

Town of Branford OPEB Trust



 A FOCUS FINANCIAL PARTNER

3Q20 Performance Review

This presentation has been prepared specifically for the Town of Branford for use at a meeting November 30, 2020.

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Performance Summary

Index Performance as of: 9/30/2020

	<u>3 Month</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>		<u>3 Month</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Russell							Other U.S. Equity						
3000 Value	5.42	-12.23	-5.67	2.11	7.43	9.75	Dow Jones Industrial Avg.	8.22	-0.91	5.70	9.98	14.02	12.69
3000	9.21	5.41	15.00	11.65	13.69	13.48	Wilshire 5000 (Full Cap)	9.45	6.30	15.74	11.73	13.69	13.36
3000 Growth	12.86	23.00	36.12	20.73	19.51	16.91	International Equity - Broad Market						
1000 Value	5.59	-11.58	-5.03	2.63	7.66	9.95	MSCI EAFE	4.80	-7.09	0.49	0.62	5.26	4.62
1000	9.47	6.40	16.01	12.38	14.09	13.76	MSCI EM	9.56	-1.16	10.54	2.42	8.97	2.50
1000 Growth	13.22	24.33	37.53	21.67	20.10	17.25	MSCI Frontier Markets	8.29	-8.79	-2.74	-1.69	3.76	2.96
Mid Cap Value	6.40	-12.84	-7.30	0.82	6.38	9.71	MSCI ACWI	8.13	1.37	10.44	7.12	10.30	8.55
Mid Cap	7.46	-2.35	4.55	7.13	10.13	11.76	MSCI ACWI Ex USA	6.25	-5.44	3.00	1.16	6.23	4.00
Mid Cap Growth	9.37	13.92	23.23	16.23	15.53	14.55	MSCI AC Asia Ex Japan	10.66	5.41	17.83	4.90	10.60	5.38
2000 Value	2.56	-21.54	-14.88	-5.13	4.11	7.09	International Equity - Country						
2000	4.93	-8.69	0.39	1.77	8.00	9.85	MSCI Brazil	-3.32	-40.89	-32.49	-10.03	8.19	-6.25
2000 Growth	7.16	3.88	15.71	8.18	11.42	12.34	MSCI BRIC	10.41	2.07	15.48	4.99	11.81	2.52
Standard & Poors							MSCI China	12.50	16.45	33.58	7.87	13.53	6.55
S&P 500	8.93	5.57	15.15	12.28	14.15	13.74	MSCI Europe	4.51	-8.85	-0.79	-0.61	4.24	4.26
Consumer Disc	15.06	23.38	28.89	20.48	17.03	18.17	MSCI India	14.95	-4.53	0.54	2.11	5.23	1.65
Consumer Staples	10.38	4.13	7.79	9.04	9.40	11.77	MSCI Japan	6.94	-0.68	6.91	3.94	7.51	6.20
Energy	-19.72	-48.09	-45.24	-20.42	-9.70	-3.16	MSCI EM Latin America	-1.28	-36.06	-29.36	-11.84	2.06	-5.74
Financials	4.45	-20.22	-11.87	-0.14	7.82	9.69	MSCI Russia	-4.72	-28.03	-15.97	4.09	11.06	0.57
Health Care	5.87	5.01	20.11	11.08	11.88	15.40							
Industrials	12.48	-3.99	1.32	4.53	10.84	11.58							
Information Technology	11.95	28.69	47.23	28.10	27.18	20.50							
Materials	13.31	5.47	12.19	6.22	12.18	9.42							
Real Estate	1.92	-6.78	-7.28	6.67	7.92	10.49							
Telecom Services	8.94	8.60	18.37	9.31	10.59	9.43							
Utilities	6.14	-5.68	-4.97	7.53	10.33	10.68							

Source: Morningstar

Performance Summary

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Fixed Income							Fixed Income-Tax Exempt						
Barclays U.S. Aggregate	0.62	6.79	6.98	5.24	4.18	3.64	Barclays Municipal	1.23	3.33	4.09	4.28	3.84	3.99
Barclays US Aggregate 1-3 Yr	0.16	2.85	3.44	2.76	2.05	1.58	Barclays Municipal 3 Yr	0.71	2.63	3.53	2.42	1.93	1.80
Barclays US Aggregate 3-5 Yr	0.36	5.02	5.58	4.01	3.10	2.86	Barclays Municipal 5 Yr	1.28	3.49	4.56	3.29	2.79	2.79
Barclays US Aggregate 5-7 Yr	0.78	7.31	7.84	5.09	3.87	3.48	Barclays Municipal 7 Yr	1.47	3.79	4.78	3.96	3.47	3.59
BofAML 3-Month T-Bill	0.04	0.64	1.10	1.69	1.20	0.64	Barclays HY Muni	3.09	0.37	1.27	5.82	6.00	5.97
Barclays U.S. Gov't	0.18	8.81	7.97	5.47	3.73	3.10	Alternative Investments						
Barclays U.S. Credit	1.50	6.39	7.50	6.19	5.75	4.92	Alerian MLP	-16.26	-46.16	-48.35	-20.75	-11.58	-4.17
Barclays High Yield Corp.	4.60	0.62	3.25	4.21	6.79	6.47	Bloomberg Commodity	9.07	-12.08	-8.20	-4.18	-3.09	-6.03
Barclays TIPS	3.03	9.22	10.08	5.79	4.61	3.57	FTSE NAREIT Equity REIT	1.44	-17.54	-18.16	0.20	3.95	7.90
Barclays Global Aggregate	4.14	4.77	5.48	3.07	3.60	1.35	S&P Global Natural Res.	2.13	-17.42	-9.53	-2.78	6.67	0.16
Barclays Gbl Agg Ex USD	2.66	5.72	6.24	4.10	3.92	2.36	S&P N. Amer Natural Res.	-7.56	-31.90	-26.81	-12.51	-3.83	-2.63
JPM EMBI Global Div	2.28	0.37	2.47	3.27	6.03	5.21							

Source: Morningstar

Performance Drivers

1. The economic recovery continues, although growth may begin to slow.

- Economic indicators showed a stronger than expected cyclical rebound over the third quarter. Measures of global trade, consumption, industrial production and employment continued to recover. Household spending has remained robust, partly due to fiscal support. Positive news around improved treatments and vaccine development and deployment could speed the recovery.
- While this momentum could continue in the medium term, the recovery has recently started to slow as most of the easier gains have already been realized. With restrictions still in place, recovering to pre-COVID levels will be challenging. The renewed imposition of restrictions in the Eurozone and UK has been a setback.
- **GYL View:** Our base case remains that global GDP will not fully recovery to pre-COVID-19 levels until late 2021 at the earliest, with 2020 growth expected to be negative for the global economy. The composition of global growth across countries and sectors is likely to be uneven from here.

2. Monetary and fiscal policy remain quite accommodative, although questions remain about US fiscal policy.

- In the US, the Federal Reserve formalized its shift to a flexible average inflation targeting regime. This suggests that short-term rates will remain low until full employment is reached, and members are willing to let inflation exceed 2% to ensure adequate stabilization of prices.
- Overseas, monetary policy has also remained accommodative with the European Central Bank, the Bank of Japan, and the Bank of England all maintaining loose policy stances during the quarter.
- In terms of fiscal policy, several provisions of the CARES Act in the US expired during the quarter, reducing fiscal accommodation. While additional fiscal stimulus is likely, the timing and nature remain uncertain.
- **GYL View:** Fiscal and monetary measures have been an important tool in cushioning the blow to households and businesses, helping to avert financial contagion.

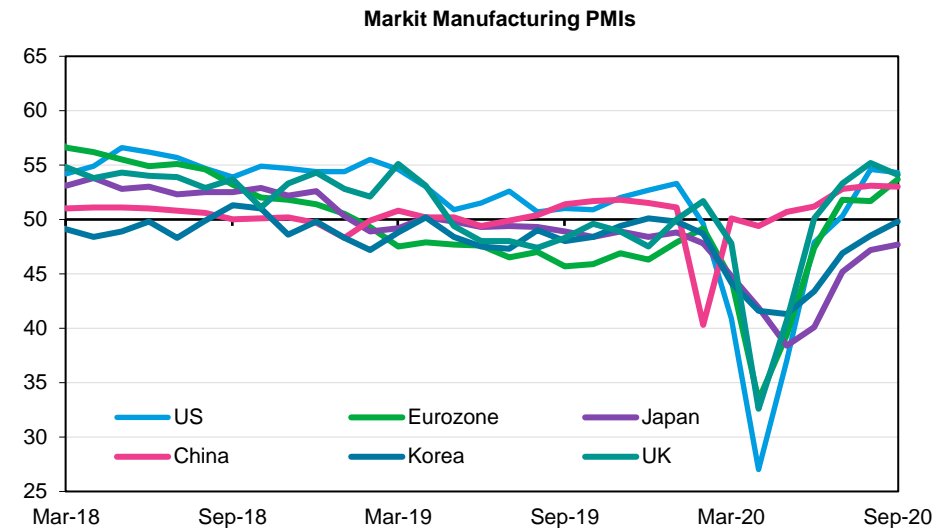
3. Political concerns remain elevated.

- The US election in November could drive an increase in volatility, particularly if there is a delay in determining the winner.
- Tensions between the US and China are likely to remain elevated for the foreseeable future, regardless of who wins the US election.
- Uncertainty over the UK-EU transition ahead is also a point of concern as the December deadline approaches.
- **GYL View:** Political risks are likely to remain elevated over the near term, and could continue to be a source of volatility and downside risk.

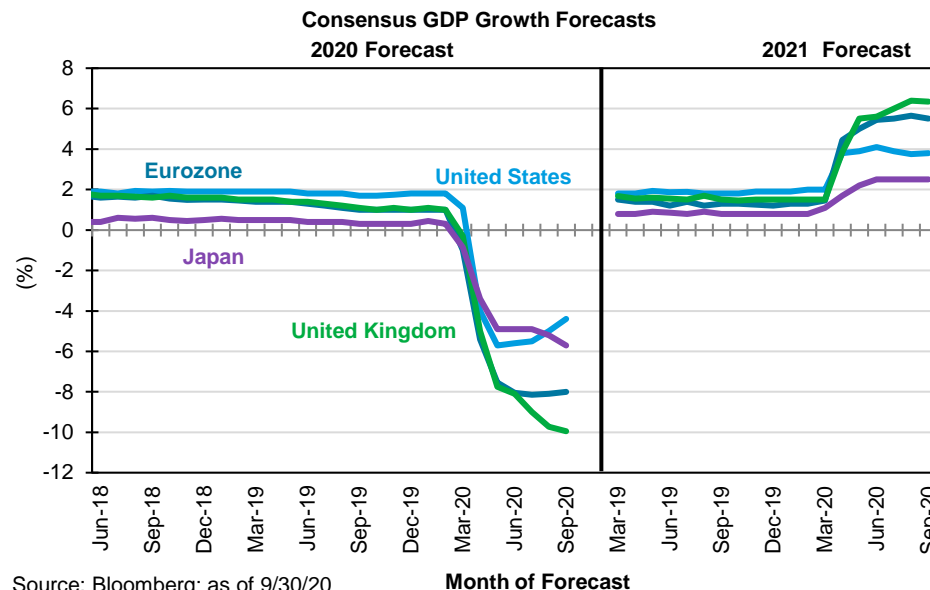
Economic Fundamentals

Recovery Remains on Track

- The global economy continues to recover, but at a slower pace, as several sectors remain restricted.
- Monetary policy remains extremely accommodative, although fiscal policy is not as loose as it had been earlier in the year, particularly in the US with the expiration of the CARES Act.
- The US unemployment Rate (U-3)¹ has fallen to 7.9% after peaking at 14.7% in April². However, labor force participation rates have declined as well.
- Manufacturing PMI's suggest a continued expansion moving into Q4, although at a more moderate pace with some divergences between sectors and regions.

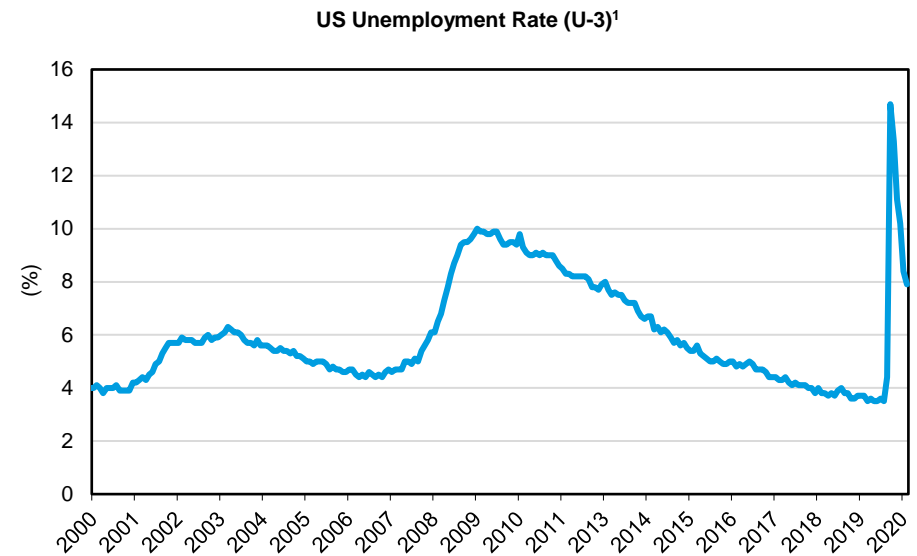


Source: Bloomberg; as of 9/30/20



Source: Bloomberg; as of 9/30/20

Month of Forecast



Source: Bureau of Labor Statistics; as of 9/30/20

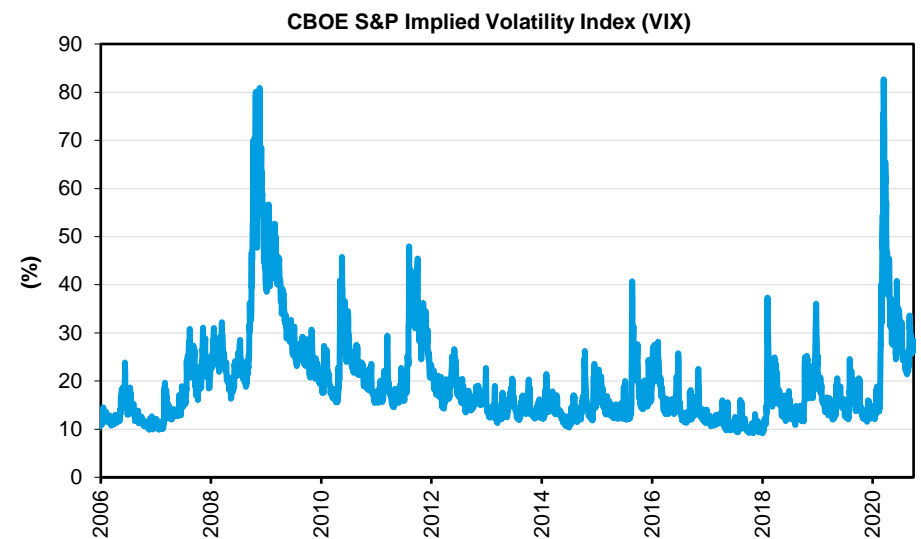
¹ The U-3 Unemployment Rate represents the percentage of the civilian labor force that is jobless and actively seeking employment.

² Source: Bureau of Labor Statistics; as of 9/30/20

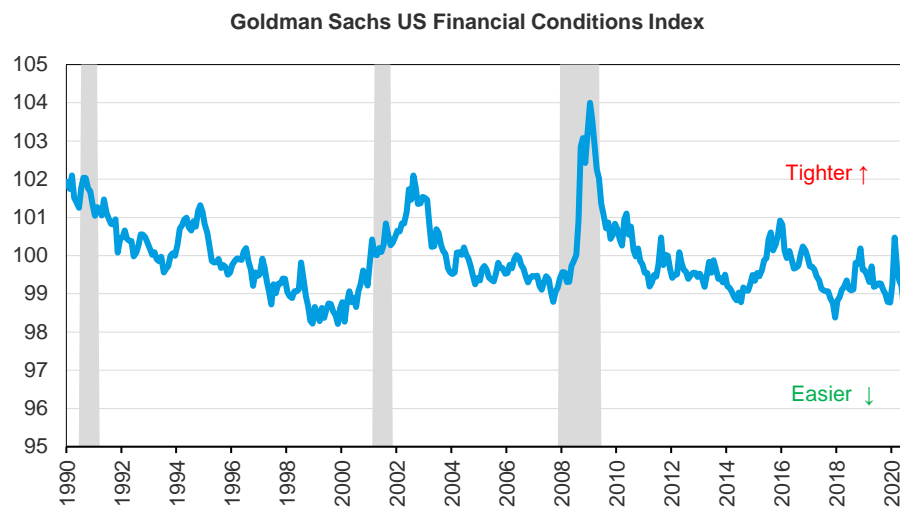
Risk Factors

Financial Conditions Remain Easy

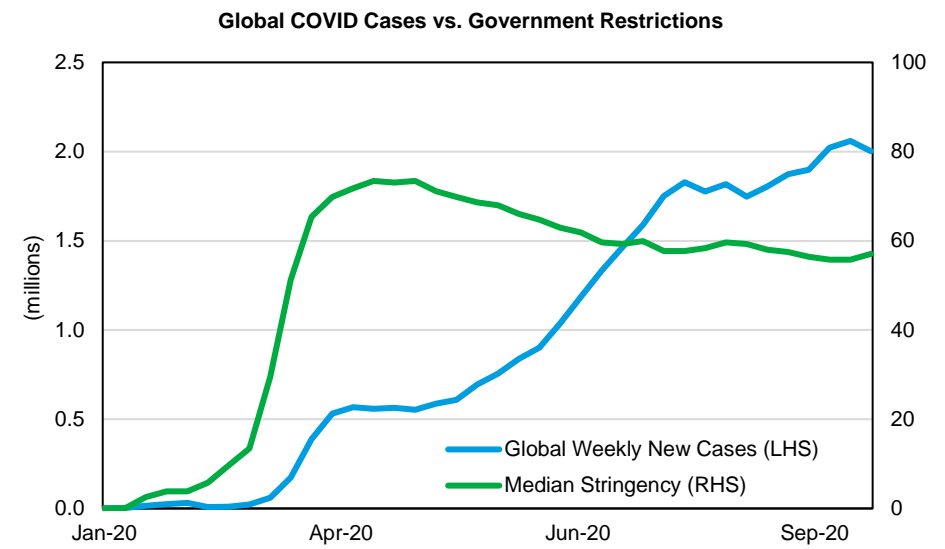
- Financial conditions improved modestly during Q3, as credit spreads for both investment grade and high yield corporate bonds continued to move lower.
- The VIX index ended the quarter at 26 down slightly from the beginning of the quarter and well below its peak of just over 80 during Q1¹.
- The US election in November could drive an uptick in volatility, particularly if there is a delay in determining the winner. The high cost of purchasing portfolio protection through the options market reflects this.
- We could see an increase in COVID cases once winter arrives and people begin spending more time indoors. However, medical options are improving, reducing the likelihood of widespread restrictions.



Source: Bloomberg; as of 9/30/20



Source: Bloomberg; as of 9/30/20

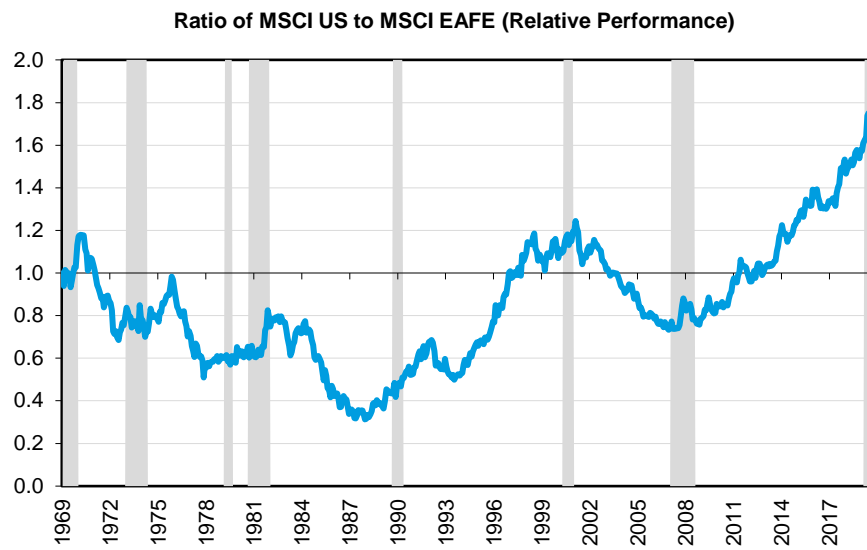


Source: Bloomberg, Blavatnik School of Government, Oxford University; as of 9/30/20

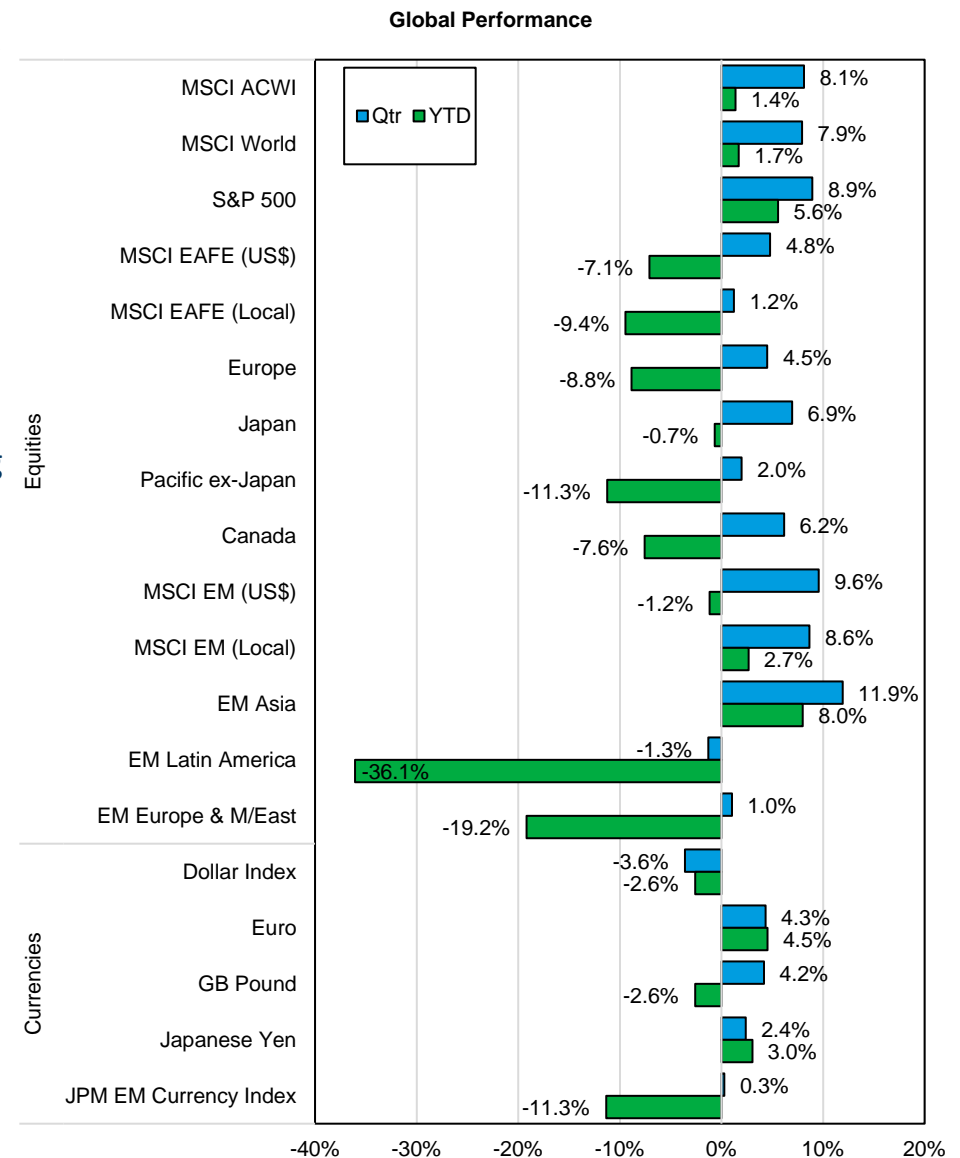
Regional Equity Returns

Global Equities Continue to Rally

- Global equities continued their rally during Q3, with the MSCI ACWI index gaining 8.1% for the quarter and reaching positive territory year-to-date.
- The S&P 500 returned 8.9% during the quarter, outperforming most other developed markets. Year-to-date, the S&P 500 has risen 5.6%.
- International developed stocks returned 4.8% for the quarter. A weaker dollar added 360 bps to US\$ returns for the quarter.
- Emerging market equities rose 9.6% in Q3. Asian emerging market countries drove the gains, returning 11.9% during the quarter.



Source: Datastream; as of 9/30/20



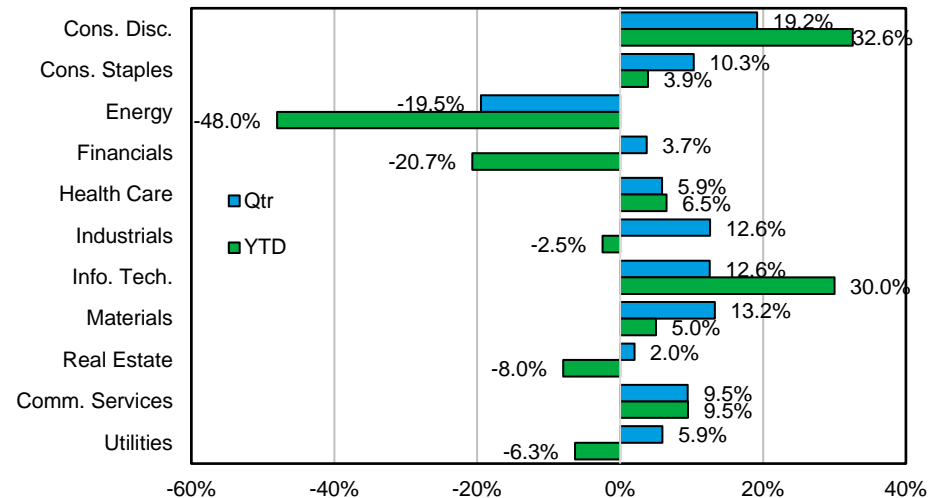
Source: Bloomberg, Datastream; as of 9/30/20

US Equity Factor and Sector Returns

Technology and Consumer Discretionary Lead the Recovery

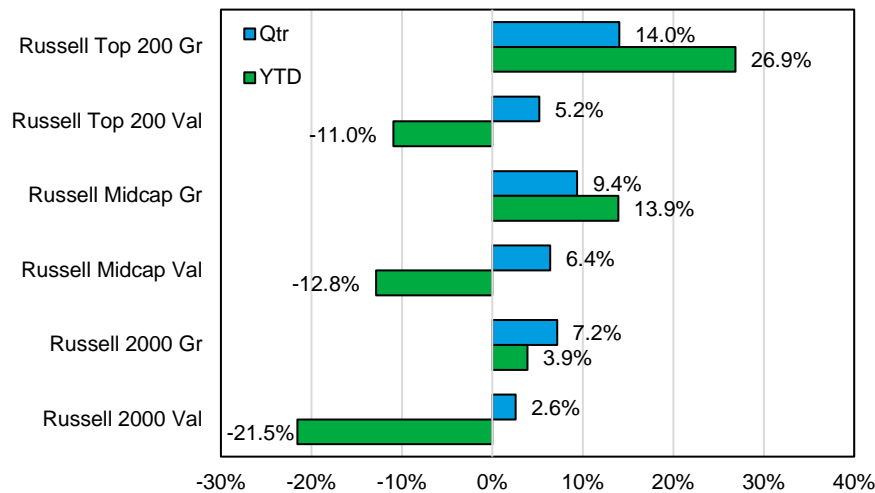
- Growth outperformed value across the size spectrum during Q3 with large-caps generally outperforming small-caps. Large-cap growth was the best performing style box segment for the quarter, while small-cap value continued to lag.
- The momentum factor outperformed in Q3, while value, minimum volatility and size lagged. Quality performed in line with the broad market for the quarter. Consumer discretionary, materials and technology stocks have posted the best results during Q3, while consumer discretionary and technology have led year-to-date. The energy sector has dramatically underperformed other sectors, both during Q3 and year-to-date.

MSCI USA Sector Returns



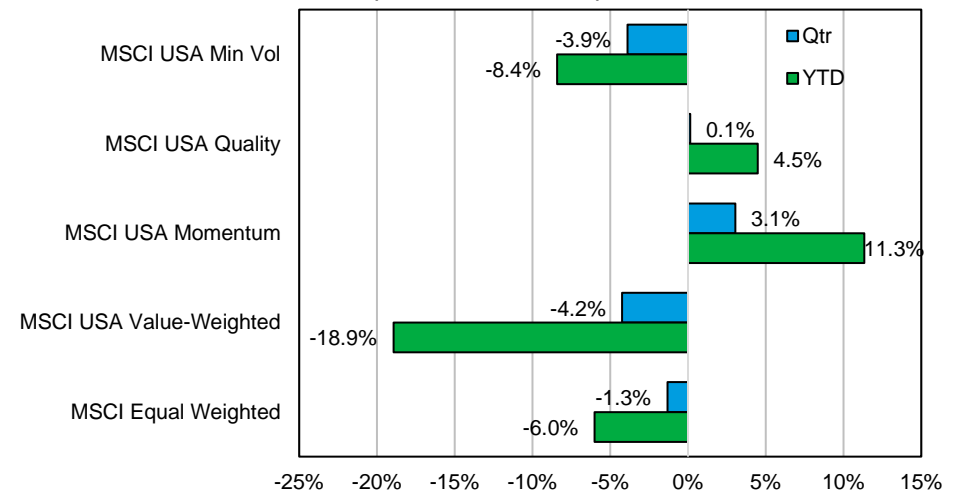
Source: Bloomberg; as of 9/30/20

US Style Performance



Source: Datastream; as of 9/30/20

Relative Factor Performance
(Relative to MSCI USA)



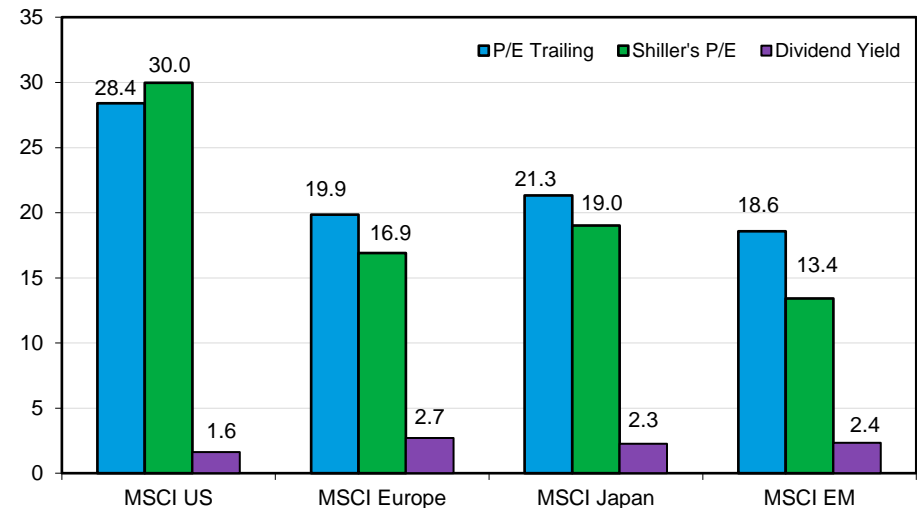
Source: MSCI; as of 9/30/20

Equity Fundamentals

Valuations Elevated, Earnings Outlook Improving

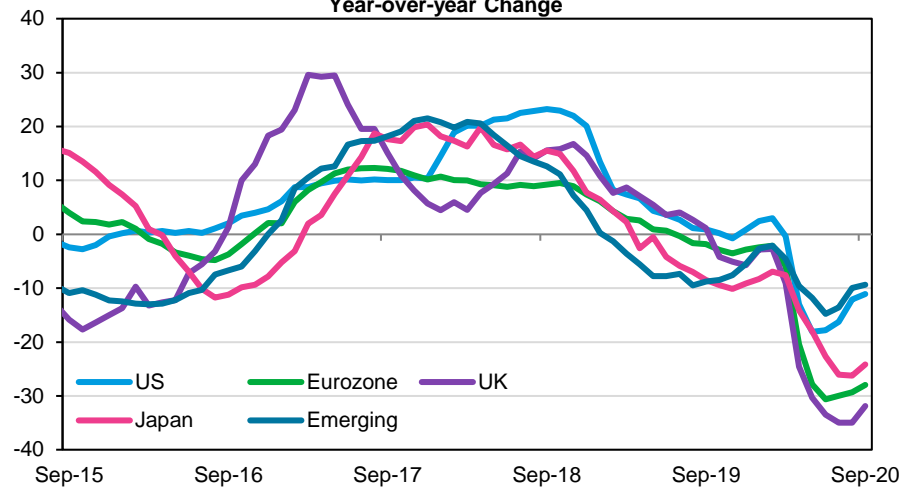
- The ongoing rally has pushed equity valuations back toward the elevated levels seen at the end of 2019. While the earnings outlook is improving, uncertainty is high. The trailing P/E ratio on the MSCI US Index rose from 24.3 to 28.4¹. We estimate that the equity risk premium over long-term Treasuries fell 20 bps to 3.6%², mostly a result of rising equity valuations.
- International developed stocks remain more reasonably valued, although the macro environment continues to present challenges.
- Emerging market valuations are more attractive. Emerging economies should benefit from an improvement in the global economy, but are exposed to trade and geopolitical risks.

Global Valuations



Source: Bloomberg, Datastream, Mercer; as of 9/30/20

Forward Earnings Estimates
Year-over-year Change



Source: Datastream; as of 9/30/20

S&P 500 - Equity Risk Premium Versus Long-Term Treasuries



Source: MSCI, Datastream, Mercer; as of 9/30/20

¹ Source: Datastream; as of 9/30/20

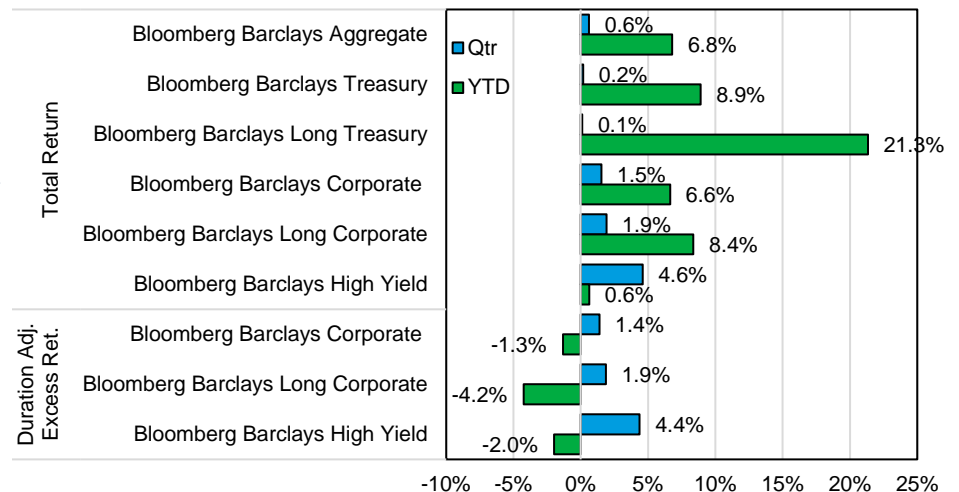
² Source: MSCI, Datastream, Mercer; as of 9/30/20

Interest Rates and Fixed Income

Credit Spreads Continue to Contract

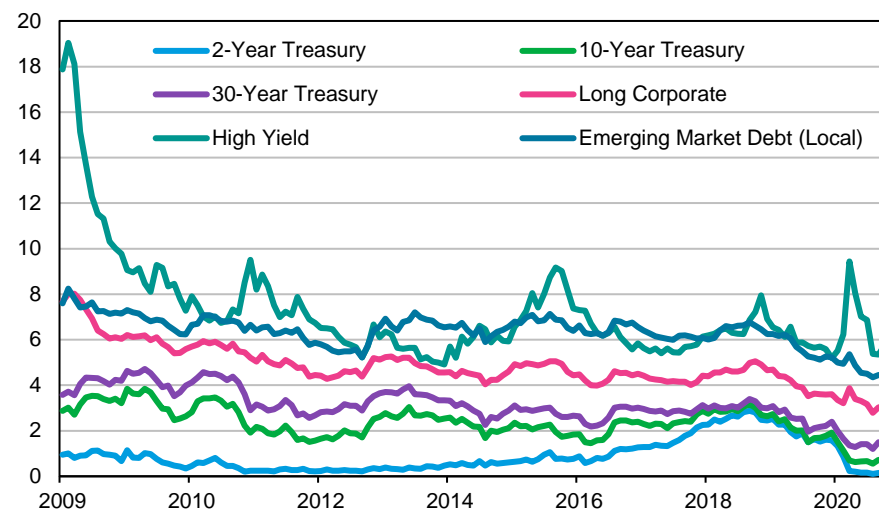
- The Bloomberg Barclays Aggregate returned 0.6% during Q3 with corporate bonds outperforming Treasuries. The yield curve saw very modest changes during the quarter, with 3-month yields falling by 6 bps, while 10- and 30-year yields rose by 3 bps and 5 bps, respectively¹.
- Investment-grade corporate bond spreads fell an average of 14 bps during the quarter to 1.4%, which is roughly 20 bps above the long-term median level².
- High yield bonds gained 4.6% during the quarter, as credit spreads fell by 108 bps to 5.2%, which remains above the long-term median level of 4.7%³.

Fixed Income Performance



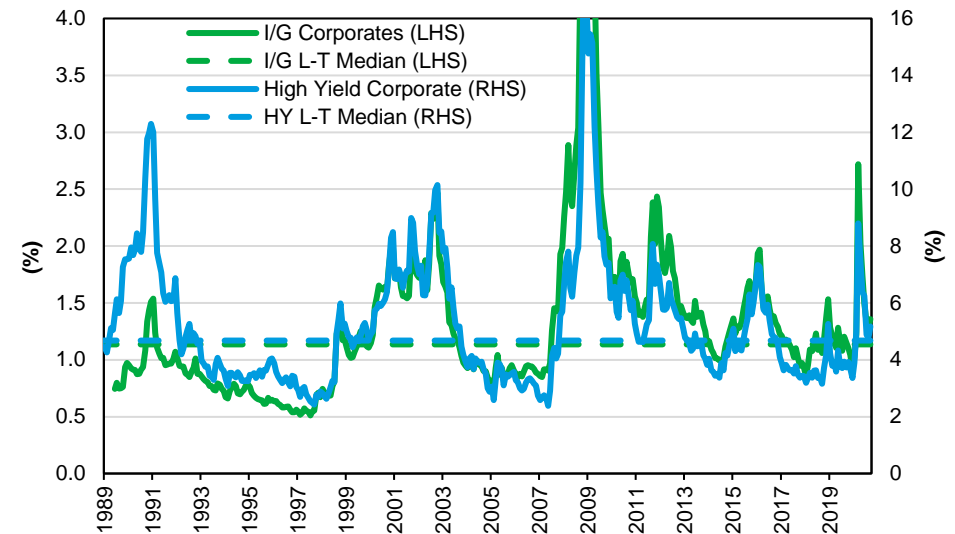
Source: Bloomberg, Datastream; as of 9/30/20

Yield History



Source: Bloomberg, Federal Reserve, JP Morgan; as of 9/30/20

Credit Spread to Treasuries



Source: Bloomberg; as of 9/30/20

¹ Source: Federal Reserve; as of 9/30/20

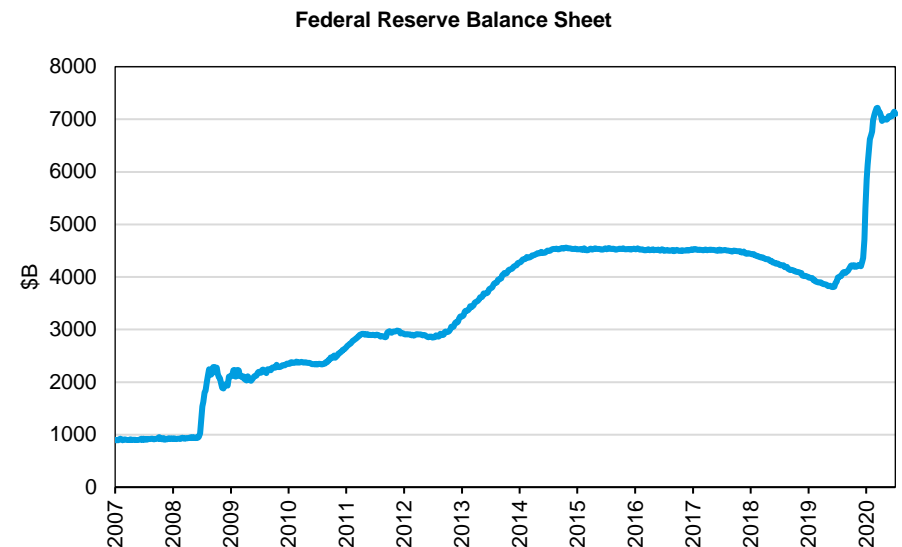
² Source: Bloomberg, Mercer; as of 9/30/20

³ Source: Bloomberg, Mercer; as of 9/30/20

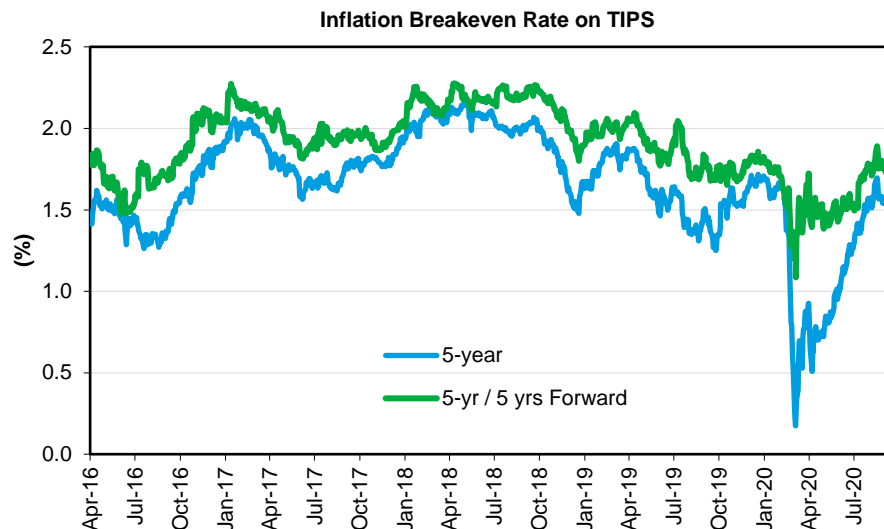
Monetary Policy

Fed Adjusts Inflation Target

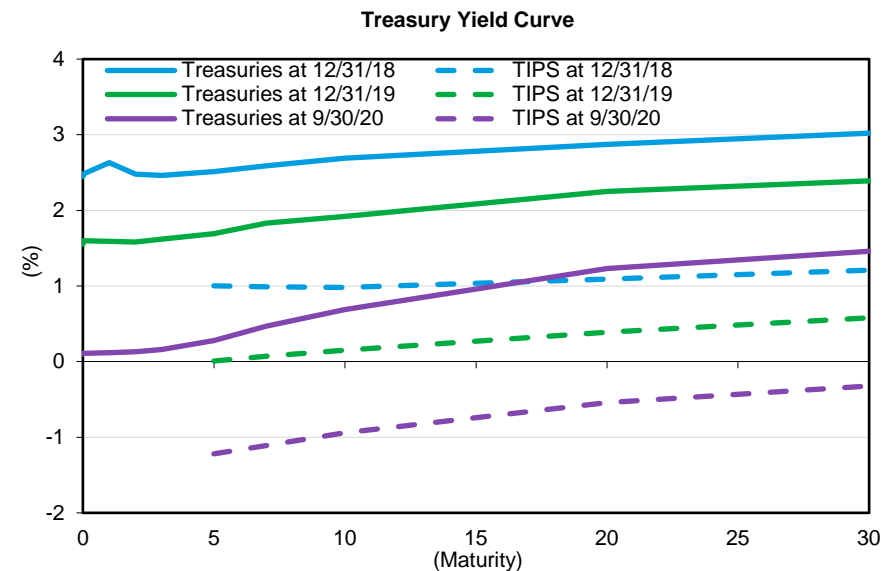
- During the quarter, the Fed adjusted its inflation objective, now targeting an average inflation rate of 2%. This means inflation overshoots will be allowed to offset past undershoots. This provides further evidence that the Fed intends to keep rates low for the foreseeable future and has become more tolerant of higher inflation.
- At quarter end, the US Treasury yield curve was upward sloping across the curve.
- Overseas, the European Central Bank, the Bank of Japan and the Bank of England all left monetary policy unchanged during the quarter, remaining highly accommodative.



Source: Bloomberg; as of 9/30/20



Source: Bloomberg, Mercer; as of 9/30/20



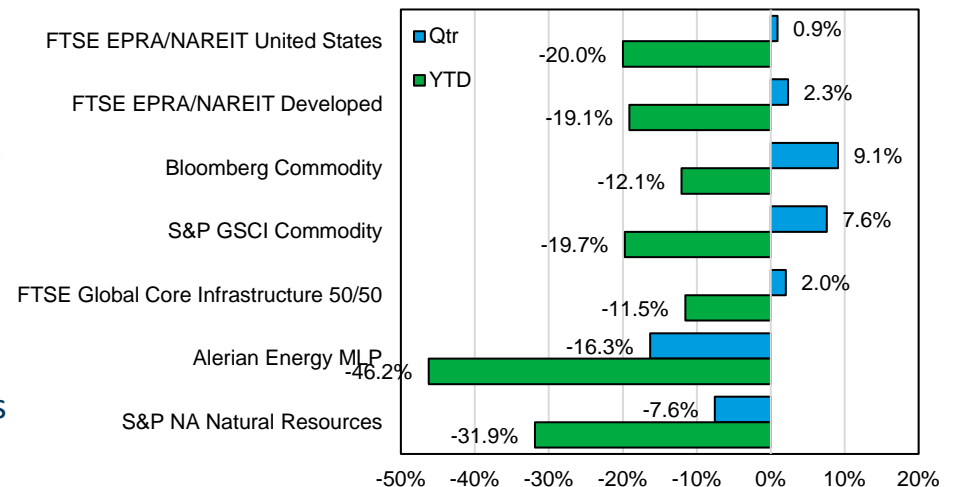
Source: Federal Reserve; as of 9/30/20

Alternative Investment Performance

REITs Lagged the Broader Market

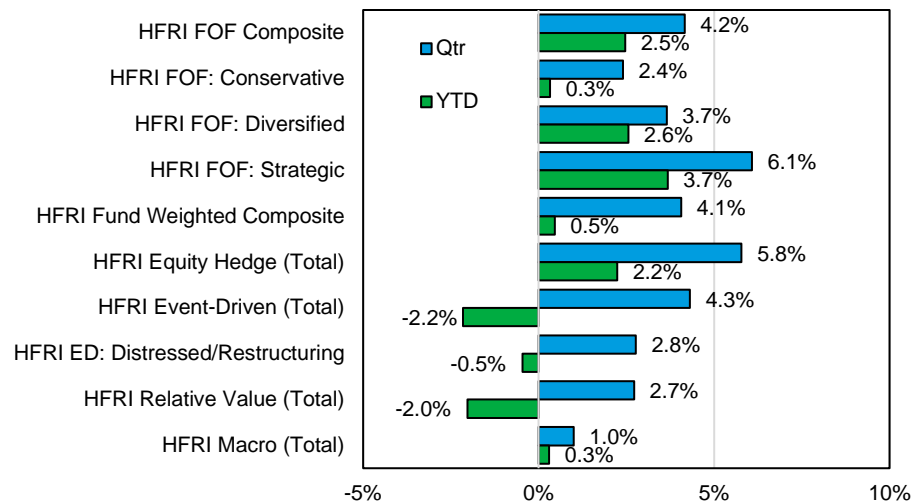
- REITs posted modest gains during Q3, but continue to lag the broader market given uncertainty surrounding COVID. Infrastructure stocks outperformed REITs, but also lagged the broader market.
- Despite an increase in commodity prices during the quarter, natural resource stocks and MLPs declined.
- Hedge funds returned 4.2% in Q3. Equity hedge strategies performed well during the quarter, while event driven and relative value strategies lagged.
- Global private equity outperformed global developed stocks by a wide margin over most trailing periods¹.

Real Asset Performance



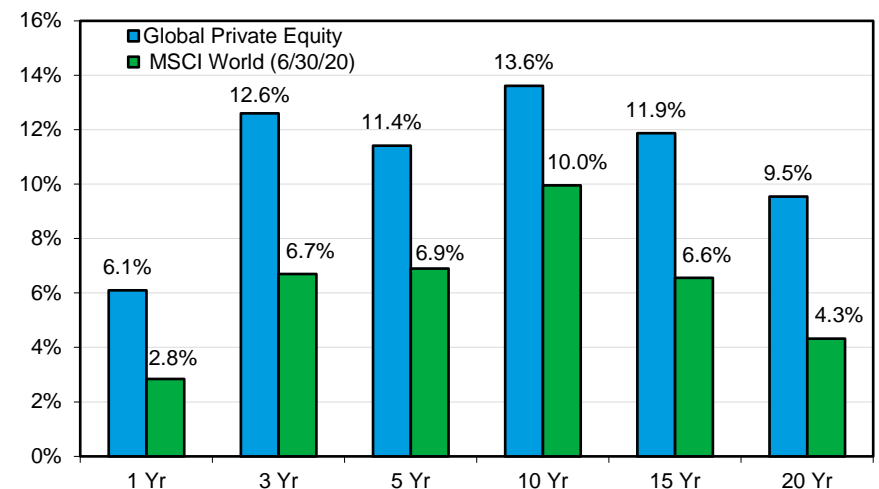
Source: Bloomberg, Datastream; as of 9/30/20

Hedge Fund Performance



Source: Hedge Fund Research; as of 9/30/20

Global Private Equity vs. Global Public Equities



Source: Burgiss, Bloomberg; as of 6/30/20

¹ As of 6/30/20

Valuations and yields

Ending September 30, 2020

Valuations

MSCI USA	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Index Level	14587.9	13305.2	10927.7	13599.6
P/E Ratio (Trailing)	28.4	24.3	18.0	23.1
CAPE Ratio	30.0	27.6	22.7	28.6
Dividend Yield	1.6	1.8	2.3	1.8
P/B	4.0	3.7	2.9	3.7
P/CF	14.4	13.9	11.3	15.8
MSCI EAFE	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Index Level	4597.0	4538.1	4023.2	5056.4
P/E Ratio (Trailing)	20.2	15.8	12.9	16.3
CAPE Ratio	15.6	15.0	13.2	19.1
Dividend Yield	2.7	2.8	4.1	3.2
P/B	1.6	1.5	1.3	1.7
P/CF	6.7	8.6	8.3	10.5
MSCI EM	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Index Level	521.4	475.9	403.1	527.6
P/E Ratio (Trailing)	18.6	16.0	12.5	15.0
CAPE Ratio	13.4	12.3	10.5	13.8
Dividend Yield	2.4	2.6	3.2	2.6
P/B	1.8	1.6	1.4	1.7
P/CF	10.4	8.7	7.1	10.0

Source: Bloomberg, Thomson Reuters Datastream

Yields

Global Bonds	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Germany – 10Y	-0.52	-0.45	-0.47	-0.19
France - 10Y	-0.24	-0.11	-0.15	0.12
UK - 10Y	0.23	0.17	0.36	0.82
Switzerland – 10Y	-0.49	-0.44	-0.33	-0.47
Italy – 10Y	0.87	1.26	1.52	1.41
Spain 10Y	0.25	0.47	0.68	0.47
Japan – 10Y	0.02	0.28	0.02	-0.01
Euro Corporate	0.55	0.89	1.85	0.51
Euro High Yield	4.80	5.62	9.62	3.46
EMD (\$)	5.14	5.51	7.00	4.91
EMD (LCL)	4.48	4.51	5.36	5.22
US Bonds	9/30/2020	6/30/2020	3/31/2020	12/31/2019
3-Month T-Bill	0.10	0.16	0.11	1.55
10Y Treasury	0.69	0.66	0.70	1.92
30Y Treasury	1.46	1.41	1.35	2.39
10Y TIPS	-0.94	-0.68	-0.17	0.15
30Y TIPS	-0.32	-0.15	0.16	0.58
US Aggregate	1.18	1.25	1.59	2.31
US Treasury	0.48	0.50	0.58	1.80
US Corporate	2.01	2.15	3.43	2.84
US Corporate High Yield	5.77	6.87	9.44	5.19

Source: Bloomberg, Thomson Reuters Datastream

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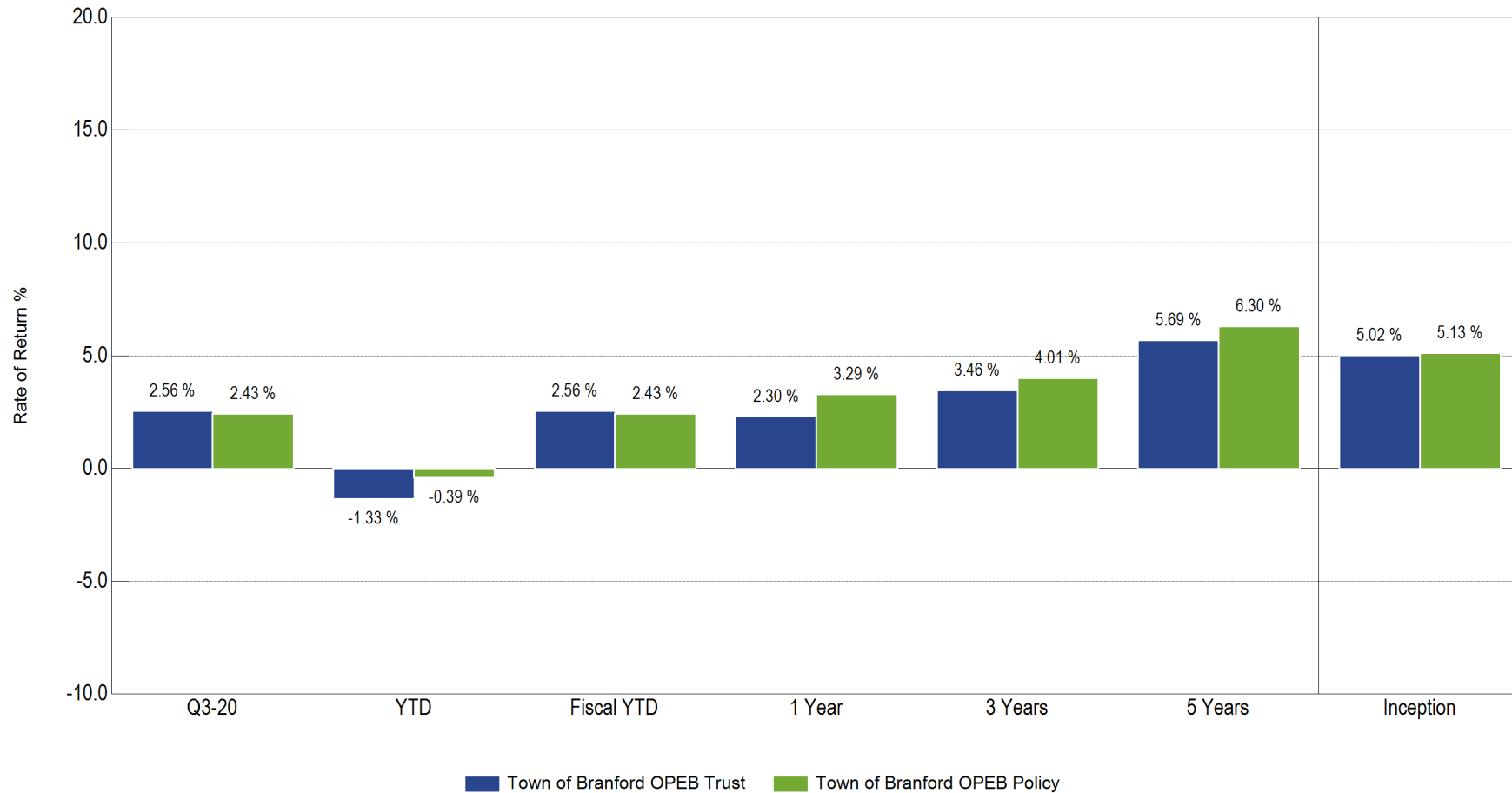
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Performance Summary

As of September 30, 2020

Return Summary



For the purposes of investment comparison, the Town of Branford OPEB 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 30.

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.

Town of Branford OPEB Trust

Investment Performance Analysis

Gross Composite Performance

As of September 30, 2020

Ending September 30, 2020										
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Inception (%)	Inception Date
Town of Branford OPEB Trust	24,134,297	100.00	2.56	-1.33	2.56	2.30	3.46	5.69	5.02	Jul-11
<i>Town of Branford OPEB Policy</i>			2.43	-0.39	2.43	3.29	4.01	6.30	5.13	Jul-11
Equity Group	9,862,789	40.87	5.17	-7.07	5.17	-0.41	2.72	7.54	6.60	Jul-11
<i>Equity Custom Benchmark</i>			4.51	-6.69	4.51	0.18	3.05	7.77	6.15	Jul-11
iShares S&P 500	2,761,820	11.44	9.02	5.50	9.02	14.96	12.17	14.18	13.53	Jul-11
<i>S&P 500</i>			8.93	5.57	8.93	15.15	12.28	14.15	12.96	Jul-11
iShares S&P MidCap 400	1,652,447	6.85	4.70	-8.71	4.70	-2.32	2.79	8.07	9.53	Jul-11
<i>S&P 400 MidCap</i>			4.77	-8.62	4.77	-2.16	2.90	8.11	8.91	Jul-11
iShares Russell 2000	1,285,818	5.33	5.05	-8.58	5.05	0.44	1.66	8.03	9.01	Jul-11
<i>Russell 2000</i>			4.93	-8.69	4.93	0.39	1.77	8.00	8.20	Jul-11
iShares MSCI EAFE	1,865,372	7.73	4.57	-7.07	4.57	0.07	0.29	5.01	4.34	Jul-11
<i>MSCI EAFE</i>			4.80	-7.09	4.80	0.49	0.62	5.26	3.73	Jul-11
iShares MSCI Emerging Mkts	1,113,770	4.61	10.25	-1.17	10.25	10.77	1.59	8.33	1.98	Jul-11
<i>MSCI Emerging Markets</i>			9.56	-1.16	9.56	10.54	2.42	8.97	1.83	Jul-11
iShares Dow Jones US Real Estate	557,468	2.31	1.99	-12.34	1.99	-11.91	3.30	6.36	7.57	Jul-11
<i>Dow USA Real Estate</i>			2.07	-12.08	2.07	-11.39	3.72	6.62	7.47	Jul-11
Alerian MLP	626,093	2.59	-16.57	-48.85	-16.57	-51.24	-22.65	-13.13	-15.21	Sep-15
<i>Alerian MLP Index</i>			-16.26	-46.16	-16.26	-48.35	-20.75	-11.58	-14.25	Sep-15
Fixed Income Group	14,271,507	59.13	0.67	2.91	0.67	3.83	3.64	3.16	2.51	Jul-11
<i>Fixed Income Custom Benchmark</i>			0.82	3.06	0.82	3.81	3.70	3.54	3.14	Jul-11
High Yield	1,518,202	6.29	4.63	-0.32	4.63	2.73	3.45	5.50	4.70	Jul-11
<i>High Yield Bond Blended Benchmark</i>			4.70	-0.38	4.70	2.22	3.78	6.36	5.72	Jul-11
Fixed Income	6,765,511	28.03	0.38	5.95	0.38	6.24	4.34	3.21	2.57	Jul-11
<i>BBgBarc US Govt/Credit Int TR</i>			0.61	5.92	0.61	6.32	4.43	3.39	3.04	Jul-11
Cash Alternatives	5,987,795	24.81	0.00	0.27	0.00	0.61	1.29	0.85	0.46	Jul-11
<i>FTSE T-Bill 3 Months TR</i>			0.03	0.56	0.03	1.02	1.65	1.16	0.64	Jul-11

Effective September 4, 2015, ELEMENTS Rogers International Commodity Total Return was replaced with Alerian MLP. Effective May 23, 2019, SPDR Barclays HY Bond ETF was replaced with Mainstay Mackay High Yield Corp Bond Fund in the High Yield account.

Returns for the Town of Branford OPEB Trust (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.

Investment Performance Analysis

Net Composite Performance

As of September 30, 2020

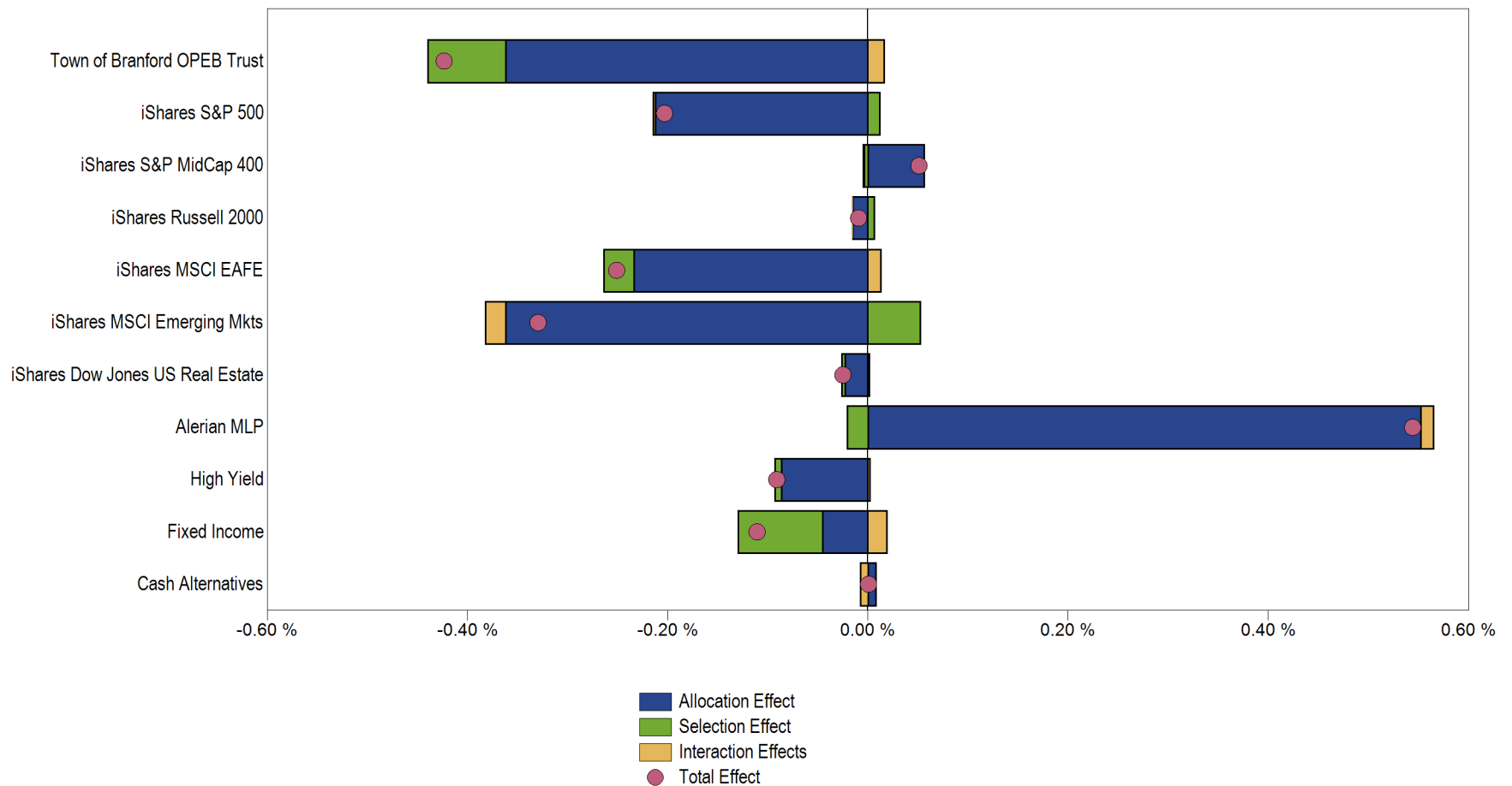
Ending September 30, 2020

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Inception (%)	Inception Date
Town of Branford OPEB Trust	24,134,297	100.00	2.50	-1.46	2.50	1.97	3.18	5.46	4.84	Jul-11
<i>Town of Branford OPEB Policy</i>			2.43	-0.39	2.43	3.29	4.01	6.30	5.13	Jul-11

Fund Level Attribution Analysis

As of September 30, 2020

Attribution Effects
3 Months Ending September 30, 2020

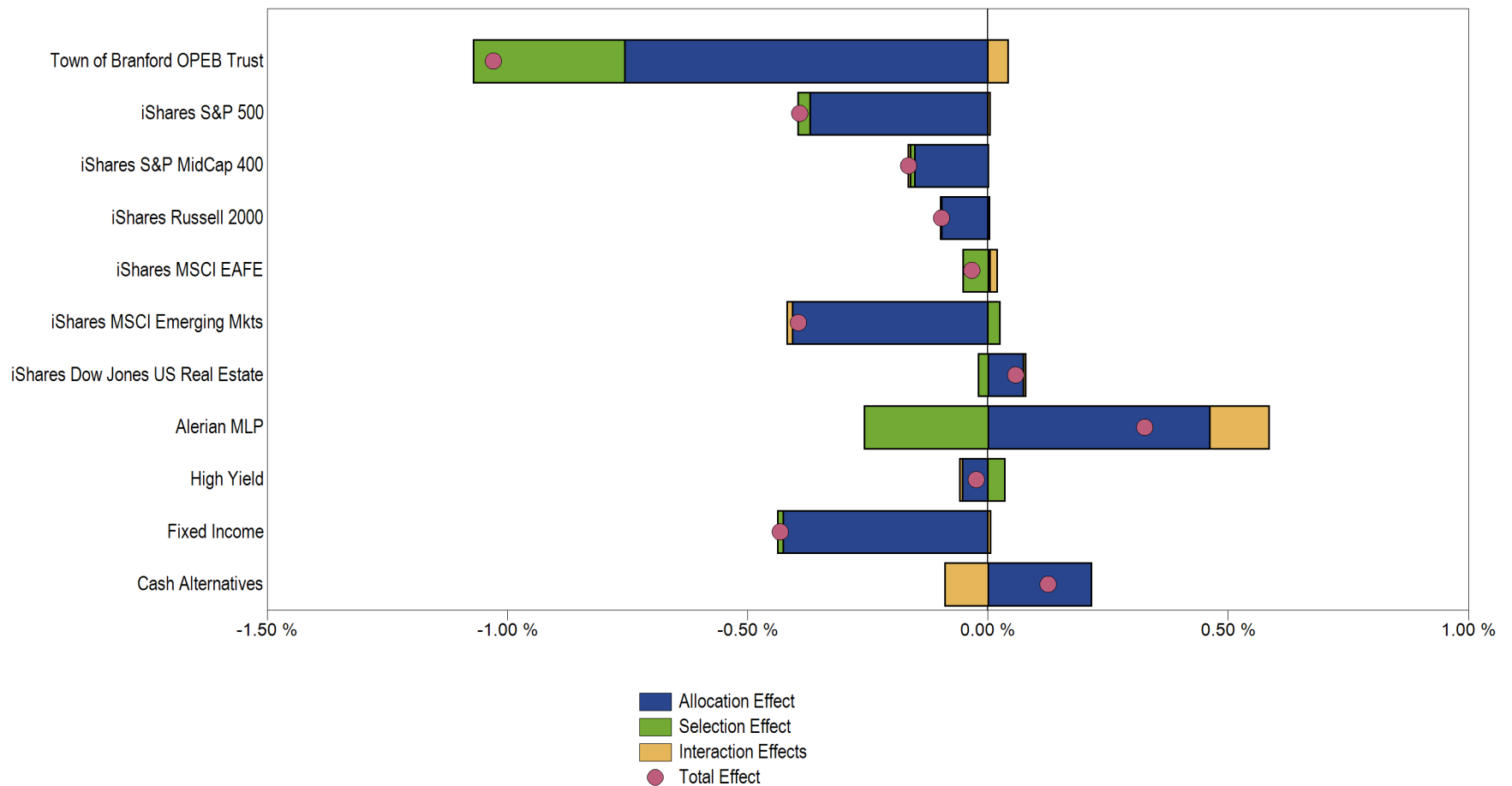


Returns are gross of advisory fees. Client returns will be reduced by advisory fees and other expenses the client may incur.

Fund Level Attribution Analysis

As of September 30, 2020

Attribution Effects
1 Year Ending September 30, 2020



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

Investment Performance Analysis

As of September 30, 2020

Performance Attribution
Quarter Ending September 30, 2020

	Last 3 Mo.	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs
Wtd. Actual Return	2.60%	-1.30%	2.02%	2.23%	3.54%	5.76%
Wtd. Index Return *	3.02%	-1.10%	2.76%	3.26%	4.13%	6.38%
Excess Return	-0.42%	-0.20%	-0.74%	-1.03%	-0.59%	-0.62%
Selection Effect	-0.08%	-0.20%	-0.24%	-0.31%	-0.30%	-0.29%
Allocation Effect	-0.36%	-0.04%	-0.52%	-0.76%	-0.31%	-0.35%
Interaction Effect	0.02%	0.04%	0.02%	0.04%	0.03%	0.02%

*Calculated from benchmark returns and weightings of each component.

Attribution Summary
3 Months Ending September 30, 2020

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
iShares S&P 500	9.02%	8.93%	0.09%	0.01%	-0.21%	0.00%	-0.20%
iShares S&P MidCap 400	4.70%	4.77%	-0.07%	0.00%	0.06%	0.00%	0.05%
iShares Russell 2000	5.05%	4.93%	0.11%	0.01%	-0.01%	0.00%	-0.01%
iShares MSCI EAFE	4.57%	4.80%	-0.23%	-0.03%	-0.23%	0.01%	-0.25%
iShares MSCI Emerging Mkts	10.25%	9.56%	0.69%	0.05%	-0.36%	-0.02%	-0.33%
iShares Dow Jones US Real Estate	1.99%	2.07%	-0.08%	0.00%	-0.02%	0.00%	-0.02%
Alerian MLP	-16.57%	-16.26%	-0.32%	-0.02%	0.55%	0.01%	0.54%
High Yield	4.63%	4.70%	-0.07%	-0.01%	-0.09%	0.00%	-0.09%
Fixed Income	0.38%	0.61%	-0.23%	-0.08%	-0.05%	0.02%	-0.11%
Cash Alternatives	0.00%	0.03%	-0.03%	0.00%	0.01%	-0.01%	0.00%
Total	2.60%	3.02%	-0.42%	-0.08%	-0.36%	0.02%	-0.42%

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

Town of Branford OPEB Trust

Investment Performance Analysis

Total Plan Information

As of September 30, 2020

RISK RETURN STATISTICS

Town of Branford OPEB Trust Town of Branford OPEB Policy

RETURN SUMMARY STATISTICS

Number of Periods	111	111
Maximum Return	5.74	6.73
Minimum Return	-8.09	-8.74
Annualized Return	5.02	5.13
Total Return	57.31	58.79
Annualized Excess Return Over Risk Free	4.38	4.48
Annualized Excess Return	-0.11	0.00

RISK SUMMARY STATISTICS

Beta	0.83	1.00
Upside Deviation	3.98	4.89
Downside Deviation	5.74	6.60

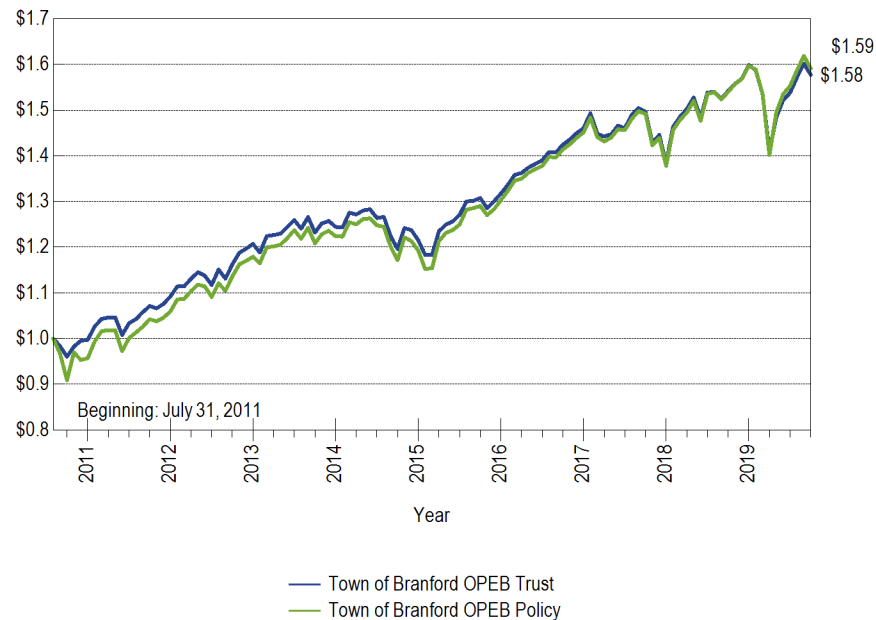
RISK/RETURN SUMMARY STATISTICS

Annualized Standard Deviation	7.03	8.08
Alpha	0.06	0.00
Sharpe Ratio	0.62	0.55
Excess Return Over Market / Risk	-0.02	0.00
Tracking Error	2.39	0.00
Information Ratio	-0.04	--

CORRELATION STATISTICS

R-Squared	0.92	1.00
Correlation	0.96	1.00

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

Summary of Cash Flows

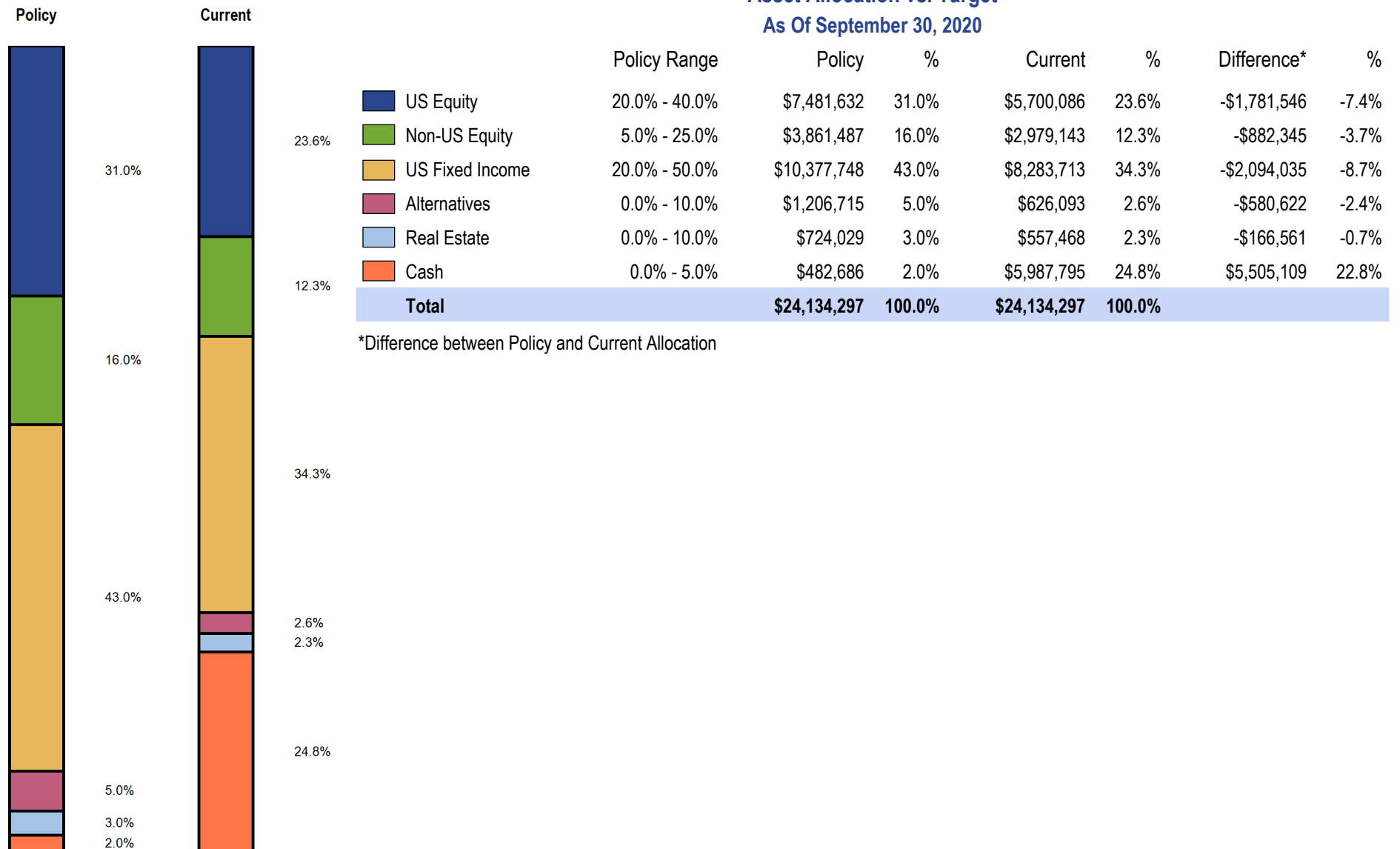
	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years	Five Years	Inception 7/1/11
Beginning Market Value	\$23,545,392	\$24,491,230	\$23,545,392	\$18,338,790	\$13,713,143	\$10,093,104	\$4,030,671
Contributions	\$574,414	\$794,841	\$574,414	\$6,169,841	\$13,218,394	\$17,829,063	\$26,881,169
Withdrawals	-\$587,136	-\$824,654	-\$587,136	-\$837,067	-\$4,526,441	-\$7,636,294	-\$11,681,915
Net Cash Flow	-\$12,722	-\$29,813	-\$12,722	\$5,332,773	\$8,691,953	\$10,192,769	\$15,199,254
Net Investment Change	\$601,627	-\$327,120	\$601,627	\$462,733	\$1,729,201	\$3,848,424	\$4,904,372
Ending Market Value	\$24,134,297	\$24,134,297	\$24,134,297	\$24,134,297	\$24,134,297	\$24,134,297	\$24,134,297

Investment Performance Analysis

Asset Allocation vs. Target Policy

As of September 30, 2020

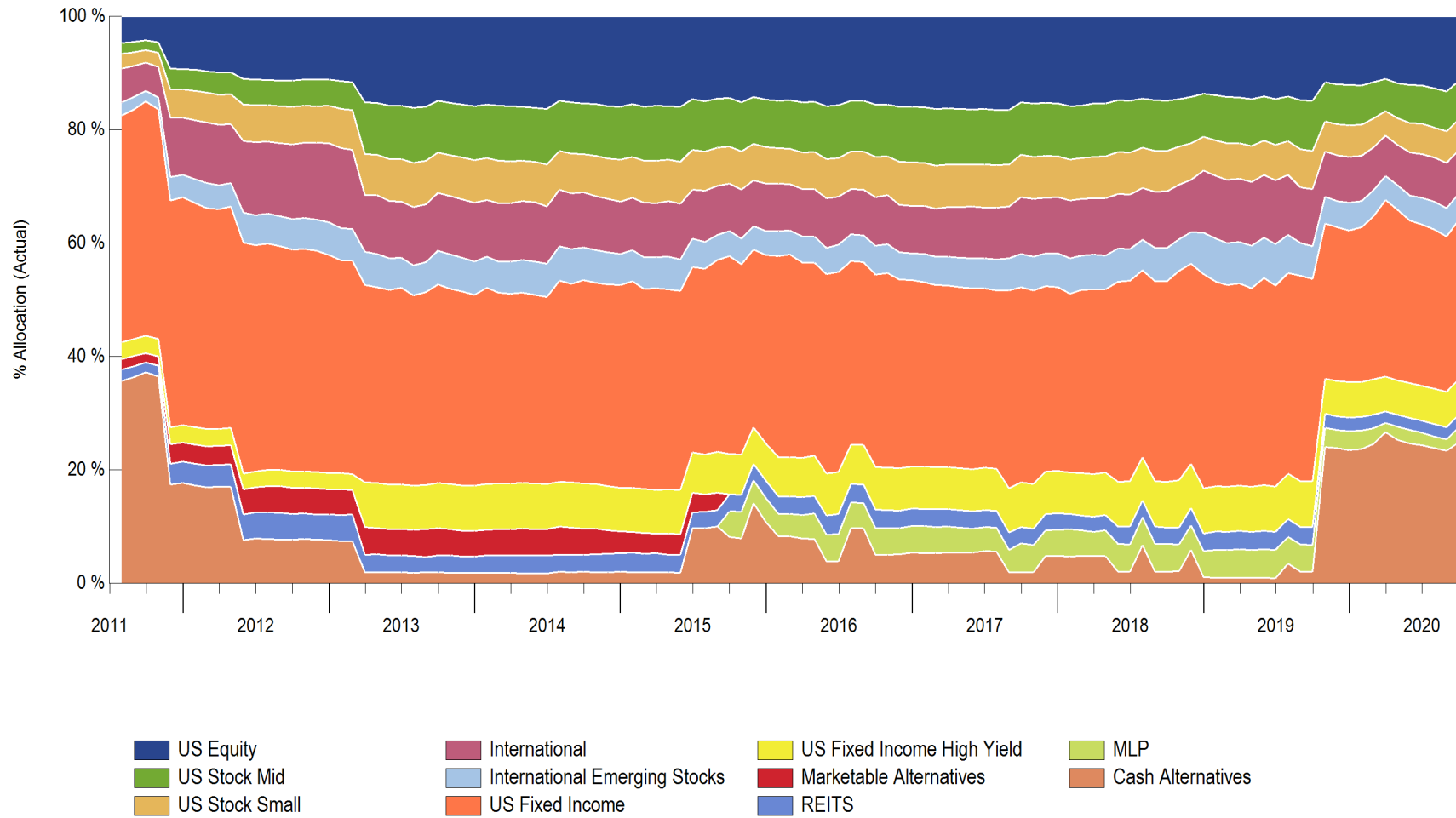
Asset Allocation vs. Target As Of September 30, 2020



Asset Allocation History

As of September 30, 2020

Asset Allocation History
9 Years 3 Months Ending September 30, 2020



Investment Analysis

Total Plan

Investment Performance Analysis

As of September 30, 2020

Manager Roster
As of September 30, 2020

	Account Type	Benchmark	Universe	Market Value	Allocation	Inception
Alerian MLP	MLP	Alerian MLP Index		\$626,093	2.6%	9/1/2015
Cash Alternatives	Cash Alternatives	FTSE T-Bill 3 Months TR		\$5,987,795	24.8%	7/1/2011
Fixed Income	US Fixed Income	BBgBarc US Govt/Credit Int TR	US Intermediate Fixed Income	\$6,765,511	28.0%	7/1/2011
High Yield	US Fixed Income High Yield	High Yield Bond Blended Benchmark	High Yield Bond MStar MF	\$1,518,202	6.3%	7/1/2011
iShares Dow Jones US Real Estate	REITS	Dow USA Real Estate	Real Estate MStar MF	\$557,468	2.3%	7/1/2011
iShares MSCI EAFE	International	MSCI EAFE	Foreign Large Blend MStar MF	\$1,865,372	7.7%	7/1/2011
iShares MSCI Emerging Mkts	International Emerging Stocks	MSCI Emerging Markets	Diversified Emerging Mkts MStar MF	\$1,113,770	4.6%	7/1/2011
iShares Russell 2000	US Stock Small	Russell 2000	Small Blend MStar MF	\$1,285,818	5.3%	7/1/2011
iShares S&P 500	US Equity	S&P 500	Large Blend MStar MF	\$2,761,820	11.4%	7/1/2011
iShares S&P MidCap 400	US Stock Mid	S&P 400 MidCap	Mid-Cap Blend MStar MF	\$1,652,447	6.8%	7/1/2011
Total		Town of Branford OPEB Policy		\$24,134,297	100.0%	7/1/2011

**Town of Branford OPEB
Equity Positions
As of September 30, 2020**

Holding	Market Value	% of Equity Portfolio
Cash & Cash Equivalents	\$5,987,794.56	37.78%
ISHARES S&P 500	\$2,761,820.39	17.42%
ISHARES S&P MIDCAP 400	\$1,652,447.44	10.43%
ISHARES Russell 2000	\$1,285,818.33	8.11%
ISHARES MSCI EAFE Index ETF	\$1,865,372.34	11.77%
ISHARES MSCI Emerging Markets	\$1,113,770.36	7.03%
ISHARES Dow Jones US Real Estate	\$557,467.71	3.52%
Alerian MLP	\$626,092.62	3.95%
	\$15,850,583.75	100.00%

Town of Branford OPEB Trust
Fixed Income Positions
as of September 30, 2020

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
209	CASH & EQUIVALENTS	AAA	0.090	10/31/2020	100.000	209	3.09	0.090	0.085
180	UNITED STATES TREAS NTS	AA+	2.625	11/15/2020	100.307	182	2.69	0.167	0.126
56	BANK NEW YORK MELLON CORP	A	2.450	11/27/2020	100.158	57	0.84	0.549	0.082
50	UNITED STATES TREAS NTS	AA+	2.000	01/15/2021	100.547	50	0.75	0.118	0.293
43	TOTAL CAPITAL	A+	4.125	01/28/2021	101.229	44	0.65	0.368	0.328
50	EXXON MOBIL CORP	AA	2.222	03/01/2021	100.661	50	0.75	0.253	0.339
65	HOUSTON LTG & PWR CO	A	9.150	03/15/2021	103.486	68	1.00	1.487	0.451
12	BANK NEW YORK MELLON CORP	A	2.500	04/15/2021	101.020	12	0.18	0.272	0.449
22	BANK NEW YORK MELLON CORP	A	2.050	05/03/2021	100.918	22	0.33	0.242	0.502
250	UNITED STATES TREAS NTS	AA+	2.625	05/15/2021	101.551	256	3.79	0.141	0.615
55	CHEVRON CORPORATION	AA	2.100	05/16/2021	101.018	56	0.83	0.228	0.537
0	FHLMC GOLD POOL - G12205	AA+	4.500	06/01/2021	104.749	0	0.00	-10.000	0.329
250	UNITED STATES TREAS NTS	AA+	1.125	06/30/2021	100.750	253	3.73	0.124	0.744
125	UNITED STATES TREAS NTS	AA+	1.625	06/30/2021	101.117	127	1.88	0.134	0.743
15	EXXON MOBIL CORP	AA	8.625	08/15/2021	107.321	16	0.24	0.244	0.853
4	CATERPILLAR FINL SVCS MTNS B	A-	1.931	10/01/2021	101.553	4	0.06	0.378	0.986
70	TOYOTA MTR CR CORP	A+	3.300	01/12/2022	103.617	73	1.08	0.469	1.257
30	WELLS FARGO & CO	BBB+	3.500	03/08/2022	104.233	31	0.46	0.542	1.406
118	US BANCORP	A-	2.950	07/15/2022	104.395	124	1.83	0.367	1.664
65	NORTHERN TR CORP	A	2.375	08/02/2022	103.759	68	1.00	0.323	1.800
45	PHILIP MORRIS INTL INC	A	2.375	08/17/2022	103.031	46	0.69	0.675	1.756
12	JPMORGAN CHASE & CO	A-	3.250	09/23/2022	105.698	13	0.19	0.360	1.930
30	CONNECTICUT ST GO BDS 2009B	A	5.200	12/01/2022	110.207	34	0.50	0.466	2.048
40	DISNEY WALT CO	A-	2.350	12/01/2022	103.919	42	0.62	0.531	2.107
130	CHEVRON CORPORATION	AA	2.355	12/05/2022	103.813	136	2.01	0.371	1.882
60	BERKSHIRE HATHAWAY INC DEL	AA	3.000	02/11/2023	105.978	64	0.94	0.454	2.290
50	ORACLE CORP	A-	2.625	02/15/2023	104.451	52	0.77	0.665	2.227
75	UNIVERSITY CALIF REVS GEN R	AA	3.538	05/15/2023	107.990	82	1.21	0.472	2.494
28	GENERAL DYNAMICS CORP	A	3.375	05/15/2023	107.378	30	0.45	0.452	2.424
6	GNMA POOL - 687736	AA+	5.500	07/15/2023	103.883	6	0.09	1.806	1.077
65	GLAXOSMITHKLINE CAP PLC	A	0.534	10/01/2023	100.154	65	0.96	0.457	2.392
90	SHELL INTERNATIONAL FIN BV	AA-	3.500	11/13/2023	108.784	99	1.46	0.577	2.868
110	NATIONAL RURAL UTILS COOP FI	A	3.400	11/15/2023	108.231	120	1.78	0.512	2.727
100	CATERPILLAR FINL SVCS MTNS B	A-	3.750	11/24/2023	110.397	112	1.65	0.424	2.968
85	JOHNSON & JOHNSON	AAA	3.375	12/05/2023	109.688	94	1.39	0.311	3.016
3	GNMA POOL - 783221	AA+	6.000	02/15/2024	105.021	3	0.04	1.520	1.136
75	ALPHABET INC	AA	3.375	02/25/2024	109.902	83	1.22	0.440	3.239
61	BLACKROCK INC	AA-	3.500	03/18/2024	110.201	67	0.99	0.527	3.292
80	BK OF AMERICA CORP	A-	4.000	04/01/2024	110.823	90	1.33	0.857	3.245
65	DEERE JOHN CAPITAL CORP	A	3.350	06/12/2024	110.045	72	1.07	0.601	3.483
60	PHILIP MORRIS INTL INC	A	3.250	11/10/2024	110.066	67	0.99	0.758	3.844
31	AMAZON COM INC	A	3.800	12/05/2024	112.634	35	0.52	0.547	3.662
120	WALMART INC	AA	2.650	12/15/2024	108.305	131	1.93	0.569	3.839
10	GNMA2 POOL - 004585	AA+	4.500	12/20/2024	106.456	11	0.16	0.638	1.654
124	MERCK & CO. INC	A+	2.750	02/10/2025	108.669	135	2.00	0.612	3.912

Town of Branford OPEB Trust
Fixed Income Positions
as of September 30, 2020

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
100	EXXON MOBIL CORP	AA	2.709	03/06/2025	108.081	108	1.60	0.744	3.984
120	CHARLES SCHWAB CORP	A	4.200	03/24/2025	114.856	138	2.04	0.761	4.082
50	COCA COLA CO	A+	2.950	03/25/2025	109.903	55	0.81	0.704	4.238
120	DEERE & CO	A	2.750	04/15/2025	108.991	132	1.96	0.698	4.178
7	GNMA2 POOL - 004687	AA+	4.500	05/20/2025	106.545	7	0.10	0.903	1.799
50	BERKSHIRE HATHAWAY INC DEL	AA	7.250	06/15/2025	125.000	64	0.94	1.701	4.056
60	UNITED STATES TREAS NTS	AA+	0.250	08/31/2025	99.922	60	0.89	0.266	4.898
47	BP CAP MKTS AMER INC	A-	3.796	09/21/2025	112.717	53	0.78	1.075	4.447
40	WELLS FARGO & CO	BBB+	3.550	09/29/2025	111.329	45	0.66	1.207	4.631
65	COCA COLA CO	A+	2.875	10/27/2025	110.962	73	1.08	0.674	4.723
65	PROCTER & GAMBLE CO	AA-	2.700	02/02/2026	111.513	73	1.08	0.511	5.018
8	GNMA2 POOL - 004954	AA+	3.000	02/20/2026	104.900	8	0.12	0.642	1.951
75	APPLE INC	AA+	3.250	02/23/2026	112.422	85	1.25	0.783	4.791
54	CONOCOPHILLIPS COMPANY	A-	4.950	03/15/2026	119.483	65	0.96	1.092	4.690
24	BANK NEW YORK MELLON CORP	A	2.800	05/04/2026	110.645	27	0.40	0.764	4.978
115	UNITED STATES TREAS NTS	AA+	1.625	05/15/2026	107.160	124	1.83	0.339	5.388
46	UNITED STATES TREAS NTS	AA+	1.875	07/31/2026	108.762	50	0.74	0.356	5.566
66	MICROSOFT CORP	AAA	2.400	08/08/2026	109.235	72	1.07	0.716	5.299
65	PEPSICO INC	A+	2.375	10/06/2026	108.900	72	1.06	0.793	5.409
30	UNITED STATES TREAS NTS	AA+	1.625	11/30/2026	107.547	32	0.48	0.385	5.895
47	PFIZER INC	A+	3.000	12/15/2026	113.082	54	0.79	0.833	5.707
65	MICROSOFT CORP	AAA	3.300	02/06/2027	114.259	75	1.10	0.893	5.598
40	NEW YORK N Y CITY TRANSITIO	AA+	5.008	08/01/2027	121.498	49	0.72	1.667	5.923
195	UNITED STATES TREAS NTS	AA+	2.750	02/15/2028	116.371	228	3.36	0.487	6.796
90	UNITED STATES TREAS NTS	AA+	2.875	05/15/2028	117.703	107	1.58	0.505	6.938
60	BURLINGTON NORTHN SANTA FE C	A-	6.700	08/01/2028	136.581	83	1.22	1.695	6.426
115	UNITED STATES TREAS NTS	AA+	3.125	11/15/2028	120.516	140	2.07	0.541	7.301
260	UNITED STATES TREAS NTS	AA+	2.625	02/15/2029	116.852	305	4.50	0.562	7.669
79	UNITED STATES TREAS NTS	AA+	1.625	08/15/2029	108.906	86	1.27	0.593	8.367
98	UNITED STATES TREAS NTS	AA+	1.750	11/15/2029	110.152	109	1.61	0.605	8.517
57	UNITED STATES TREAS NTS	AA+	1.500	02/15/2030	107.938	62	0.91	0.627	8.856
10	PROCTER & GAMBLE CO	AA-	3.000	03/25/2030	115.995	12	0.17	1.210	8.447
120	CATERPILLAR INC	A-	2.600	04/09/2030	109.799	133	1.97	1.466	8.326
65	TJX COS INC NEW	A	3.875	04/15/2030	118.611	78	1.16	1.701	7.908
115	3M CO	A+	3.050	04/15/2030	114.321	133	1.97	1.401	8.178
60	NEW YORK N Y CITY TRANSITIO	AA+	3.900	08/01/2031	114.741	69	1.02	1.869	6.993
42	GNMA 2013-105- A	AA+	1.705	02/16/2037	100.488	42	0.62	1.093	0.942
26	GNMA 2013-057- A	AA+	1.350	06/16/2037	100.063	26	0.38	1.211	0.871
4	GNMA POOL - 782371	AA+	5.000	08/15/2038	113.355	5	0.07	1.785	3.617
12	PFIZER INC	A+	4.100	09/15/2038	124.003	15	0.22	2.408	13.494
42	FHLMC GOLD POOL - Q09424	AA+	3.500	07/01/2042	108.505	46	0.67	1.575	2.656
45	NORTHERN STS PWR CO WIS	A	3.600	09/15/2047	118.715	53	0.79	2.615	18.668

**Town of Branford OPEB Trust
Fixed Income Positions
as of September 30, 2020**

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
71	UNITED STATES TREAS BDS	AA+	3.000	08/15/2048	136.613	97	1.44	1.407	21.306
25	GNMA 2012-072- AK	AA+	2.585	11/16/2052	103.334	26	0.39	1.144	1.732
6,172		AA-	2.827	4.808	108.930	6,765	100.00	0.650	4.224

**Town of Branford OPEB
High Yield Positions
As of September 30, 2020**

Holding	Market Value	% of High Yield Portfolio
Cash & Cash Equivalents	\$2,009.30	0.13%
MainStay MacKay High Yield Corp Bd	1,516,192.97	99.87%
	\$1,518,202.27	100.00%

Historical Policy

7/1/2011 to 2/28/2013	40.00	Barclays Capital Int Govt/Credit
	12.00	S&P 500
	15.00	MSCI EAFE (Net)
	7.00	Russell 2000
	6.00	MSCI Emerging Market (Net)
	5.00	S&P 400 Mid Cap
	5.00	Dow USA Real Estate
	5.00	Bloomberg Commodity Index
	3.00	Barclays Capital High Yield Very Liquid
	2.00	Citigroup Treasury Bill-3 Month
3/1/2013 to 8/31/2015	35.00	Barclays Capital Int Govt/Credit
	15.00	S&P 500
	10.00	MSCI EAFE (Net)
	9.00	S&P 400 Mid Cap
	8.00	Barclays Capital High Yield Very Liquid
	7.00	Russell 2000
	6.00	MSCI Emerging Market (Net)
	5.00	Bloomberg Commodity Index
	3.00	Dow USA Real Estate
	2.00	Citigroup Treasury Bill-3 Month
9/1/2015 to 12/31/2018	35.00	Barclays Capital Int Govt/Credit
	15.00	S&P 500
	10.00	MSCI EAFE (Net)
	9.00	S&P 400 Mid Cap
	8.00	Barclays Capital High Yield Very Liquid
	7.00	Russell 2000
	6.00	MSCI Emerging Market (Net)
	5.00	Alerian MLP Index
	3.00	Dow USA Real Estate
	2.00	Citigroup Treasury Bill-3 Month
1/1/2019 to 2/28/2019	36.00	Barclays Capital Int Govt/Credit
	14.50	S&P 500
	12.50	MSCI EAFE (Net)
	8.50	MSCI Emerging Market (Net)
	8.00	Barclays Capital High Yield Very Liquid
	5.50	S&P 400 Mid Cap
	5.50	Russell 2000
	5.25	Alerian MLP Index
	3.25	Dow USA Real Estate
	1.00	Citigroup Treasury Bill-3 Month
3/1/2019 to 5/31/2019	35.00	Barclays Capital Int Govt/Credit
	15.00	S&P 500

	10.00	MSCI EAFE (Net)
	9.00	S&P 400 Mid Cap
	8.00	Barclays Capital High Yield Very Liquid
	7.00	Russell 2000
	6.00	MSCI Emerging Market (Net)
	5.00	Alerian MLP Index
	3.00	Dow USA Real Estate
	2.00	Citigroup Treasury Bill-3 Month
6/1/2019 to 10/31/2019	35.00	Barclays Capital Int Govt/Credit
	15.00	S&P 500
	10.00	MSCI EAFE (Net)
	9.00	S&P 400 Mid Cap
	8.00	BofAML US High Yield Constrained
	7.00	Russell 2000
	6.00	MSCI Emerging Market (Net)
	5.00	Alerian MLP Index
	3.00	Dow USA Real Estate
	2.00	Citigroup Treasury Bill-3 Month
11/1/2019 to Present	27.10	Barclays Capital Int Govt/Credit
	24.00	Citigroup Treasury Bill-3 Month
	11.70	S&P 500
	8.10	MSCI EAFE (Net)
	6.90	S&P 400 Mid Cap
	6.20	BofAML US High Yield Constrained
	5.40	Russell 2000
	4.70	MSCI Emerging Market (Net)
	3.40	Alerian MLP Index
	2.50	Dow USA Real Estate

Definitions

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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Disclosures

ASSET CLASS SUITABILITY: Stocks offer long-term growth potential but may fluctuate more and provide less current income than other investments. The prices of small companies are typically more volatile than the stocks of larger companies. Investing in foreign securities presents certain risks not associated with domestic investments such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. There are special risks associated with an investment in real estate, including credit risk, interest rate fluctuations and the impact of varied economic conditions.

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. Therefore 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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