

# Form ADV Part 2A

Last Updated: April 26, 2021



CanterburyConsulting

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](http://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](http://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 Update:**

There have been no material changes to report since our last annual amendment filing dated March 27, 2020.

### **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](http://www.canterburyconsulting.com).

### Item 3. Table of Contents

---

<b>ITEM 1. COVER PAGE .....</b>	<b>1</b>
<b>ITEM 2. MATERIAL CHANGES SINCE LAST UPDATE .....</b>	<b>2</b>
<b>ITEM 3. TABLE OF CONTENTS .....</b>	<b>3</b>
<b>ITEM 4. ADVISORY BUSINESS .....</b>	<b>5</b>
PRINCIPAL OWNERS .....	5
INSTITUTIONAL SERVICES .....	6
WEALTH MANAGEMENT AND FAMILY OFFICE SERVICES .....	6
PRIVATE FUNDS.....	7
ASSETS UNDER ADVISEMENT .....	8
<b>ITEM 5. FEES AND COMPENSATION .....</b>	<b>8</b>
OTHER FEES AND EXPENSES .....	9
PRIVATE FUNDS.....	9
<b>ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>9</b>
<b>ITEM 7. TYPES OF CLIENTS .....</b>	<b>9</b>
REQUIREMENT FOR OPENING ACCOUNTS (MINIMUM INVESTMENT AMOUNT) .....	10
<b>ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....</b>	<b>10</b>
INVESTING INVOLVES RISK .....	10
PRIVATE FUNDS.....	10
<b>ITEM 9. DISCIPLINARY INFORMATION .....</b>	<b>11</b>
DISCLOSURE EVENTS.....	11
<b>ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....</b>	<b>12</b>
BROKER/DEALER AFFILIATION .....	12
LIMITED PARTNERSHIPS / PRIVATE FUNDS .....	12
DISCLOSURE OF MATERIAL CONFLICTS .....	13
CODE OF ETHICS .....	13
PARTICIPATION / INTEREST IN CLIENT TRANSACTIONS .....	13
<b>ITEM 12. BROKERAGE PRACTICES .....</b>	<b>14</b>
RESEARCH AND OTHER SOFT DOLLAR BENEFITS .....	14
BROKERAGE FOR CLIENT REFERRALS .....	14
DIRECTED BROKERAGE .....	14
<b>ITEM 13. REVIEW OF ACCOUNTS.....</b>	<b>14</b>
<b>ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION.....</b>	<b>14</b>
ECONOMIC BENEFIT FROM NON-CLIENTS .....	14
DIRECT/INDIRECT COMPENSATION FOR CLIENT REFERRALS .....	14
<b>ITEM 15. CUSTODY.....</b>	<b>14</b>
FEE DEBITING AUTHORITY & THIRD-PARTY STANDING LETTERS OF AUTHORIZATION .....	15
FIRST-PARTY DISBURSEMENTS.....	15
PRIVATE FUNDS.....	15
<b>ITEM 16. INVESTMENT DISCRETION .....</b>	<b>16</b>

<b>ITEM 17. VOTING CLIENT SECURITIES.....</b>	<b>16</b>
<b>ITEM 18. FINANCIAL INFORMATION .....</b>	<b>16</b>
PRE-PAYMENT OF FEES .....	16
MATERIAL IMPACT OF DISCRETIONARY AUTHORITY .....	16
CUSTODY DISCLOSURE .....	16
BANKRUPTCY DISCLOSURE .....	16
PPP LOAN.....	16
<b>PRIVACY POLICY.....</b>	<b>17</b>
PRIVACY POLICY NOTICE.....	17

## 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.

Both of the SPFS funds 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.

The CCI Core Bond Fund's investment objective is to maximize long-term total return. To achieve its objectives, the General Partner (through the Subadvisor, 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) and Canterbury Consulting PC Fund I (B), L.P. 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" and collectively with the Taxable Partnership, the "Partnership") to make investments in private equity pooled investment vehicles (the "Underlying Funds") with investment managers selected by the General Partner (the "Underlying Managers").

The Taxable Partnership intends to operate principally for the benefit of U.S. taxable investors. The Tax-Exempt Partnership intends 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").

A client may be 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.

Investors in each of Canterbury's private funds 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.

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

## Assets Under Advisement

Asset as of December 31, 2020:

Regulatory Assets Under Management (RAUM)	
Discretionary	\$ 1,661,964,198
Non-Discretionary	\$ 3,477,545,509
<b>Total RAUM</b>	<b>\$ 5,139,509,707</b>
Assets Under Advisement	\$ 22,020,413,206
<b>Total Assets</b>	<b>\$ 27,156,021,462</b>

As of December 31, 2020 Canterbury's total assets include \$5.1 billion of discretionary and non-discretionary assets under management over which Canterbury has trading authority. In addition, Canterbury has \$22 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"> <li>We assist client in building a custom investment portfolio on a non-discretionary basis by providing recommendations on asset allocations and manager selection.</li> <li>We also provide assistance in the implementation of investment decisions by coordinating communication between the client and their managers and custodians</li> </ul>	<ul style="list-style-type: none"> <li>Our standard fee schedule consists of an asset based fee that ranges from 5 basis points to 20 basis points on the net asset value of the investments, and is subject to a minimum fee</li> <li>Certain clients engage in a flat fee arrangement that may include an escalator.</li> </ul>
Outsourced CIO services	<ul style="list-style-type: none"> <li>Clients delegate to us the responsibility of manager selection and allocation of asset classes within permissible ranges.</li> <li>We also implement investment decisions by providing directives to managers and custodians on behalf of our OCIO clients.</li> <li>Depending on a client's specific preference, they may delegate one or both the components of investment decision making and implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Our standard fee schedule consists of an asset based fee that ranges from 10 basis points to 30 basis points on the net asset value of the investments, and is subject to a minimum fee.</li> <li>Certain clients engage in a flat fee arrangement that may include an escalator.</li> </ul>
Wealth Management and Family Office Services	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Our standard fee schedule consists of an asset based fee that ranges from 10 basis points to 50 basis points on the net asset value of the investments, and is subject to a minimum fee.</li> </ul>



We charge fees in accordance with the fee schedules(s) in effect at that time; however fees and minimums are subject to negotiation. Our current fee schedules are listed below. 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 may group certain asset pools related to the same client for the purpose of determining the annualized fee.

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.

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, client domicile 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 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 typically 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) directly or indirectly by employees and partners of Canterbury; or (iii) by current clients of Canterbury, for such periods as such persons are 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 of 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**

---

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 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.

Certain client portfolios may include select alternatives 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 and provide consent to make the investment.

#### **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 may 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 may be heavily subscribed and the manager may "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 withdraw any direct commitment being made to a private fund in order to not "compete" with the client for allocation to the capacity constrained fund. In some cases there may be a 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 the professionals have experience investing in the private equity market, the Canterbury PE fund of funds (onshore and offshore) and the GP/Managers are newly formed entities with no 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 IRR 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 funds.

## **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 and three private funds in early 2020. 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.

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

As noted in **Item 5 - Fees and Compensation** 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 Partner Canterbury may provide services to the Funds, such as strategic advice, financial management, back office and other services, in exchange for a Service Fee.

## Disclosure of Material Conflicts

Certain management persons of Canterbury are limited partners in certain investment related limited partnerships. These partnerships interests are passive investments that 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.

The General Partner may engage in a side letter with one or more co-investors to accommodate any special request by the investor. 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.

Canterbury will be allocating assets from client portfolios over which it has discretionary authority into the Canterbury private funds. 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.

## 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 may 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 may 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. 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 five 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.

## **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.

Private fund reporting is detailed within each fund's Private Placement Memorandum.

## **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 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 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.

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 may have the following attributes or limits. In some instances, Canterbury may 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.

## **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.

### **PPP Loan**

In April 2020, Canterbury Consulting applied for a loan under the Paycheck Protection Program ("PPP") loan program from the US Small Business Administration. Canterbury Consulting determined, at the time of its application for the loan, that the effects of the COVID-19 pandemic, including many "shelter in place" orders, and the severe volatility of the marketplace, would lead to marked decrease in asset values and result in lower revenue from our asset-based fees in subsequent periods. There was also significant concern over the



uncertainty of the severity and duration of the economic slowdown, and its effect on our business. The PPP loan allowed us to maintain our operations without disruption, and to maintain our staff at pre-COVID-19 levels.

## 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.