if they have any questions regarding a particular solicitation.

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 may exercise 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

Canterbury does not have custody of client funds or securities. 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.

Dept. of Labor (DOL) Definition of “Fiduciary” and Conflict of Interest Rule

Level-Fee Fiduciary Disclosure

In April 2016, the US Department of Labor issued its rule (DOL Fiduciary Rule) which expanded the role of investment advisors with respect to providing advice to retirement assets that are qualified under the Employee Retirement Income Security Act of 1974 as amended (“ERISA”). This notification confirms that for certain clients, Canterbury may serve as a fiduciary advisor under the new DOL rule effective June 9, 2017.

We make recommendations in the best interest of our clients, taking into consideration the totality of their investment circumstances.

There are essentially two aspects of this notification:

1. Under the new DOL rule, we are deemed fiduciaries and comply with the rule as advisors operating under the Best Interest Contract exemption.

Canterbury and its consultants act as fiduciaries under ERISA or the Code, or both, with respect to any investment advice provided to an ERISA plan, or an individual owner of retirement savings. Canterbury Consulting Incorporated operates under the Best Interest Contract Exemption which permits Canterbury and its individual consultants to receive compensation as a result of their provision of investment advice within the meaning of ERISA section 3(21)(A)(ii) or Code section 4975(e)(3)(B) to a Retirement Investor.

2. Canterbury and its advisors comply with the new Impartial Conduct Standards under the DOL rule.
 - Our advice reflects care, skill, diligence and prudence given our understanding of the totality of your circumstances surrounding your investment program. Our recommendations are customized for each client and reflect our view of what is in the best interest of the client. The recommendations are made without regard to any financial interest to Canterbury or any of its advisors.
 - Our recommendations to you will not lead to Canterbury receiving any different or additional type of compensation. Our services to you are provided for an asset based fee that are not in excess of reasonable compensation within the meaning of ERISA section 408(b)(2) and Code section 4975(d)(2).
 - Any information we provide to you to about Canterbury, or information in support of our recommendations will not be materially misleading at the time they are made.

Counterparty Transactions

In certain cases, Canterbury may provide advisory services or engage in transactions with independent plan fiduciaries with financial expertise. In such cases, Canterbury may rely on an exception to the final rule

involving licensed financial professionals (broker-dealers, registered investment advisers, banks, insurance companies, etc.) or plan fiduciaries who have at least \$50 million under management (each referred to as a "Counterparty" or collectively as "Counterparties").

Counterparty transactions are excluded from fiduciary investment advice communications in arm's length transactions. More specifically, a person shall not be deemed to be a fiduciary within the meaning of section 3(21)(A)(ii) of the Act solely because of the provision of any advice (including the provision of asset allocation models or other financial analysis tools) to an independent person who is a fiduciary of the plan or IRA (including a fiduciary to an investment contract, product, or entity that holds plan assets as determined pursuant to sections 3(42) and 401 of the Act and 29 CFR 2510.3-101) with respect to an arm's length sale, purchase, loan, exchange, or other transaction involving the investment of securities or other property, if the person knows or reasonably believes that they are dealing with a fiduciary of the plan or IRA who is independent from the person providing the advice and who is a (1) a bank as defined in section 202 of the Investment Advisers Act of 1940 or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; (2) an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a plan; (3) an investment adviser registered under the Investment Advisers Act of 1940 or, if not registered as an investment adviser under such Act by reason of paragraph (1) of section 203A of such Act, is registered as an investment adviser under the laws of the State in which it maintains its principal office and place of business; (4) a broker-dealer registered under the Securities Exchange Act of 1934; or (5) any other person acting as an independent fiduciary that holds, or has under management or control, total assets of at least \$50 million.
