Town of Branford
Volunteer Fire Incentive Plan

GYL | FINANCIAL® SYNERGIES

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2Q20 Performance Review

This presentation has been prepared specifically for the Town of Branford for use at a meeting August 31, 2020.

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Q2 2020 Economic Commentary and Market Update

Index Performance as of: 6/30/2020

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Russell						
3000 Value	14.55	-16.74	-9.40	1.41	4.41	10.23
3000	22.03	-3.48	6.52	10.04	10.03	13.72
3000 Growth	27.99	8.98	21.89	18.20	15.22	16.92
1000 Value	14.29	-16.26	-8.82	1.82	4.64	10.41
1000	21.82	-2.81	7.46	10.64	10.47	13.97
1000 Growth	27.84	9.81	23.23	18.99	15.88	17.23
Mid Cap Value	19.95	-18.09	-11.79	-0.54	3.32	10.29
Mid Cap	24.61	-9.13	-2.24	5.79	6.76	12.35
Mid Cap Growth	30.26	4.16	11.89	14.75	11.59	15.09
2000 Value	18.91	-23.50	-17.44	-4.35	1.26	7.82
2000	25.42	-12.98	-6.61	2.01	4.29	10.50
2000 Growth	30.58	-3.06	3.47	7.86	6.85	12.92
Standard & Poors						
S&P 500	20.54	-3.08	7.49	10.73	10.72	13.99
Consumer Disc	32.86	7.23	12.57	15.29	13.20	18.19
Consumer Staples	8.12	-5.66	3.61	5.03	7.22	11.79
Energy	30.51	-35.34	-36.03	-12.46	-9.18	0.21
Financials	12.20	-23.62	-13.90	0.11	5.41	9.68
Health Care	13.59	-0.81	10.88	10.30	8.14	15.72
Industrials	17.01	-14.64	-9.00	1.91	6.73	11.76
Information Technology	30.53	14.95	35.81	26.82	23.40	20.49
Materials	26.01	-6.92	-1.11	3.90	5.43	9.85
Real Estate	13.22	-8.53	-2.01	6.32	8.00	11.77
Telecom Services	20.04	-0.31	11.05	8.58	7.17	10.58
Utilities	2.73	-11.14	-2.11	6.41	10.17	11.31
Other U.S. Equity						
Dow Jones Industrial Avg.	18.51	-8.43	-0.54	9.08	10.61	12.99
NASDAQ 100	30.30	16.89	33.70	22.91	19.57	20.69
International Equity - Broad Market						
MSCI EAFE	14.88	-11.34	-5.12	0.81	2.05	5.73
MSCI EM	18.08	-9.78	-3.38	1.90	2.86	3.27
MSCI Frontier Markets	14.75	-15.77	-11.15	-1.77	-0.13	3.51
MSCI ACWI	19.22	-6.25	2.11	6.13	6.45	9.16
MSCI ACWI Ex USA	16.12	-11.00	-4.79	1.13	2.26	4.97
MSCI AC Asia Ex Japan	16.71	-4.74	1.69	3.61	4.40	5.91

Index Performance as of: 6/30/2020	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
International Equity - Country Region						
MSCI Brazil	22.85	-38.86	-33.31	-2.53	0.36	-4.06
MSCI BRIC	16.91	-7.55	-0.18	6.05	4.54	2.97
MSCI China	15.29	3.51	13.10	8.55	5.32	6.38
MSCI Europe	15.26	-12.78	-6.77	0.00	1.46	5.65
MSCI India	20.58	-16.95	-17.01	-1.58	0.92	1.69
MSCI Japan	11.61	-7.12	3.10	2.97	3.45	6.09
MSCI EM Latin America	19.10	-35.23	-32.40	-7.21	-3.22	-3.80
MSCI Russia	18.69	-24.46	-13.01	11.65	8.60	2.34
Fixed Income						
Barclays U.S. Aggregate	2.90	6.14	8.72	5.32	4.30	3.82
Barclays US Aggregate 1-3 Yr	0.88	2.68	3.99	2.82	2.08	1.62
Barclays US Aggregate 3-5 Yr	1.78	4.64	6.53	4.09	3.22	2.99
Barclays US Aggregate 5-7 Yr	3.68	6.47	8.56	5.12	3.97	3.77
BofAML 3-Month T-Bill	0.02	0.60	1.63	1.77	1.19	0.64
Barclays U.S. Gov't	0.49	8.61	10.32	5.54	4.04	3.34
Barclays U.S. Credit	8.22	4.82	9.05	6.14	5.54	5.24
Barclays High Yield Corp.	10.18	-3.80	0.03	3.33	4.79	6.68
Barclays TIPS	4.24	6.01	8.26	5.04	3.75	3.52
Barclays Global Aggregate	3.32	2.98	4.21	3.79	3.55	2.81
Barclays Gbl Agg Ex USD	3.38	0.61	0.70	2.52	2.89	1.98
JPM EMBI Global Div	12.26	-2.76	0.49	3.60	5.30	6.03
Fixed Income-Tax Exempt						
Barclays Municipal	2.72	2.08	4.44	4.22	3.93	4.22
Barclays Municipal 3 Yr	2.28	1.91	3.11	2.36	1.95	1.83
Barclays Municipal 5 Yr	3.26	2.18	3.79	3.08	2.77	2.91
Barclays Municipal 7 Yr	3.31	2.28	4.26	3.72	3.50	3.80
Barclays HY Muni	4.55	-2.64	1.02	5.27	5.77	6.12
Alternative Investments						
Alerian MLP	50.18	-35.71	-41.36	-16.78	-12.85	-1.41
Bloomberg Commodity	5.08	-19.40	-17.35	-6.13	-7.69	-5.82
FTSE NAREIT Equity REIT	11.82	-18.71	-13.01	0.03	4.06	9.05
S&P Global Natural Res.	20.47	-19.14	-16.72	-0.11	0.94	1.48
S&P N. Amer Natural Res.	31.31	-26.33	-24.33	-8.01	-6.47	-0.69

Source: Morningstar

Q2 2020 Economic Commentary and Market Update

Recap: Beginning in mid-March, economic activity fell at an unprecedented speed in response to the outbreak of Covid-19 and the measures taken to control its spread. Even after the unexpectedly positive May employment report, nearly 20 million jobs net have been lost since February, and the unemployment rate has risen into double digits.

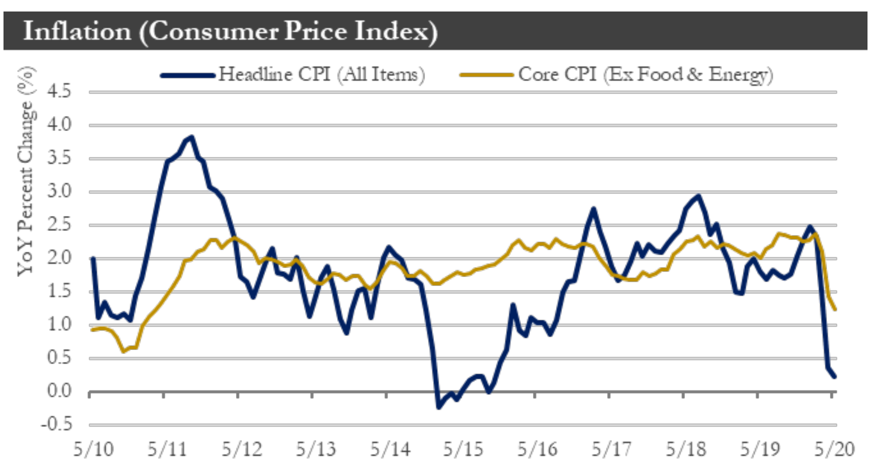
Real GDP contracted by 5% annualized in the first quarter. The decline in real GDP in the second quarter is likely to be the most severe on record. The burden of the downturn has not fallen equally on all Americans. Instead, those least able to withstand the downturn have been affected the most. If not contained and reversed, the downturn could further widen gaps in economic well-being that the long expansion had made some progress in closing.

Recently, indicators have pointed to stabilization, and in some areas a modest rebound, in economic activity. With an easing of restrictions on mobility and commerce and the extension of federal loans and grants, some businesses have reopened, while stimulus checks and unemployment benefits have supported household incomes and spending.

That said, the levels of economic output and employment have remained far below their pre-pandemic levels, and significant uncertainty remains about the timing and strength of the future recovery.

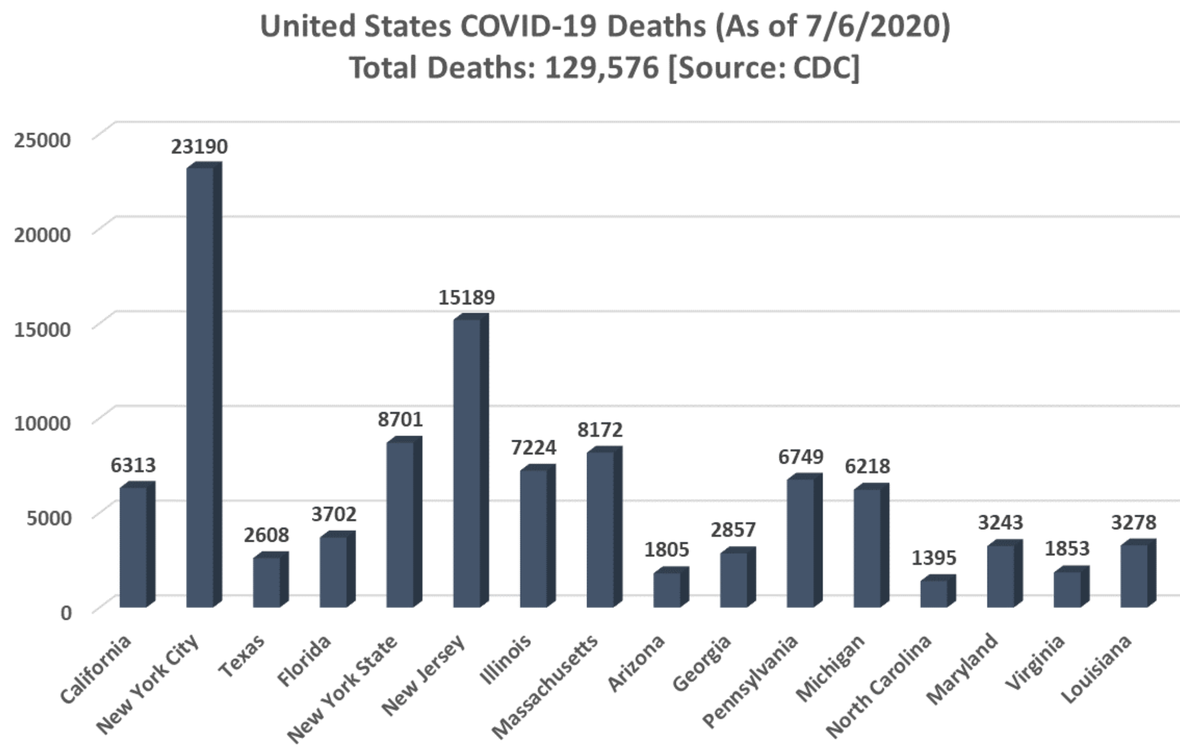
Much of that economic unknown has stemmed from uncertainty about the path of the virus and the effectiveness of the measures to contain it. Until the public has confidence that the virus is contained, a full economic recovery is unlikely. Moreover, the longer the downturn lasts, the greater the potential for longer-term damage from permanent job loss and business closures.

With weak demand and large price declines for some goods and services, consumer price inflation has dropped noticeably in recent months. Indicators of longer-term inflation expectations however have been relatively steady. As economic output has stabilized and the recovery moves ahead, inflation should even out and then gradually move back up over time, closer to the Fed's 2% objective. Inflation is nonetheless likely to remain below 2% for some time.

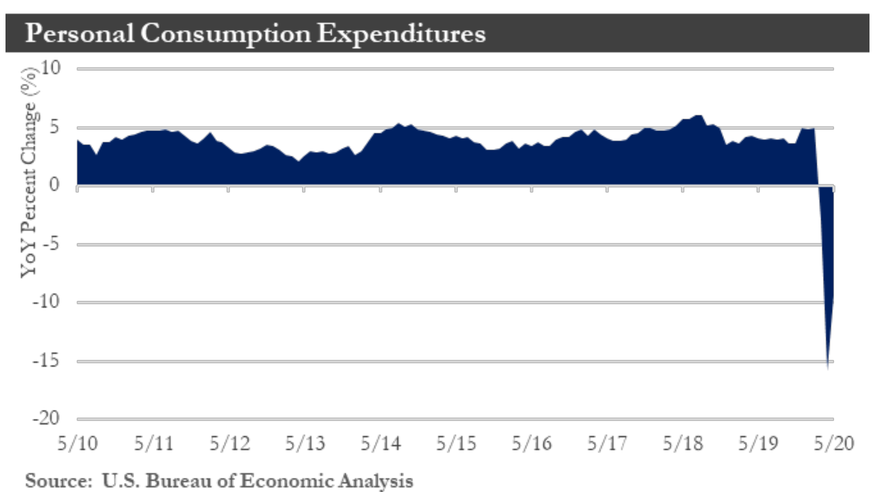


Source: U.S Bureau of Labor Statistics

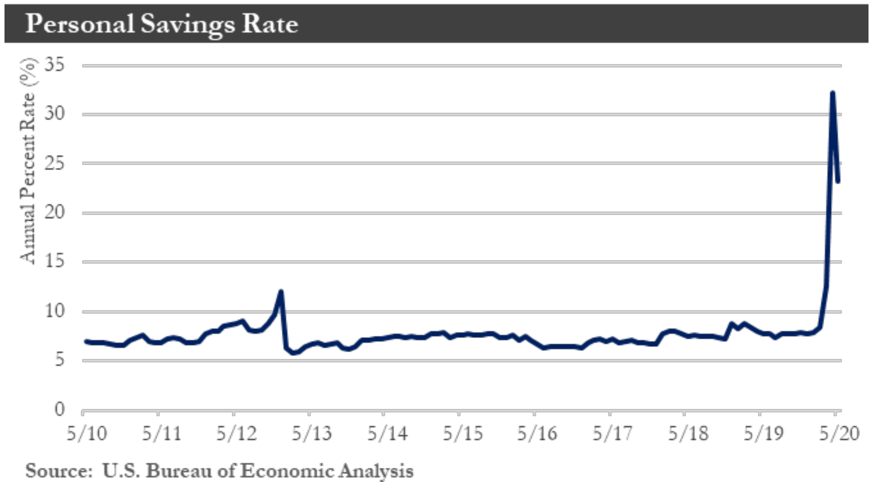
COVID-19: The rising number of COVID-19 infections has been the big economic story in the last week of June, offsetting continuing reports of a rebound in economic activity. Most of this increase has been in the South and West, with California, Arizona, Texas, Florida, Georgia, and the Carolinas accounting for the bulk of the increase. Some increase in COVID-19 cases was expected as the economy reopened, and testing ramped up. The rise in infections, however, has been greater than can be explained by testing alone.



Consumer Spending: Americans cautiously returned to the marketplace in May and June, helping the economy slowly dig out from a severe recession. Household spending on goods and services rose a record 8.2% in May, down 12% from February. This boosted hopes that a good portion of consumers were eager and able to spend despite historically high unemployment. But it also showed just how far the economy must go to recover from a deep recession caused by the pandemic.

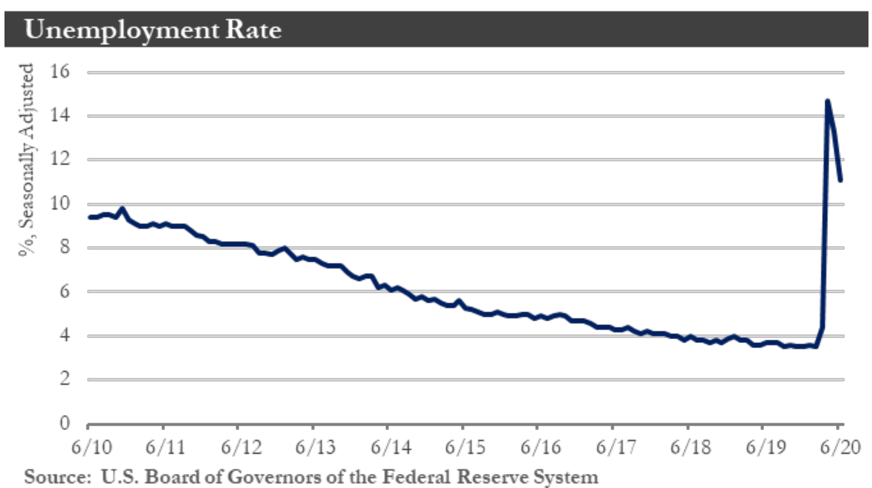


Consumer sentiment has remained depressed from the near all-time highs reached during the last expansion and slipped in the latter half of June. And Americans overall saved more than a fifth of their disposable incomes in May, an exceptionally high savings rate that signaled caution.



But the federal stimulus package, coupled with the urge among many Americans to get out and spend after months of being in isolation, has likely helped the economy grow again.

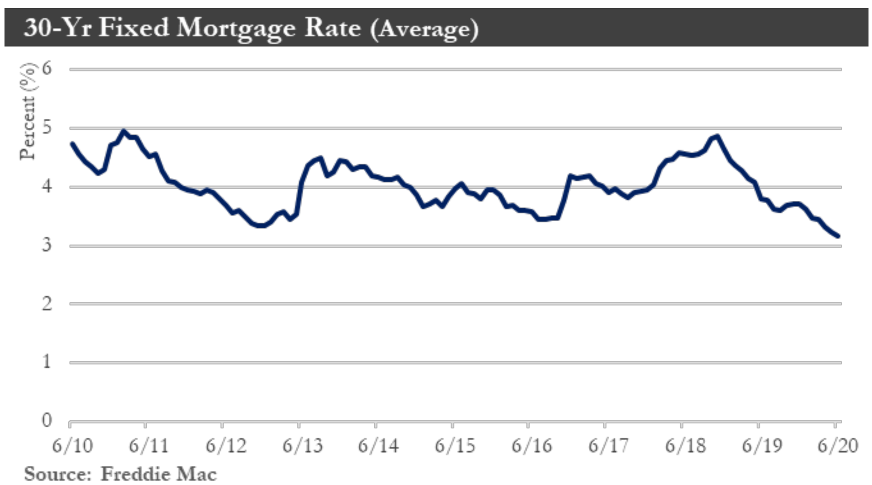
Labor market: An historically high number of workers have continued to seek unemployment benefits each week, but applications have decreased substantially since an early spring peak amid signs the labor market is recovering from the coronavirus-induced shock. Weekly first-time unemployment claims were steady at a record high 1.5 million in the week ended June 20. The job market's slow recovery faced new infections that could impede getting people back to work. Meanwhile, continuing claims were 19.5 million in the week ended June 13.



While the declining jobless benefits figures in June have offered signs the labor market is slowly healing, a recent increase in coronavirus cases could affect efforts to reopen the economy and get people back to work.

Housing: Housing has clearly been one of the economy's bright spots. Mortgage applications for the purchase of a home, which have been a reliable leading indicator of new and existing home sales, have steadily risen since bottoming in early April and are now up 18.1% compared to last year.

While existing sales weakened substantially during May, new home sales surged over 16%. Builders reported an increase in buyer traffic along with higher sentiment regarding the sales environment, both current and over the next six months. Underpinning the more positive trend recently have been several tailwinds that should continue to support the housing market in the short term. Mortgage rates have remained low and should continue to do so for the foreseeable future, which should incentivize more renters to become homeowners and induce higher turnover from those looking to upsize or downsize. Demographics are also likely to remain favorable, as many Millennials are approaching an age that tends to lead to buying a home.



The apparent resiliency of the housing market recently should also provide other areas of the economy with a much-needed boost. Residential fixed investment only comprises about 3.5% of overall GDP. That number rises to over 15%, however, when including consumer spending on housing services such as tenant rents and utilities, but even that underestimates the true economic impact. Home sales drive demand for other ancillary services such as mortgages, insurance, legal services, inspections, and interior designers, as well as for durable goods spending on furniture, household appliances, and home furnishings. A rebound in home sales should also support home prices, which have moderated considerably in a handful of the nation's largest metropolitan areas.

Monetary Policy: The Federal Reserve cut interest rates to near zero in March and introduced a range of emergency lending programs to purchase debts of companies, cities, and states. They expected to keep short-term interest rates pegged near zero through 2022 and have discussed options, including capping bond yields.

The hit to demand will keep inflation pressures contained for some time since many industries are likely to be slow to recover and unemployment remains above previous forecasts over the next two years. As a result, the policy rate is unlikely to increase until at least 2022.

Fiscal Policy: When Congress returns from recess in mid-July, it will face a critical few-weeks period to consider additional fiscal stimulus. Emergency expanded unemployment benefits expire on July 31, and many states will face tough budget decisions as their fiscal years begin on July 1 and the month-long August recess looms large. The probability of another large bill to support the economy seems about fifty-fifty. The economic data over the next month, particularly the labor market data, will likely play a key role in shaping the outcome. If a bill does come to pass, it is likely to be roughly $1 trillion in size, with the bulk of the money going towards state and local aid and stimulus to households through policies like a payroll tax cut or another round of direct household checks.

Global Economy: Following the sharpest economic decline in recent history, a long uphill climb will be required to get back to pre-pandemic levels. Global economic growth is likely to contract by an unprecedented 4.0-4.5% in 2020. Advanced economies (AEs) should contract by 5.5% and emerging markets (EMs) excluding China by 3.5%. China's economy is anticipated to pull back by 2.5%.

The data currently supports the narrative that a bottoming in most AEs' pandemic-related disruptions occurred in April. Thanks to substantial labor market interventions and large-scale monetary and fiscal measures by some countries, improved financial conditions, a pickup in global demand, and better business and consumer sentiment have emerged.

EMs have been the recipient of many of the benefits that come from central bank efforts around the globe to boost market liquidity. Many EMs have realized that the economic lockdowns that occurred among AEs were not sustainable amidst a weaker government ability to support livelihoods, large and younger populations living within a high density, and more difficult living conditions. This decision resulted in smaller economic contractions among EMs, although the toll on lives from the virus has only begun to take shape.

The exception has been China. Its stringent lockdowns helped its economy land on its feet. However, weak overseas demand was an automatic restraint on its exports and manufacturing industry. Moreover, China's imports in May contracted sharply, reiterating ongoing supply chain disruptions, and suggesting continued tentativeness in domestic demand.

The global economy will look drastically different once this has ended, with a high likelihood that potential GDP growth will be lower due to economic scarring. Monetary and fiscal policy will further converge, leading to a greater risk that central bank independence will be compromised. Fiscal stimulus measures have led to large deficits that will correspond with high and persistent debt burdens. This will inevitably lead to higher taxes unless central banks monetize government debt.

Eurozone: News from the Eurozone offered encouragement on two fronts– first, the bottom for economic activity may already be in and, second, the recovery in the Eurozone economy may occur quicker than previously expected. As COVID-19 lockdown measures continue to be lifted, activity has rebounded to some extent. For June, the Eurozone manufacturing PMI rose to 46.9 from 39.4. The rise in the services PMI was even more impressive, to 47.3 from 30.5. What was notable was that not only did the expectations component improve but so too did the assessment of current conditions, the first time the latter has shown any improvement since January.

Eurozone Q2 GDP is likely to fall at least 12.0% quarter-over-quarter. However, aggressive monetary easing, and progress towards further fiscal stimulus would create the potential for a smaller economic decline in Q2 and a faster rebound in Q3.

Outlook: The U.S. entered the pandemic from a position of economic strength, but shutdowns across many nonessential activities were so widespread in the latter half of March that real GDP contracted by 5% annualized in the first quarter. This weak starting point and continued closures across much of the country in April and May have likely led activity to contract by at least 30% annualized in the second quarter. Unemployment is likely to be at least 9.0% in the fourth quarter, with GDP down 6.5% from 2019.

The recovery will be uneven across industries and uncertainty will remain elevated in the absence of a vaccine which is expected to slow the pace of the rebound after the initial jump in growth due to reopening. As a result, the level of real GDP would remain below its pre-virus level until the end of 2021. Naturally, the outcome could deviate from these expectations depending on policy decisions and virus developments throughout that period.

There has recently been an uptick in new cases in some states as shelter in place measures have been eased. If widespread stay-at-home orders return, the U.S. recovery could reverse course, but unemployment would remain elevated for longer. By extension, there would be deeper scarring from a greater share of permanent job losses, negative wealth impacts, and business insolvencies, even with renewed stimulus measures.

Market Commentary

Recap: As difficult as the first quarter of 2020 was for investors, the second quarter proved to be nearly as spectacular in a positive direction. Despite the severity of the COVID-19 induced recession that began to grip the economy in Q1, in Q2 markets continued to respond to the extraordinary intervention measures of the Federal government. The Federal Reserve successfully launched massive lending facilities, extended credit, purchased government-backed paper, and indicated they were prepared to purchase corporate bonds to support and calm fixed income markets. Their efforts paid off. Additionally, Congress and the Administration provided direct financial support to households as well as small and large businesses alike to keep the economy afloat in hopes that the pandemic recedes soon and an organic economic recovery can ensue. As the quarter ended, economic data began to turn positive but ample uncertainty remains over what the course of its trajectory might be, especially given the recent surge in COVID-19 cases. Given this environment, the U.S. benchmark S&P 500 rose by 20.5% during the quarter. Overseas, the MSCI EAFE Index rose 14.9%, and the MSCI Emerging Markets Index rose 18.1%. Fixed income markets produced solidly positive returns with the relative certainty that interest rates would remain low for some time. The Barclays U.S. Aggregate Bond Index rose 2.9% while the Barclays Global Aggregate ex USD Bond Index rose 3.4%.

Domestic Equities: The quarter began with equity volatility more than double the long-term market average. For the full quarter, however, volatility declined by roughly half though still well above the long-term average. Volatility spikes when fear grips the market. The strong positive result in market performance appears to be explained by investor expectations that the recession has bottomed, that continued monetary and fiscal support will be forthcoming as needed and earnings will pick up. The next fiscal support bill of $1 trillion or more is currently being discussed in the Capital in order to extend direct household and/or unemployment benefit payments and possibly assist state and local governments.

While many companies have been unable to provide future earnings guidance in this environment and some corporate outlooks appear grim, some businesses have thrived in this social distancing economy. Some of the very largest tech firms and companies with strong online business models fall into this camp and this "right place, right time" continues to be one of the reasons, besides strong fundamentals and low corporate debt that certain stocks have continued to be market leaders despite lofty valuations.

International Equities: Equity markets overseas generally lagged the response of stocks in the U.S. to the developing pandemic, economic, and governmental intervention trends. Despite the inferior relative performance, returns for the quarter outside the US were in the mid to upper teens. The national responses to the pandemic in developed countries in continental Europe and Japan were forceful, disciplined, and lengthy though it caused short term negative economic results there as well. Current infection data suggests that the pandemic is under greater control in these countries than the U.S. and it would not unreasonable to expect their economies to recovery more quickly than in the U.S. Should that happen international markets and currencies will respond in kind. Emerging market equities also posted a strong quarterly result, although there were regional variances from South America to Asia.

Fixed Income: Fixed income markets posted strong relative returns as a result of interventions from Central Banks and their guidance that rates will remain low for the foreseeable future. Riskier segments of the fixed income market like high yield bonds and emerging market debt posted double-digit gains as nascent signs of recovery surfaced. Investment-grade corporate bonds returned over 8% buoyed by the assurance from the Federal Reserve that they will support that market if needed.

REITS, MLPs and Commodities: Commodity-related investments, as measured by the Bloomberg Commodity Index, rose 5.1% leaving them off -19.4% year to date. After turning negative for the first time in history in April, oil staged a strong comeback and West Texas Intermediate Crude (WTI) finished the quarter at $39.27 per barrel. While oil did rise during the quarter, WTI remains well below the $61 mark where it began the year. Master Limited Partnerships (MLPs), as measured by the Alerian MLP Index were up 50.2%, but remain down -35.7% in 2020. REIT investments increased 11.8% in the quarter.

Outlook: In the U.S., the path to economic recovery will depend on the course of coronavirus and the corresponding public health response. It is not unreasonable to expect the stock market to bounce around for an extended period until the economy finds firmer footing. Despite this expectation, the U.S. stock market appears to be priced for a quick economic recovery. The resulting stretched valuations will become a concern if something other than a quick economic recovery becomes reality. The longer-term outlook appears more positive, however, as the recent slowdown was driven by government policy and not economic imbalances. Relaxing these restrictive policies should eventually lead to economic recovery. While the pain of the economic recession has been widespread, the stock market has produced distinct winners and losers. Online retailers and grocers, for example, have enjoyed growing sales, and providers of broadband services and health care have benefited from strong demand. Conversely, travel and hospitality-related businesses have been pummeled. An environment with clear winners and losers may prove to be a tailwind for active portfolio managers. Emphasizing quality may also be appropriate, given an environment characterized by significant risk and uncertainty.

Valuations help judge the long-term risk-reward ratio for equity markets overall, but they are not useful for short-term investing. Nonetheless, equity markets in developed international markets are moderately priced relative to the U.S. In Europe, economies are recovering from the lockdown and, thus far, there has been little evidence of a significant second wave of infections. Europe's perceived disadvantage going into the health crisis was its lack of policy ammunition. The European Central Bank (ECB) policy rate was already negative, and there were strict rules on increasing fiscal deficits. The policy response, however, has been surprisingly effective as the ECB increased its asset purchase program, and rules on fiscal deficits have been temporarily relaxed. Effective fiscal and monetary policy responses should serve as a tailwind for European equities going forward. The outlook in Japan is less attractive. The Japanese economy was struggling before the health crisis, and while fiscal policy has become supportive, structural weaknesses including weak monetary policy and persistent deflation are expected to prove to be headwinds. The U.K. has been hit hard by the coronavirus crisis and faces uncertainty related to Brexit. All things considered, the inclusion of an appropriate allocation to foreign stocks in a diversified portfolio remains prudent.

On a more positive note, many emerging markets entered the current health crisis in a stronger financial position than in previous crises. Many, however, also have weak public health systems, and the pandemic appears to have not yet peaked. Economic activity remains locked down in many emerging markets, debt levels are increasing, and some markets have limited ability to cushion the shock of the virus. The typical arguments in favor of emerging market investing, including fast-growing economies, strong balance sheets, and fiscal conservatism, are being challenged by the pandemic. Emerging markets, however, are a diverse group, differing in their abilities to respond to current challenges. Relatively strong balance sheets and the policy flexibility to weather the downturn are characteristic of some markets, while others face financial distress driven by high external imbalances and rising indebtedness. China, the largest emerging market, seems well-positioned for a strong rebound through the second half of 2020 and into 2021 as government stimulus kicks in and the global economy recovers. In short, a benchmark weight exposure to emerging markets may be appropriate, but coronavirus related risks suggest that caution is prudent. The use of active managers may be wise given differences amongst various emerging market economies and business models.

For fixed-income investors, the environment remains relatively challenging with yields on 10-year Treasuries ending the quarter around 0.67%. Assuming the economy gets past the coronavirus driven recession and begins to expand again, these yields as a starting point for investing are unattractive. However, developed market government bonds serve a useful role as portfolio ballast against risk-off episodes and spikes of volatility. Credit markets face downside risks and increased uncertainty given the economic outlook though interest rates spreads have already narrowed considerably from the depths of the credit crunch in Q1. Temporary liquidity crunches can happen in moments of apparent crisis where investors pour into perceived safe-haven trades. While there may be select opportunities within the high yield asset class, and issues are attractively priced, caution is appropriate as increased defaults are likely in the months ahead. High quality fixed income should continue to play a useful role in managing overall portfolio risk. However, the prospect of an economic recovery, especially if accompanied by high government debt loads, tempers overall enthusiasm for fixed income investment total return prospects.

Q2 2020 Economic Commentary and Market Update

Disclosures

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Sources
Bureau of Economic Analysis, Department of Labor, Department of Commerce, Institute for Supply Management, S&P Dow Jones Indices, The Conference Board, National Association of Realtors, The Federal Reserve, Chinese National Bureau of Statistics, Eurostat, Morningstar, Bloomberg, Johns Hopkins University.

Economic Indices
The Conference Board **Consumer Confidence Index®** (CCI) is a barometer of the health of the U.S. economy from the perspective of the consumer. The index is based on consumers' perceptions of current business and employment conditions, as well as their expectations for six months hence regarding business conditions, employment, and income.

The Conference Board U.S **Leading Economic Index®** is a composite economic index designed to signal peaks and troughs in the business cycle. The leading economic index is essentially a composite average of several individual leading indicators. They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component – primarily because they smooth out some of the volatility of individual components.

The Institute of Supply Management (ISM) **Manufacturing Index®** is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries (seasonally adjusted), and Inventories. An Index values over 50 indicate expansion; below 50 indicates contraction. The values for the index can be between 0 and 100.

The Institute of Supply Management (ISM) **Non-Manufacturing Index®** is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries. An Index values over 50 indicate expansion; below 50 indicates contraction. The values for the index can be between 0 and 100.

The **Consumer Price Index (CPI)** measures the price of a fixed basket of goods and services purchased by an average consumer.

Asset Indexes
An index is unmanaged and not available for direct investment.

Alerian MLP Index is a composite of the 50 most prominent energy master limited partnerships calculated by Standard & Poor's using a float-adjusted market capitalization methodology.

Barclays Global Aggregate Index is a measure of global investment grade debt from 24 local currency markets. It includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. The three major components of this index are the US Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.

Barclays Global Aggregate Ex-US Index provides a broad-based measure of the global investment-grade fixed income markets excluding U.S. dollar-denominated securities. The three major components of this index are the US Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.

Barclays Treasury Inflation Protected Securities (TIPS) Index includes all publically issued, investment-grade U.S. TIPS with an outstanding face value of more than $250 million and that have at least one year to maturity.

Barclays U.S. Aggregate Bond Index is composed of the Barclays Capital U.S. Government/Credit Index and the Barclays Capital U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities.

Barclays U.S. Credit Bond Index is an unmanaged, market-weighted index generally representative of intermediate and long-term investment grade corporate debt securities having maturities of greater than one year.

Barclays U.S. Government Bond Index is an unmanaged, market-weighted index generally representative of intermediate and long-term government debt securities having maturities of greater than one year.

Barclays U.S. High Yield Corporate Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

Barclays U.S. Municipal Bond Index represents municipal bonds with a minimum credit rating of at least Baa, an outstanding par value of at least $3 million, and a remaining maturity of at least one year. The Index excludes taxable municipal bonds, bonds with floating rates, derivatives, and certificates of participation.

Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for commodities as an asset class. The index is composed of futures contracts on 22 physical commodities. No related group of commodities (e.g., energy, precious metals, livestock and grains) may constitute more than 33% of the index as of the annual re-weightings of the components. No single commodity may constitute less than 2% of the index.

BofA Merrill Lynch Emerging Markets Corporate Index is designed to measure the performance of U.S. dollar-denominated emerging markets corporate senior and secured debt publicly issued in the U.S. domestic and Eurobond markets.

BofA Merrill Lynch US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

Dow Jones Industrial Average is a price-weighted average of 30 U.S. stocks traded on the New York Stock Exchange and NASDAQ.

FTSE NAREIT US All Equity REITs Index is designed to track the performance of REITs representing equity interests in (as opposed to mortgages on properties.) It represents all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets, other than mortgages secured by real property that also meet minimum size and liquidity criteria.

MSCI AC Asia Ex-Japan (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets in Asia, excluding Japan. The Index consists of 10 country indices comprising 2 developed and 8 emerging market country indices. Developed Markets countries in the index include: Hong Kong and Singapore. Emerging Markets countries include: China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand.

MSCI AC World Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of 45 country indices comprising 22 developed and 23 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The emerging market country indices included are: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and United States.

MSCI AC World Ex-USA Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the USA. The Index consists of 45 country indices comprising 22 developed and 23 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The emerging market country indices included are: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

MSCI EAFE Index (net) (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The Index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI Emerging Markets Index (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

MSCI Emerging Markets Latin America Index (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets in Latin America. The MSCI Emerging Markets Latin America Index consists of the following 5 emerging market country indexes: Brazil, Chile, Colombia, Mexico, and Peru.

MSCI Frontier Markets Index (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The MSCI Frontier Markets Index consists of the following 24 frontier market country indexes: Argentina, Bahrain, Bangladesh, Bulgaria, Croatia, Estonia, Jordan, Kenya, Kuwait, Lebanon, Lithuania, Morocco, Kazakhstan, Mauritius, Nigeria, Oman, Pakistan, Romania, Serbia, Slovenia, Sri Lanka, Tunisia, Ukraine, and Vietnam. The MSCI Saudi Arabia Index is currently not included in the MSCI Frontier Markets Index but is part of the MSCI Gulf Cooperation Council (GCC) Countries Index. The MSCI Bosnia Herzegovina Index, the MSCI Botswana Index, the MSCI Ghana Index, the MSCI Jamaica Index, the MSCI Palestine IMI, the MSCI Trinidad & Tobago Index and the MSCI Zimbabwe Index are currently stand-alone country indexes and are not included in the MSCI Frontier Markets Index. The addition of these country indexes to the MSCI Frontier Markets Index is under consideration.

MSCI Brazil Index is designed to measure the performance of the large and midcap segments of the Brazilian market.

MSCI BRIC Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance across the following 4 Emerging Markets country indexes: Brazil, Russia, India and China.

MSCI China Index captures large and midcap representation across China H shares, B shares, Red chips and P chips.

MSCI Europe Index captures large and midcap representation across 15 Developed Markets countries in Europe. Developed Markets countries in Europe include: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK.

MSCI India Index is designed to measure the performance of the large and midcap segments of the Indian market.

MSCI Japan Index is designed to measure the performance of the large and midcap segments of the Japanese market.

MSCI Russia Index is designed to measure the performance of the large and midcap segments of the Russian market.

MSCI USA Index is designed to measure the performance of the large and midcap segments of the US market.

Russell 1000® Index measures the performance of the largest 1000 companies in the Russell 3000 Index.

Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000® Index.

Russell Midcap® Growth Index measures the performance of the growth segment of the Russell Mid Cap Index.

Russell Midcap® Value Index measures the performance of the value segment of the Russell Mid Cap Index.

Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000® Growth Index measures the performance of the growth segment of the Russell 2000 Index.

Russell 2000® Value Index measures the performance of the value segment of the Russell 2000 Index.

Russell 3000® Index measures the performance of the 3,000 largest U.S. companies, representing approximately 98% of the investable U.S. equity market.

Russell 3000® Growth Index measures the performance of the growth segment of the Russell 3000 Index.

Russell 3000® Value Index measures the performance of the value segment of the Russell 3000 Index.

S&P 500 Index is a capitalization-weighted index calculated on a total-return basis with dividends reinvested. The index includes 500 widely held U.S. market industrial, utility, transportation and financial companies.

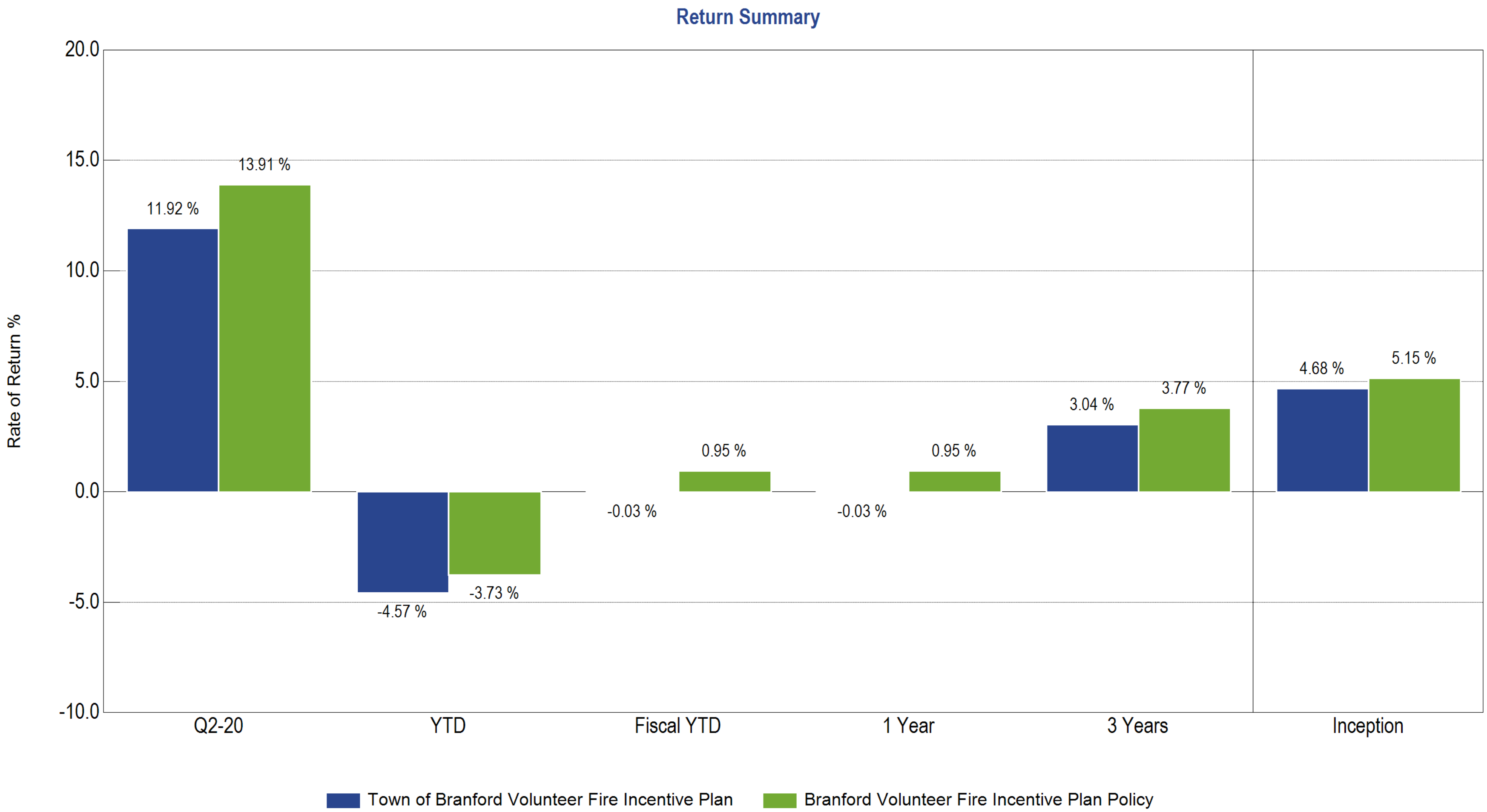
S&P Global Natural Resources Index is comprised of 90 of the largest publicly traded companies, based on market capitalization, in global natural resources and commodities businesses that meet certain investibility requirements. The Index component securities represent a combination of the component securities included in each of the following three sub-indices: the S&P Global Natural Resources - Agriculture Index, the S&P Global Natural Resources - Energy Index and the S&P Global Natural Resources - Metals and Mining Index. The maximum weight of each sub-index is capped at one-third of the total weight of the Index.

S&P North American Natural Resources Index comprises publicly traded large- and mid-capitalization U.S. and Canadian companies in the natural resources and commodities businesses that meet certain investability requirements and are classified within the sub-industries of one of three natural resources categories: energy, materials or agriculture.

Wilshire 5000 Total Market Index is a market-capitalization-weighted index of the market value of all stocks actively traded in the United States.

Performance Summary

As of June 30, 2020



For the purposes of investment comparison, the Branford Volunteer Fire Incentive Plan Policy (the "Policy") is utilized. This Policy is a blend of comparative index sub-components based upon the current target asset allocation of the plan and has been adjusted periodically in adherence with the plan's investment policy statement. Details on the composition of the Policy can be found on page 28.

Returns are gross of fees unless otherwise noted. Client returns will be reduced by advisory and other expenses the client may incur. Net performance is shown on page 16.

Investment Performance Analysis

Composite Performance (Gross)

As of June 30, 2020

	Market Value ($)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	Inception (%)	Inception Date
			Ending June 30, 2020						
Town of Branford Volunteer Fire Incentive Plan	**1,157,837**	**100.00**	**11.92**	**-4.57**	**-0.03**	**-0.03**	**3.04**	**4.68**	**Dec-15**
Branford Volunteer Fire Incentive Plan Policy			*13.91*	*-3.73*	*0.95*	*0.95*	*3.77*	*5.15*	*Dec-15*
Equity	**611,624**	**52.82**	**20.47**	**-11.50**	**-5.83**	**-5.83**	**2.14**	**5.21**	**Dec-15**
Branford Equity Benchmark			*22.48*	*-10.85*	*-4.94*	*-4.94*	*2.65*	*5.87*	*Dec-15*
Fixed Income	**431,939**	**37.31**	**3.07**	**6.26**	**8.89**	**8.89**	**5.26**	**4.20**	**Dec-15**
BBgBarc US Aggregate TR			*2.90*	*6.13*	*8.74*	*8.74*	*5.32*	*4.48*	*Dec-15*
High Yield	**88,053**	**7.60**	**9.55**	**-4.75**	**-0.59**	**-0.59**	**2.50**	**4.69**	**Dec-15**
High Yield Bond Blended Benchmark			*9.54*	*-4.84*	*-1.17*	*-1.17*	*2.83*	*5.73*	*Dec-15*
Cash Alternatives	**26,221**	**2.26**	**0.12**	**0.49**	**1.44**	**1.44**	**1.69**	**1.25**	**Dec-15**
FTSE T-Bill 3 Months TR			*0.14*	*0.52*	*1.56*	*1.56*	*1.73*	*1.25*	*Dec-15*

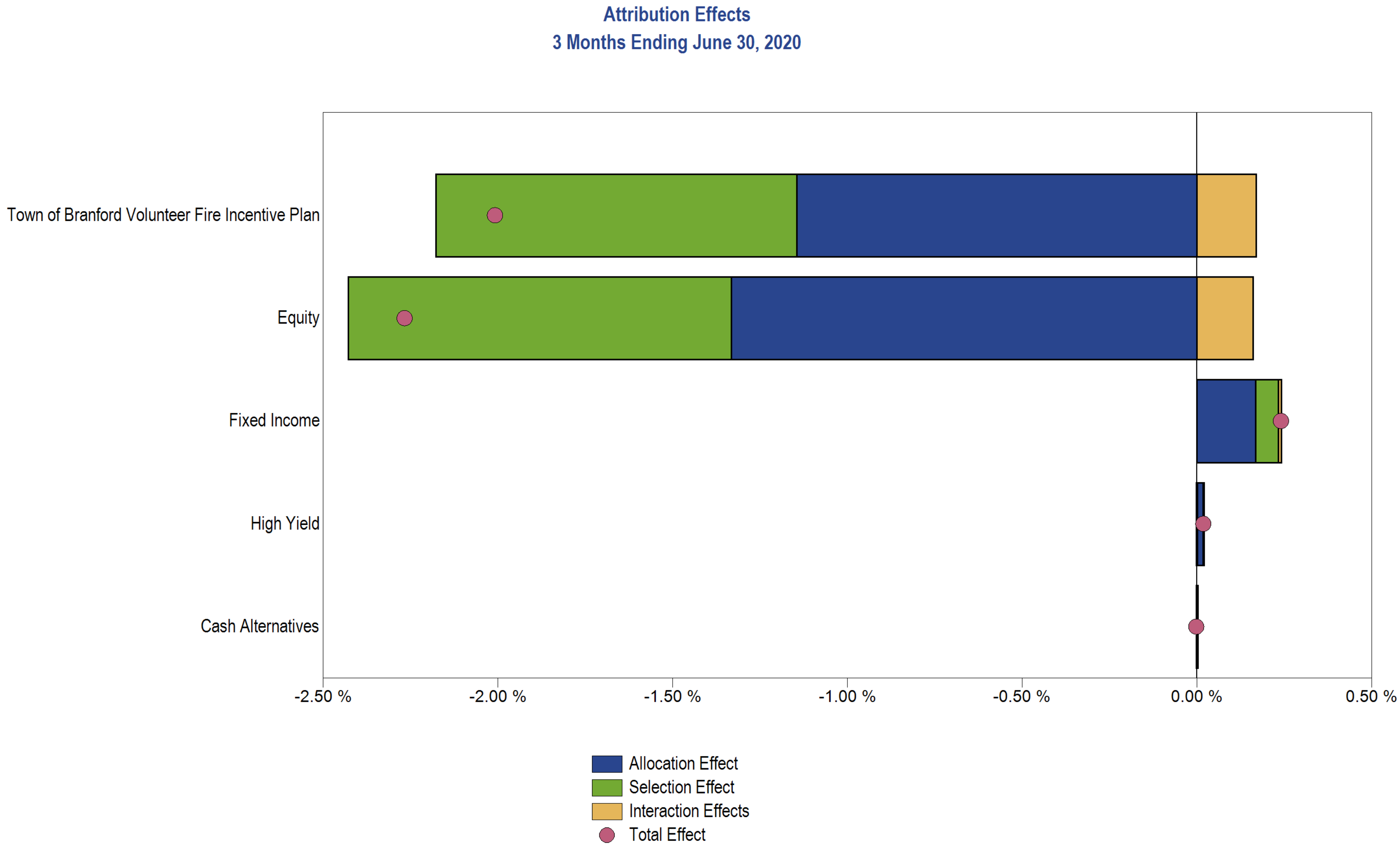
Composite Performance (Net)

	Market Value ($)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	Inception (%)	Inception Date
			Ending June 30, 2020						
Town of Branford Volunteer Fire Incentive Plan	**1,157,837**	**100.00**	**11.85**	**-4.67**	**-0.23**	**-0.23**	**2.72**	**4.34**	**Dec-15**
Branford Volunteer Fire Incentive Plan Policy			*13.91*	*-3.73*	*0.95*	*0.95*	*3.77*	*5.15*	*Dec-15*

Returns for the Town of Branford Volunteer Fire Incentive Plan(as shown above) are gross of advisory fees. Although our advisory fee is not reflected in the returns reference above, it is important to note that the return streams for registered mutual funds are net of the internal expenses of the Funds. Client returns will be reduced by advisory fees and other expenses the client may incur.

Fund Level Attribution Analysis

As of June 30, 2020

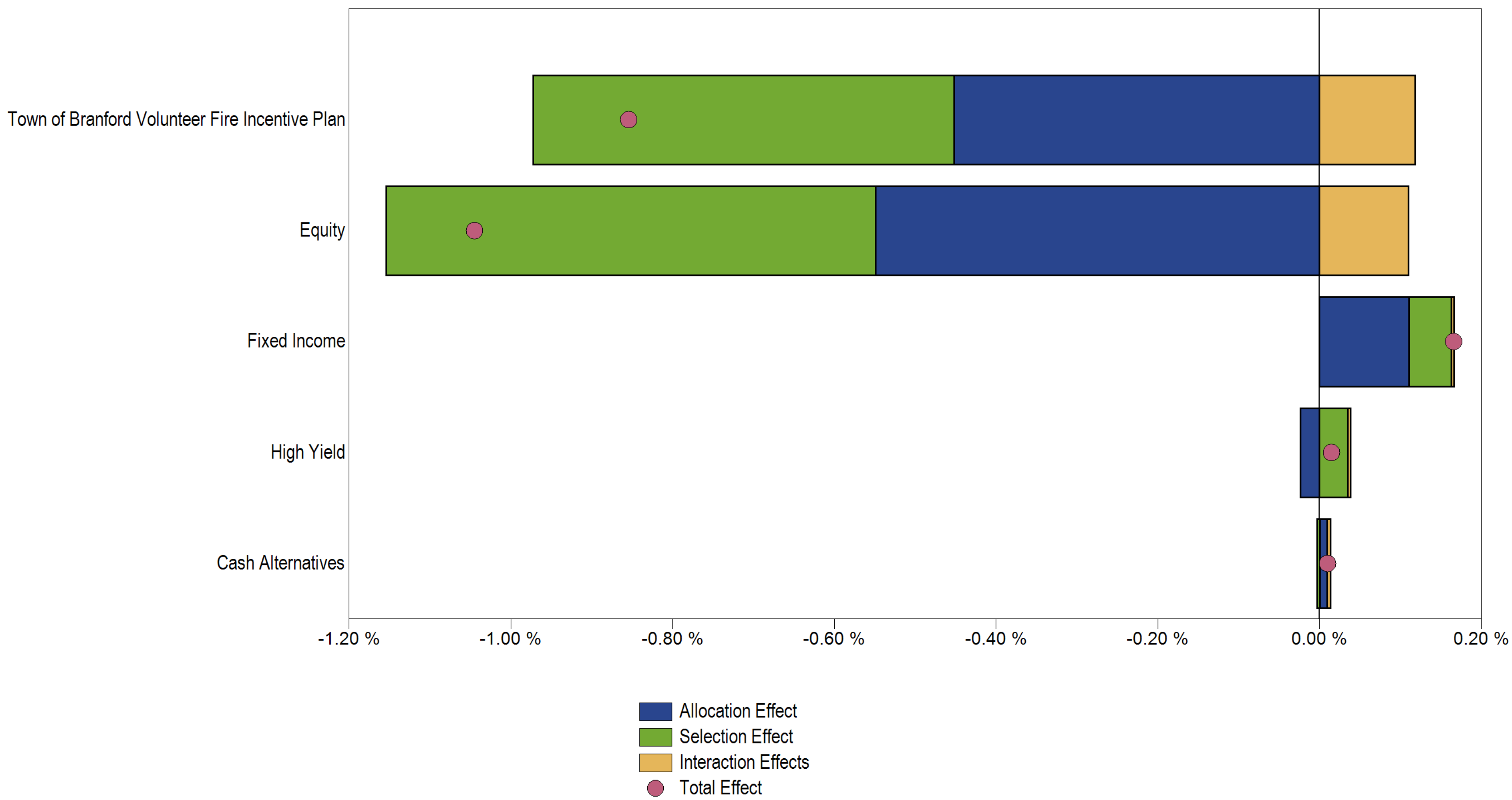


Returns are gross of advisory fees. Client returns will be reduced by advisory fees and other expenses the client may incur.

Fund Level Attribution Analysis

As of June 30, 2020

Attribution Effects
1 Year Ending June 30, 2020



Returns are gross of advisory fees. Client returns will be reduced by advisory fees and other expenses the client may incur.

Performance Attribution

Quarter Ending June 30, 2020

	Last 3 Mo.	YTD	Fiscal YTD	1 Yr	3 Yrs
Wtd. Actual Return	11.90%	-4.56%	0.10%	0.10%	3.17%
Wtd. Index Return *	13.91%	-3.73%	0.95%	0.95%	3.70%
Excess Return	**-2.01%**	**-0.83%**	**-0.85%**	**-0.85%**	**-0.53%**
Selection Effect	-1.03%	-0.42%	-0.52%	-0.52%	-0.34%
Allocation Effect	-1.15%	-0.53%	-0.45%	-0.45%	-0.22%
Interaction Effect	0.17%	0.12%	0.12%	0.12%	0.03%

*Calculated from benchmark returns and weightings of each component.

Attribution Summary

3 Months Ending June 30, 2020

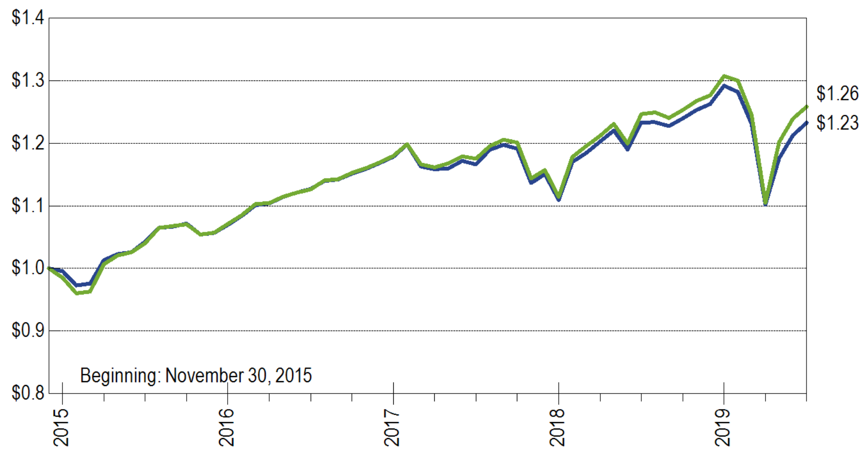
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	20.47%	22.48%	-2.01%	-1.09%	-1.33%	0.16%	-2.27%
Fixed Income	3.07%	2.90%	0.17%	0.06%	0.17%	0.01%	0.24%
High Yield	9.55%	9.54%	0.01%	0.00%	0.02%	0.00%	0.02%
Cash Alternatives	0.12%	0.14%	-0.02%	0.00%	0.00%	0.00%	0.00%
Total	**11.90%**	**13.91%**	**-2.01%**	**-1.03%**	**-1.15%**	**0.17%**	**-2.01%**

Returns are gross of advisory fees. Client returns will be reduced by advisory fees and other expenses the client may incur.

Total Plan Information

As of June 30, 2020

Growth of a Dollar



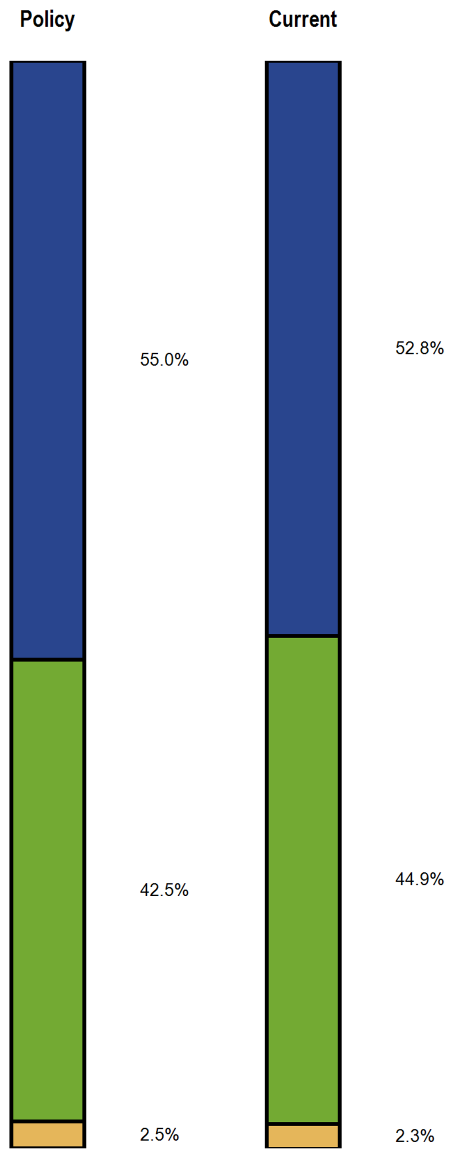
The Growth of Dollar graph and the returns presented above are gross of advisory fees. The returns presented herein will be reduced by advisory and other expenses the client may incur. The Summary of Cash Flows is net of all expenses

RISK RETURN STATISTICS

	Town of Branford Volunteer Fire Incentive Plan	Branford Volunteer Fire Incentive Plan Policy
RETURN SUMMARY STATISTICS		
Number of Periods	55	55
Maximum Return	6.74	8.79
Minimum Return	-10.48	-11.29
Annualized Return	4.68	5.15
Total Return	23.31	25.87
Annualized Excess Return Over Risk Free	3.42	3.89
Annualized Excess Return	-0.47	0.00
RISK SUMMARY STATISTICS		
Beta	0.91	1.00
Upside Deviation	4.85	5.74
Downside Deviation	9.43	10.03
RISK/RETURN SUMMARY STATISTICS		
Annualized Standard Deviation	8.63	9.43
Alpha	0.00	0.00
Sharpe Ratio	0.40	0.41
Excess Return Over Market / Risk	-0.05	0.00
Tracking Error	1.32	0.00
Information Ratio	-0.36	--
CORRELATION STATISTICS		
R-Squared	0.99	1.00
Correlation	0.99	1.00

Summary of Cash Flows

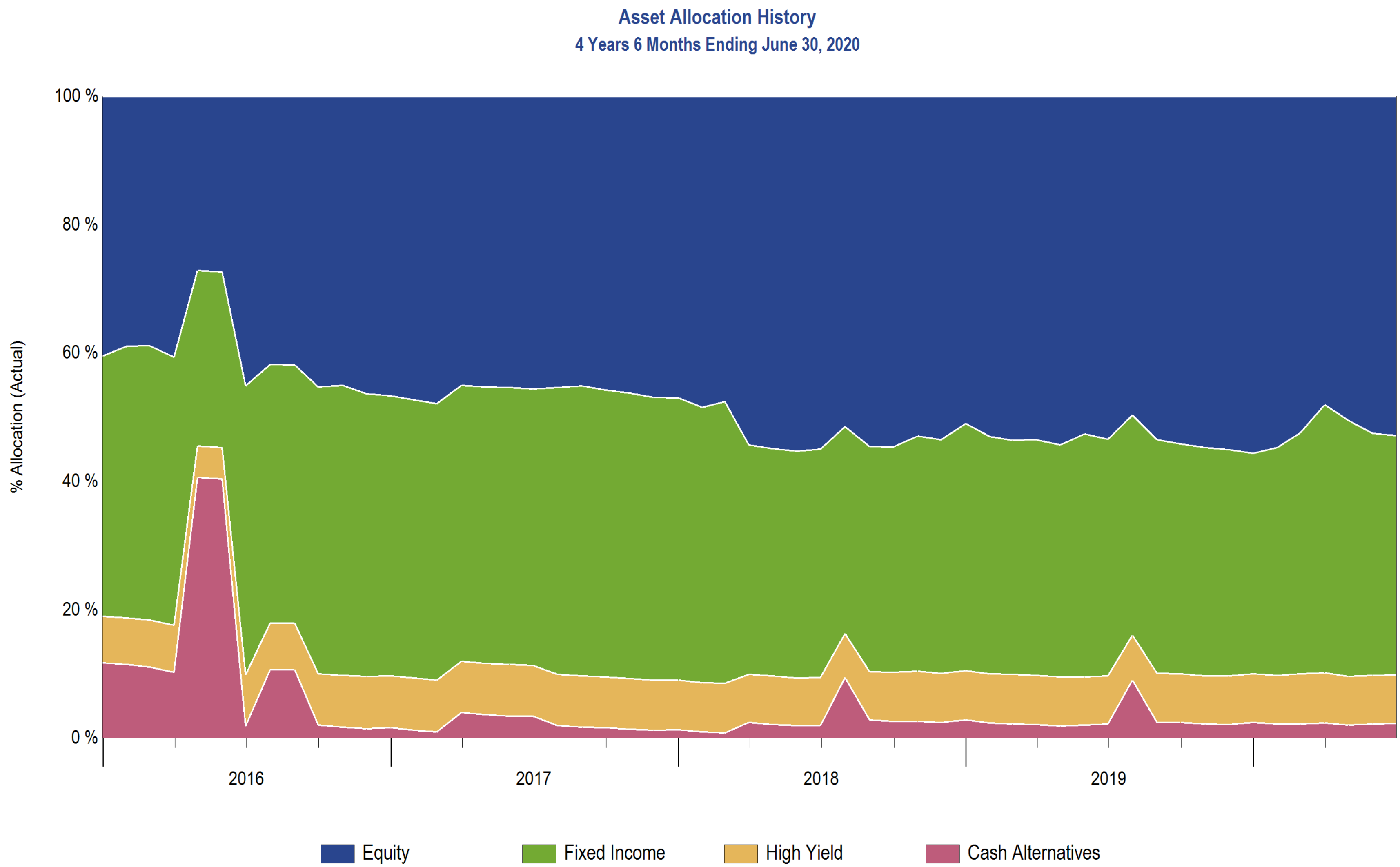
	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years	Inception 12/1/15
Beginning Market Value	$1,043,782	$1,234,605	$1,111,877	$1,111,877	$936,313	$55,973
Contributions	$35,327	$39,953	$224,900	$224,900	$753,273	$2,534,936
Withdrawals	-$45,251	-$59,940	-$178,370	-$178,370	-$626,115	-$1,628,127
Net Cash Flow	-$9,925	-$19,986	$46,530	$46,530	$127,158	$906,809
Net Investment Change	$123,980	-$56,781	-$570	-$570	$94,366	$195,055
Ending Market Value	$1,157,837	$1,157,837	$1,157,837	$1,157,837	$1,157,837	$1,157,837



Asset Allocation vs. Target
As Of June 30, 2020

	Policy Range	Policy	%	Current	%	Difference*	%
US Equity	30.0% - 60.0%	$636,810	55.0%	$611,624	52.8%	-$25,187	-2.2%
US Fixed Income	40.0% - 65.0%	$492,081	42.5%	$519,992	44.9%	$27,911	2.4%
Cash	0.0% - 10.0%	$28,946	2.5%	$26,221	2.3%	-$2,725	-0.2%
Total		**$1,157,837**	**100.0%**	**$1,157,837**	**100.0%**		

*Difference between Policy and Current Allocation


Asset Allocation History
4 Years 6 Months Ending June 30, 2020
100 %
80 %
60 %
40 %
20 %
0 %
% Allocation (Actual)
2016
2017
2018
2019
Equity
Fixed Income
High Yield
Cash Alternatives

Investment Analysis

Total Plan

Manager Roster
As of June 30, 2020

	Account Type	Benchmark	Universe	Market Value	Allocation	Inception
Alerian MLP	Equity	Alerian MLP Index		$31,615	2.7%	12/1/2015
Cash Alternatives	Cash	FTSE T-Bill 3 Months TR		$26,221	2.3%	12/1/2015
Fixed Income	US Fixed Income Investment Grade	BBgBarc US Aggregate TR	Intermediate Core Bond MStar MF	$431,939	37.3%	12/1/2015
High Yield	US Fixed Income High Yield	High Yield Bond Blended Benchmark	High Yield Bond MStar MF	$88,053	7.6%	12/1/2015
iShares Dow Jones US Real Estate	Equity	Dow USA Real Estate	Real Estate MStar MF	$34,519	3.0%	12/1/2015
iShares MSCI EAFE	Equity	MSCI EAFE	Foreign Large Blend MStar MF	$143,653	12.4%	12/1/2015
iShares MSCI Emerging Mkts	Equity	MSCI Emerging Markets	Diversified Emerging Mkts MStar MF	$98,695	8.5%	12/1/2015
iShares Russell 2000	Equity	Russell 2000	Small Blend MStar MF	$63,142	5.5%	12/1/2015
iShares S&P 500	Equity	S&P 500	Large Blend MStar MF	$177,762	15.4%	12/1/2015
iShares S&P MidCap 400	Equity	S&P 400 MidCap	Mid-Cap Blend MStar MF	$62,237	5.4%	12/1/2015
Total		**Branford Volunteer Fire Incentive Plan Policy**		**$1,157,837**	**100.0%**	**12/1/2015**

Town of Branford Volunteer Fire Incentive Plan
Equity Positions
As of June 30, 2020

Holding	Market Value	% of Equity Portfolio
Cash & Cash Equivalents	$26,221.19	4.11%
ISHARES S&P 500	$177,762.06	27.87%
ISHARES S&P MIDCAP 400	$62,237.00	9.76%
ISHARES Russell 2000	$63,142.38	9.90%
ISHARES MSCI Emerging Markets	$98,695.32	15.47%
ISHARES Dow Jones US Real Estate	$34,518.78	5.41%
ISHARES MSCI EAFE Index Fund	$143,653.20	22.52%
Alerian MLP	$31,615.08	4.96%
	$637,845.01	100.00%

Town of Branford Volunteer Fire Incentive Plan
Fixed Income Positions
As of June 30, 2020

Holding	Market Value	% of Fixed Income Portfolio
ISHARES Core US Aggregate Bond	$431,939.34	100.00%
	$431,939.34	100.00%

Town of Branford Volunteer Fire Incentive Plan
High Yield Positions
As of June 30, 2020

Holding	Market Value	% of High Yield Portfolio
MainStay MacKay High Yield Corp Bd	$88,052.88	100.00%
	$88,052.88	100.00%

Historical Policy

12/1/2015 to 3/31/2018	44.90	Barclays Aggregate
	14.10	S&P 500
	8.00	Barclays High Yield Very Liquid
	7.00	Russell 2000
	6.00	MSCI Emerging Market (Net)
	5.00	S&P 400 Mid Cap
	5.00	MSCI EAFE (Net)
	5.00	Alerian MLP Index
	3.00	Dow USA Real Estate
	2.00	Citigroup Treasury Bill-3 Month
4/1/2018 to 5/31/2019	35.00	Barclays Aggregate
	14.50	S&P 500
	12.50	MSCI EAFE (Net)
	8.50	MSCI Emerging Market (Net)
	7.50	Barclays High Yield Very Liquid
	5.50	Russell 2000
	5.50	S&P 400 Mid Cap
	5.25	Alerian MLP Index
	3.25	Dow USA Real Estate
	2.50	Citigroup Treasury Bill-3 Month
6/1/2019 to Present	35.00	Barclays Aggregate
	14.50	S&P 500
	12.50	MSCI EAFE (Net)
	8.50	MSCI Emerging Market (Net)
	7.50	BofAML US High Yield Constrained
	5.50	Russell 2000
	5.50	S&P 400 Mid Cap
	5.25	Alerian MLP Index
	3.25	Dow USA Real Estate
	2.50	Citigroup Treasury Bill-3 Month

Definitions

GYL FINANCIAL® SYNERGIES
A FOCUS FINANCIAL PARTNER

Accrued – Usually associated with interest or income, as in accrued interest; interest owed by the issuer but not yet paid.
Allocation Effect – In attribution analysis, this examines the gain or loss achieved from over or under weighting a manager versus its targeted allocation.
Alpha – Value that is added by the manager, or the non-systematic return; the excess portfolio return compared to the risk-adjusted benchmark. A positive alpha implies the manager has added value to the return over that of the market.
Alpha-Jensen – A version of alpha that utilizes risk-adjusted manager returns in its calculation.
Attribution Analysis – A tool to separate and examine the different sources of gain or loss from an overall investment policy and targeted asset allocation.
Batting Average – Measure of a fund or manager's ability to beat the market consistently. It is calculated by dividing the number of quarters in which the fund or manager outperformed its benchmark by the number of quarters in the analysis.
Best Quarter – The largest single quarterly return which occurred during the specified time period.
Beta – Measures the systematic risk, or the return that is attributable to market movements. A beta equal to one indicates a risk level equivalent to the market. Higher betas are associated with higher risk levels.
Consumer Discretionary – Sector classification of companies that produce goods that are not necessities, like automobiles, high-end clothing, hotels, and restaurants.
Consumer Staples – Sector classification of companies that produce necessities like food/beverage and household products.
Correlation Coefficient – Statistical measure of the degree to which the movements of two variables are related. A correlation of 1.0 indicates a perfect positive correlation; 0.0 indicates a random relationship; -1.0 indicates perfect negative correlation.
Credit Risk – A measure of the default risk on amounts due from policyholder or creditors.
Current Yield – A bond's coupon rate divided by the bond's current price.
Dividend Yield – The current dividend per share of a stock divided by its current price per share.
Dollar/Money Weighted Rate of Return – Measure of portfolio returns that includes the impact from cash flows.
Down Market – A quarter in which the market return is negative.
Downside Deviation – Standard deviation of negative returns only.
Duration – A measure of a bond's price volatility relative to a change in the general level of interest rates, measured in years. In general, bonds with longer durations have greater sensitivity to interest rates and vice-versa.
Earnings Per Share (EPS) – The portion of a company's profit allocated to each outstanding share of common stock.
Earnings Per Share Growth Rate – The rate at which the earnings per share grows over various time periods.
Energy – Sector classification of companies that relate to producing or supplying energy.
Excess Return over Market/Risk – Annualized excess return achieved by the manager divided by annualized standard deviation.
Financials – Sector classification of companies that provide banking, investment, and real estate services to commercial and retail customers.
Health Care – Sector classification of companies that provide health related services or products.
Information Ratio – Measures the consistency of out-performance. Excess return divided by Standard deviation of excess return.
Information Technology – Sector classification of companies that are involved in the development, installation, and implementation of computer systems and applications.
Industrials – Sector classification of companies that manufacture or distribute goods.
Manager Effect – In attribution analysis, this examines the difference between a manager's returns versus his or her respective benchmark.

Definitions

Materials – Sector classification of companies that are involved in the discovery, development, and processing of raw materials.
Maturity – Date when the principal or stated value of a fixed income security becomes due and payable in full to the bondholder.
Policy Allocation – Targeted allocation across various asset classes and/or managers.
Price to Book Ratio (P/B) – The current price of a stock divided by its book value per share.
Price to Earnings Ratio (P/E) – The current price of a stock divided by its earnings per share.
Quality Rating – Bond issuer's credit quality, or its ability to meet future contractual obligations. (Moody's and S&P's)
R-Squared – Measure of how closely related are the variance of a manager's returns to the variance of the benchmark's returns.
Range – The difference between the Best Quarter and the Worst Quarter returns.
Return on Equity (ROE) – Equity (net worth) at the beginning of an accounting period divided into net income for the period.
Return/Risk Comparison – Analysis that exhibits the rate of return in relation to the volatility of those returns as measured by the annualized standard deviation of quarterly returns.
Risk Free – The equivalent of an investment with little to no risk of market loss, typically defined as short term Treasury bills.
Sharpe Ratio – This measures excess return per unit of risk. A higher ratio means the manager is achieving higher return for the risk.
Sortino Ratio – Similar to Sharpe Ratio, this measures excess return per unit of downside risk.
Standard Deviation – A statistical measure of portfolio risk, it measures the volatility of a fund's returns compared to the average return of the fund. It reflects the average deviation of the observations from their sample mean.
Telecommunication Service – Sector classification of companies that provide communication technology related services or products.
Time-Weighted Rate of Return – Minimizes the impact of cash flows on rate of return calculations.
Total Return – For bonds, the sum of interest and principal payments as well as any reinvestment income received over a holding or measurement period, plus any capital gain or loss if the bond is sold at the end of the period.
Tracking Error – How closely a fund or manager's returns track the returns of a benchmark.; the annualized standard deviation of the differences between the fund or manager's return and the benchmark's return.
Transportation – Sector classification of companies that provide transportation related services or products.
Treynor Ratio – Risk is measured using Beta, which is an index dependent measure; relates the difference between the fund return and the risk-free rate to the fund beta for a given time period.
Universe – A broadly defined group of investment managers. For example, a group of equity investment managers.
Up Market – A quarter in which the market return is positive.
Upside Deviation – the standard deviation of positive returns only.
Upside/Downside – A graphical representation of up market and down market returns, measured as percentages versus benchmark.
Utilities – Sector classification of companies that own or operate facilities used in the generation, transmission, or distribution of electric energy.
Worst Four Quarters – Smallest return experienced over any four consecutive quarters, may not correspond with calendar years.
Worst Quarter – The worst single quarterly return which occurred during the specified time period.
Yield – The return to a bondholder who holds a bond until it matures.
Yield to Maturity – Internal rate of return on a bond bought at the current price and held to maturity. This assumes that coupon income is reinvested at the yield to maturity.

Disclosures

DATA SOURCES: The information found in this document was derived from one or more of the following sources: InvestorForce, Morningstar, custodial account statements, money managers.

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The yields and market value of fixed income investments will fluctuate so that your investment, if sold, may be worth more or less than the original cost. Bond prices fluctuate inversely to changes in interest rates. Therefor a rise in interest rates can result in the decline of the value of your investment. High yield bonds, commonly known as junk bonds, are subject to greater risk of loss of principal and interest, including default risk, than higher rated bonds. The prices of these bonds may be volatile.

Alternative investments are complex investment vehicles which generally have high costs and substantial risks. The high expenses often associated with these investments must be offset by trading profits and other income. They tend to be more volatile than other types of investments and present an increased risk of investment loss. There may also be a lack of transparency as to the underlying assets. Alternative investments are subject to fewer regulatory requirements than mutual funds and other registered investment company products and thus may offer investors fewer legal protections than they would have with more traditional investments. Additionally, there may be no secondary market for alternative investment interests and transferability may be limited or even prohibited. Other risks may apply as well, depending on the specific investment product.

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