

# Town of Branford Police Pension Plan

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SYNERGIES

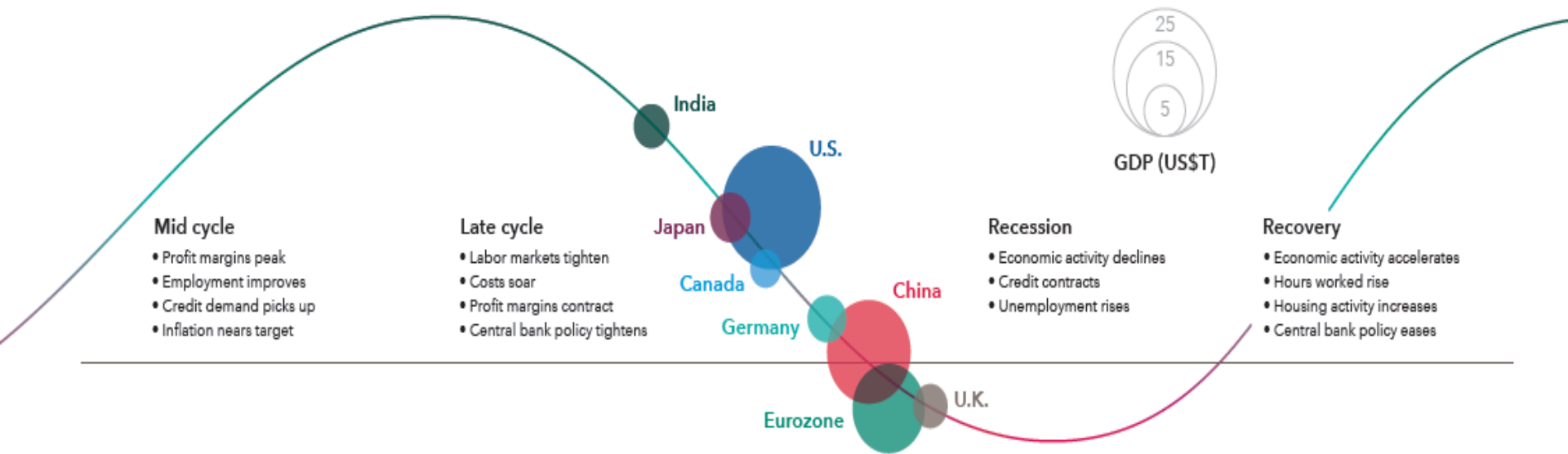
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## 4Q22 Performance Review

This presentation has been prepared specifically for the Town of Branford for use at a meeting February 27, 2023.

# Recessions are inevitable, but the pain won't last forever

Most of the world's major economies are in or near recession



Source: Capital Group Outlook 2023 Edition.

Capital Group, FactSet. GDP data are in USD and are the latest available through 9/30/22. Country positions within the business cycle are forward-looking estimates by Capital Group economists as of November 2022.

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# Performance Summary

Index Performance as of: 12/31/2022

	<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>
<b>Russell</b>							<b>Other U.S. Equity</b>						
<b>3000 Value</b>	12.18	-7.98	-7.98	5.88	6.50	10.16	<b>Dow Jones Industrial Avg.</b>	16.01	-6.86	-6.86	7.32	8.38	12.30
<b>3000</b>	7.18	-19.21	-19.21	7.07	8.79	12.13	<b>Wilshire 5000 (Full Cap)</b>	6.72	-20.15	-20.15	6.70	8.42	11.87
<b>3000 Growth</b>	2.31	-28.97	-28.97	7.32	10.45	13.75	<b>International Equity - Broad Market</b>						
<b>1000 Value</b>	12.42	-7.54	-7.54	5.96	6.67	10.29	<b>MSCI EAFE</b>	17.34	-14.45	-14.45	0.87	1.54	4.67
<b>1000</b>	7.24	-19.13	-19.13	7.35	9.13	12.37	<b>MSCI EM</b>	9.70	-20.09	-20.09	-2.69	-1.40	1.44
<b>1000 Growth</b>	2.20	-29.14	-29.14	7.79	10.96	14.10	<b>MSCI Frontier Markets</b>	-0.83	-26.34	-26.34	-3.65	-2.47	3.23
<b>Mid Cap Value</b>	10.45	-12.03	-12.03	5.82	5.72	10.11	<b>MSCI ACWI</b>	9.76	-18.36	-18.36	4.00	5.23	7.98
<b>Mid Cap</b>	9.18	-17.32	-17.32	5.88	7.10	10.96	<b>MSCI ACWI Ex USA</b>	14.28	-16.00	-16.00	0.07	0.88	3.80
<b>Mid Cap Growth</b>	6.90	-26.72	-26.72	3.85	7.64	11.41	<b>MSCI AC Asia Ex Japan</b>	11.35	-19.67	-19.67	-1.46	-0.64	3.57
<b>2000 Value</b>	8.42	-14.48	-14.48	4.70	4.13	8.48	<b>International Equity - Country Region</b>						
<b>2000</b>	6.23	-20.44	-20.44	3.10	4.13	9.01	<b>MSCI Brazil</b>	2.35	14.15	14.15	-8.60	-0.82	-1.75
<b>2000 Growth</b>	4.13	-26.36	-26.36	0.65	3.51	9.20	<b>MSCI BRIC</b>	8.90	-21.12	-21.12	-6.26	-2.62	1.22
<b>Standard &amp; Poors</b>							<b>MSCI China</b>	13.52	-21.93	-21.93	-7.50	-4.54	2.43
<b>S&amp;P 500</b>	7.56	-18.11	-18.11	7.66	9.42	12.56	<b>MSCI Europe</b>	19.35	-15.06	-15.06	1.35	1.87	4.58
<b>Consumer Disc</b>	-10.18	-37.03	-37.03	1.46	6.14	11.74	<b>MSCI India</b>	1.98	-7.95	-7.95	10.32	6.01	7.43
<b>Consumer Staples</b>	12.72	-0.62	-0.62	9.30	8.83	11.03	<b>MSCI Japan</b>	13.23	-16.65	-16.65	-0.99	0.23	5.55
<b>Energy</b>	22.81	65.72	65.72	19.34	9.25	5.97	<b>MSCI EM Latin America</b>	5.73	8.92	8.92	-4.79	-1.08	-2.15
<b>Financials</b>	13.61	-10.53	-10.53	5.90	6.42	12.16	<b>MSCI Russia</b>	0.00	-100.00	-100.00	-98.97	-92.98	-73.84
<b>Health Care</b>	12.80	-1.95	-1.95	11.95	12.53	15.05							
<b>Industrials</b>	19.22	-5.48	-5.48	8.33	7.36	11.94							
<b>Information Technology</b>	4.74	-28.19	-28.19	11.60	15.81	18.33							
<b>Materials</b>	15.05	-12.27	-12.27	10.47	7.45	9.80							
<b>Real Estate</b>	3.82	-26.13	-26.13	1.85	5.91	7.78							
<b>Telecom Services</b>	-1.38	-39.89	-39.89	-3.33	0.95	4.26							
<b>Utilities</b>	8.64	1.57	1.57	6.29	9.58	11.09							

Source: Morningstar

# Performance Summary

Index Performance as of: 12/31/2022

	<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>
<b>Fixed Income</b>							<b>Fixed Income-Tax Exempt</b>						
Barclays U.S. Aggregate	1.87	-13.01	-13.01	-2.71	0.02	1.06	Barclays Municipal	4.10	-8.53	-8.53	-0.77	1.25	2.13
Barclays US Aggregate 1-3 Yr	0.90	-3.72	-3.72	-0.42	0.86	0.86	Barclays Municipal 3 Yr	2.08	-3.39	-3.39	-0.04	1.05	1.06
Barclays US Aggregate 3-5 Yr	1.67	-7.84	-7.84	-1.46	0.57	1.09	Barclays Municipal 5 Yr	3.05	-5.26	-5.26	-0.29	1.23	1.53
Barclays US Aggregate 5-7 Yr	2.07	-10.78	-10.78	-2.01	0.37	1.08	Barclays Municipal 7 Yr	3.67	-5.97	-5.97	-0.27	1.48	1.96
BofAML 3-Month T-Bill	0.84	1.46	1.46	0.72	1.26	0.76	Barclays HY Muni	3.48	-13.10	-13.10	-0.59	2.63	3.49
Barclays U.S. Gov't	0.72	-12.32	-12.32	-2.57	-0.06	0.60	<b>Alternative Investments</b>						
Barclays U.S. Credit	3.44	-15.26	-15.26	-2.86	0.42	1.82	Alerian MLP	10.11	30.92	30.92	9.38	4.08	1.99
Barclays High Yield Corp.	4.17	-11.19	-11.19	0.05	2.31	4.03	Bloomberg Commodity	2.22	16.09	16.09	12.65	6.44	-1.28
Barclays TIPS	2.04	-11.85	-11.85	1.21	2.11	1.12	FTSE NAREIT Equity REIT	5.24	-24.37	-24.37	-0.11	3.68	6.53
Barclays Global Aggregate	6.81	-18.70	-18.70	-5.94	-3.07	-1.64	S&P Global Natural Res.	17.23	10.32	10.32	11.62	7.34	4.89
Barclays Gbl Agg Ex USD	4.55	-16.25	-16.25	-4.48	-1.66	-0.44	S&P N. Amer Natural Res.	18.25	34.07	34.07	14.97	7.13	4.05
JPM EMBI Global Div	7.44	-16.45	-16.45	-4.49	-1.00	1.35							

Source: Morningstar

# Market review & outlook

## 2022 Was a Difficult Year for both Stocks and Bonds



- Global markets moved higher for most of the quarter as signs emerged that inflation may have peaked. However, some of the quarter's gains were given back in December as fears of an economic slowdown and further Federal Reserve tightening weakened sentiment.
- Overall, Treasury yields saw modest changes during the quarter, outside of the short end of the curve where rates rose in line with Fed tightening. The 10-year Treasury yield peaked at 4.25% in late October, before moving lower and ending the quarter at 3.9%.
- The Bloomberg Aggregate Bond Index rose 1.9% in Q4, leaving it down 13% in 2022. The MSCI ACWI index rose 9.8%, but still ended the year 18.4% lower. For the calendar year, the simultaneous drawdown in both stocks and bonds left a traditional 60/40 portfolio down 16%.

## Outlook Remains Uncertain

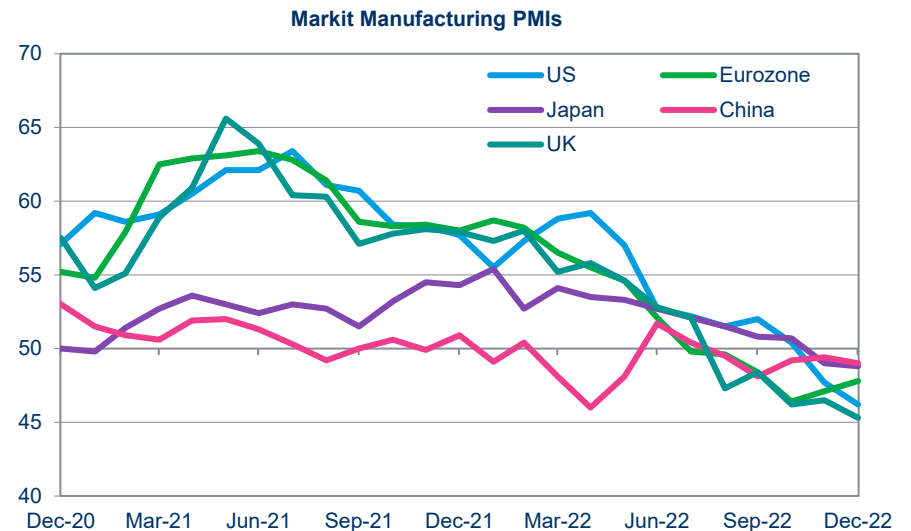


- The drawdown in stocks and bonds last year appears to be a reasonable response to the Federal Reserve's ('Fed') tightening cycle and the resulting uncertainty for economic growth. The decline in equities can be explained by the rise in interest rates putting downward pressure on valuations. The outlook for inflation and its impact on Fed policy likely will remain the key driver of markets' direction in 2023.
- Encouragingly, inflationary pressures appear to be easing. A warmer than usual winter in Europe has eased energy supply and price concerns overseas. Energy prices in the US are also off of their peak levels, which should lead the headline inflation rate lower over time. The gradual easing of supply chain issues and weaker demand could also slow core inflation. Shelter inflation is also showing signs of a potential peak. One concern for the inflation outlook is the labor market which remains strong. Another concern is that the re-opening of China's economy could drive increased demand, particularly for commodities.
- US GDP grew in the third quarter after modest declines in the first half of the year. However, the tightening of financial conditions is only just beginning to be felt. The drag likely will intensify in 2023, increasing the risk of at least a mild recession.
- A mild recession that reduces inflation could prove supportive of both stock and bond markets. The prospect of the Fed halting rate increases and a fall in longer-term interest rates could more than offset the negative impact of weak earnings for equities in a mild recession. The biggest downside risk we see for balanced portfolios is if inflation remains sticky even as the economy slows. This could require a more forceful Fed response and a deeper recession. This likely would result in continued weakness in stocks and bonds.

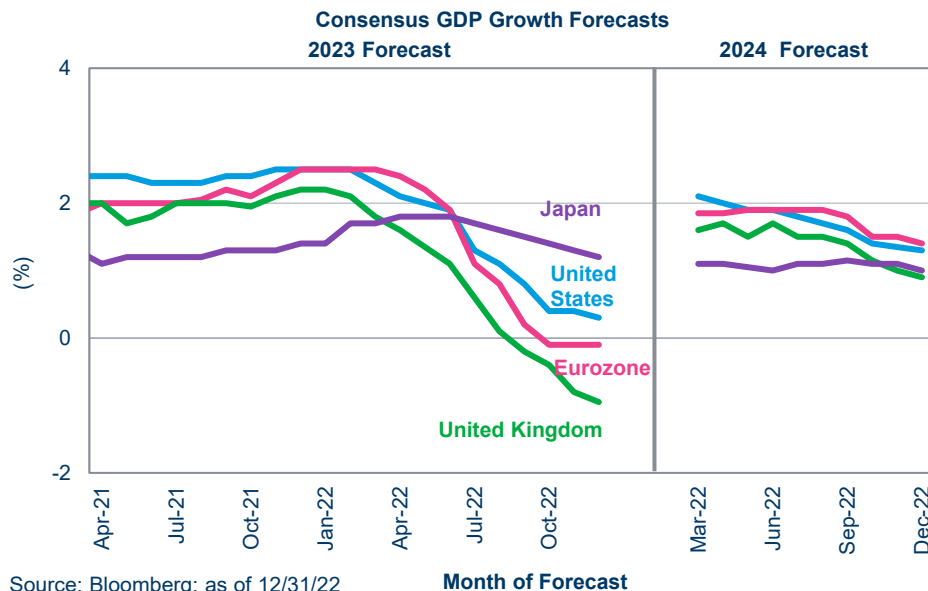
# Economic fundamentals

## Growth outlook deteriorating amid tightening financial conditions

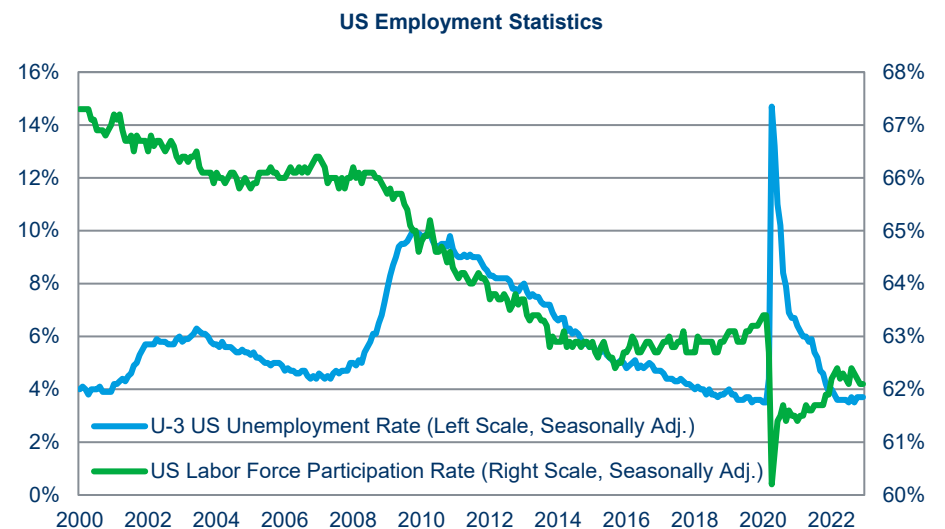
- The growth outlook continues to weaken as inflation drives most developed market central banks to maintain their hawkish stances. Consensus growth forecasts for 2023 continue to move lower for most regions.
- Manufacturing PMIs are at contractionary levels for most major regions amid a weakening demand outlook. The re-opening of China's economy could put upward pressure on demand in 2023.
- The US labor market remains tight, with the unemployment rate (U-3)<sup>1</sup> ending the year at 3.5%. However, wage growth has recently shown signs of moderation. The labor force participation rate remains roughly one percentage point below its pre-Covid level.



Source: Bloomberg; as of 12/31/22



Source: Bloomberg; as of 12/31/22



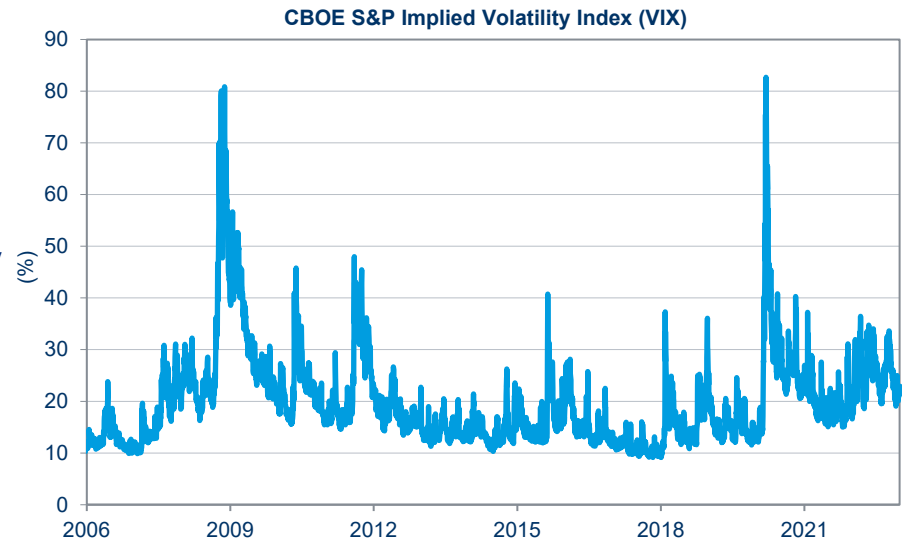
Source: Bureau of Labor Statistics; as of 12/31/22

<sup>1</sup> The U-3 unemployment rate represents the percentage of the civilian labor force that is jobless and actively seeking employment.

# Risk factors

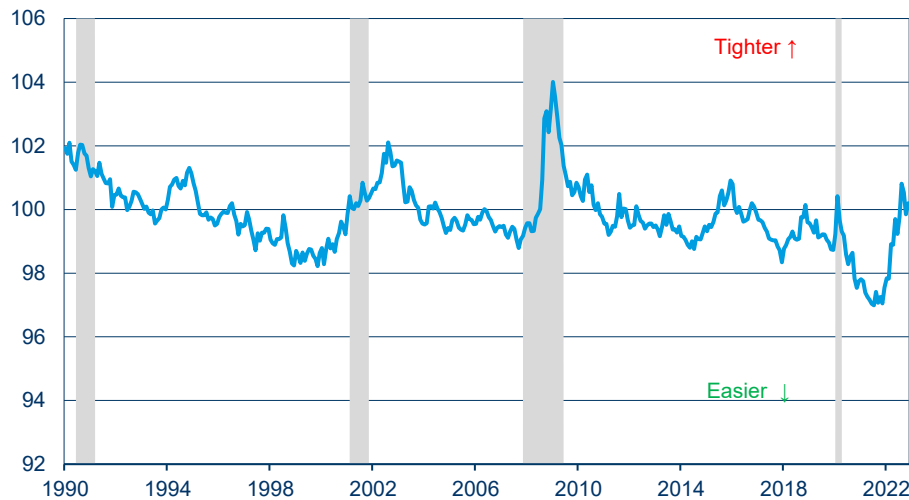
## US inflation slows, but remains elevated

- US inflation moved lower during the quarter, but remains elevated. The recent downtrend is encouraging, but more sustained evidence is likely needed for the Federal Reserve to consider ending its tightening cycle.
- The VIX Volatility Index fell from 31 to 22 during the quarter. The index initially moved lower at a fairly steady pace before leveling out for most of December<sup>1</sup>.
- Financial conditions were mostly unchanged during the quarter, with the Goldman Sachs US Financial Conditions Index easing slightly.
- The Russia - Ukraine conflict continues to cause geopolitical uncertainty and fears of potential escalation.



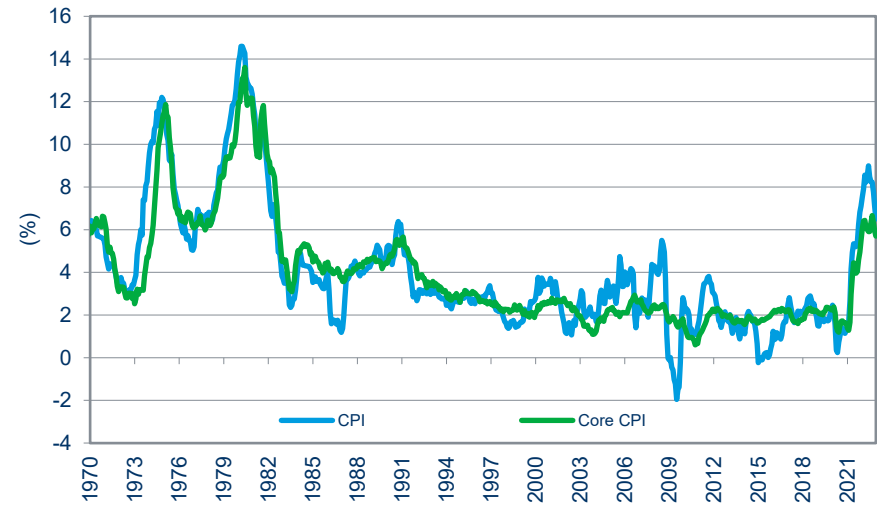
Source: Bloomberg; as of 12/31/22

Goldman Sachs US Financial Conditions Index



Source: Bloomberg; as of 12/31/22

Inflation Rolling 12-months



Source: Bloomberg; through 12/31/22

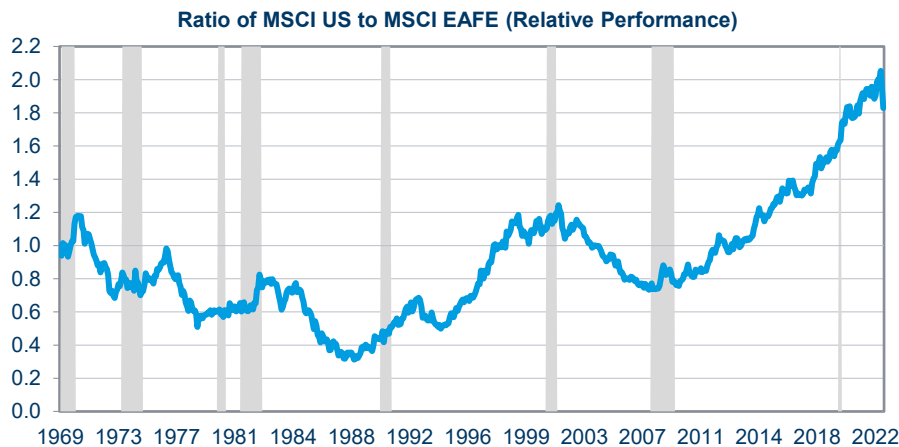
<sup>1</sup> Source: Bloomberg; as of 12/31/22



# Regional equity returns

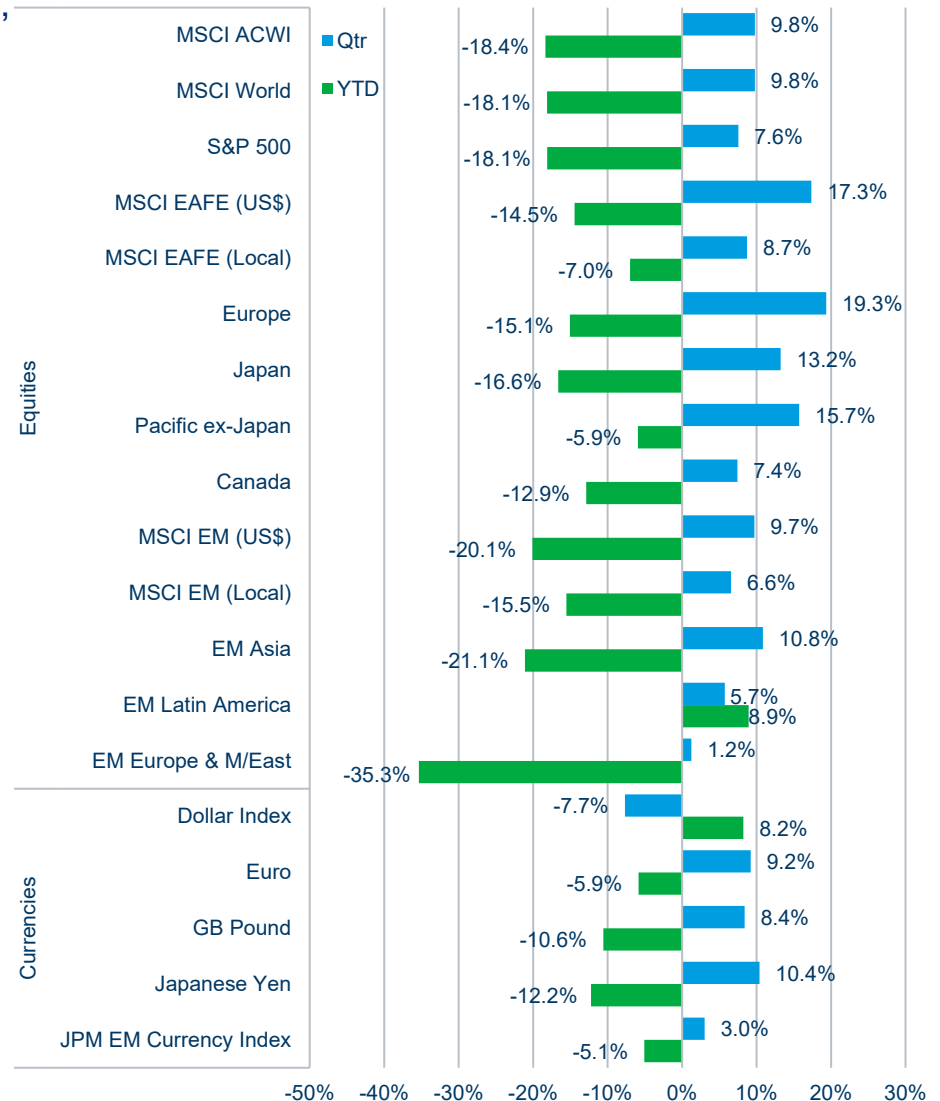
## Global equities rebounded, but posted significant declines for 2022

- We will not shed a tear that 2022 is now in the rearview mirror. Although global equities posted gains during Q4, with the MSCI ACWI index rising 9.8%, the index finished 2022 down 18.4%.
- The S&P 500 gained 7.6% during the quarter, and finished the year down 18.1%.
- International developed stocks gained 17.3% in Q4, ending the year with a 14.5% decline. Despite the strength of the dollar in 2022, international developed stocks outperformed US stocks.
- Emerging market equities rose 9.7% in Q4, finishing 2022 with a 20.1% decline. Asian emerging markets were the best performing EM region during the quarter largely due to China's support for the property sector, monetary easing and a reduction in Covid restrictions.



Source: Datastream; as of 12/31/22

Global Performance



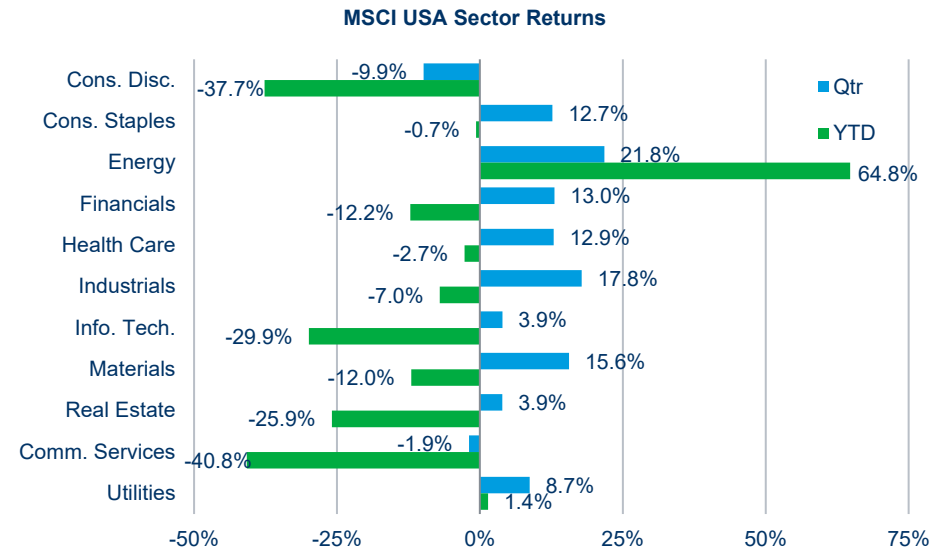
Source: Bloomberg, Datastream; as of 12/31/22

Past performance is no guarantee of future results

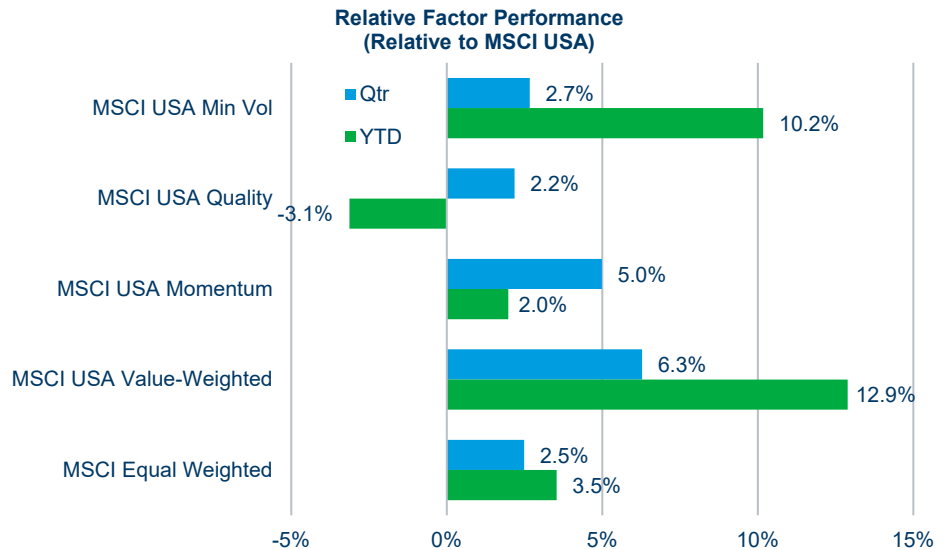
# US equity factor and sector returns

## Value stocks outperformed in 2022

- Small-caps modestly underperformed large-caps during Q4 and for the 2022 calendar year. Value stocks outperformed growth stocks by a wide margin for both the quarter and for the 2022 calendar year.
- The energy sector posted the strongest results in Q4 and finished the year up almost 65%. The consumer discretionary and communication services sectors were the only sectors to post declines during Q4 and were the worst performing sectors for 2022.

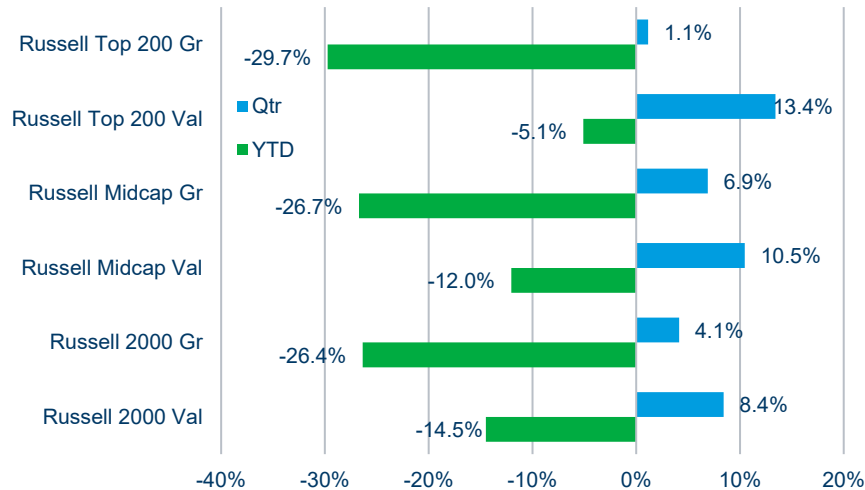


Source: Bloomberg; as of 12/31/22



Source: MSCI; as of 12/31/22

**US Style Performance**

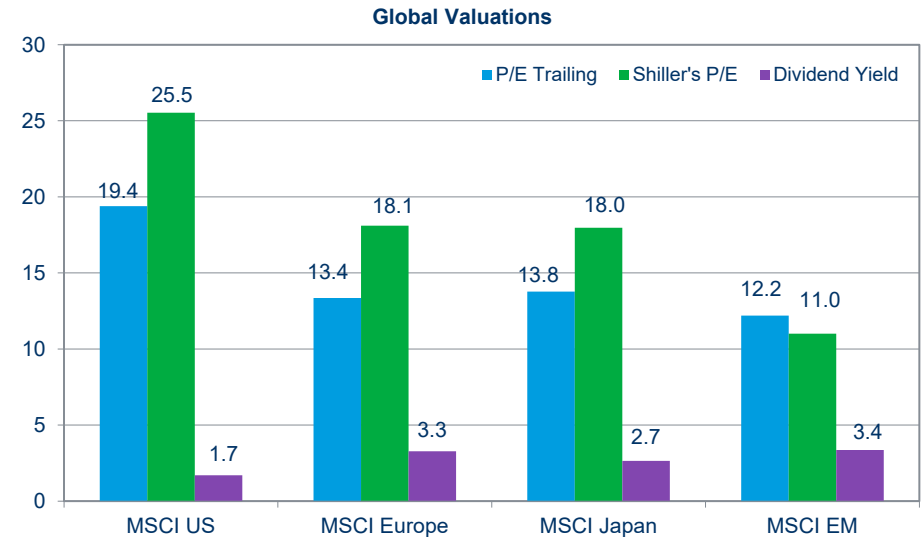


Source: Datastream; as of 12/31/22

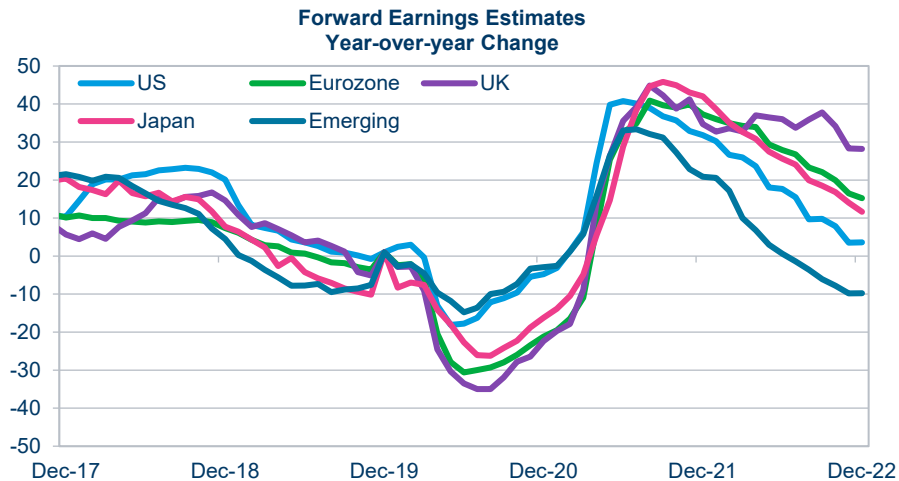
# Equity fundamentals

## Valuations worsened amid equity rebound

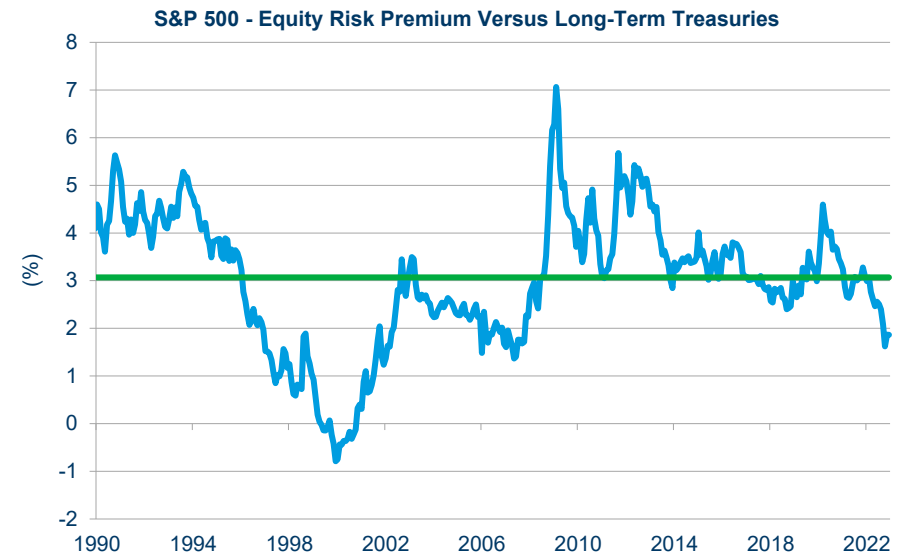
- Valuations multiples increased during the quarter due to the general increase in equity prices. The trailing P/E ratio on the MSCI US Index rose from 18.3 to 19.4<sup>1</sup>. We estimate that the equity risk premium over long-term Treasuries fell from 2.1% to 1.9%<sup>2</sup>, mostly due to rising valuations.
- International developed stocks remain more reasonably valued than US stocks. Energy prices have moderated in Europe due to a relatively warm winter, which should help to mitigate inflation concerns.
- Emerging market valuations remain more attractive than developed markets. The re-opening of China's economy should drive an increase in activity. Chinese officials also announced additional support for the property sector and new monetary easing policies during Q4.



Source: Bloomberg, Datastream, Mercer; as of 12/31/22



Source: Datastream; as of 12/31/22



Source: Bloomberg, Datastream, Mercer; as of 12/31/22

<sup>1</sup> Source: Refinitiv; as of 12/31/22

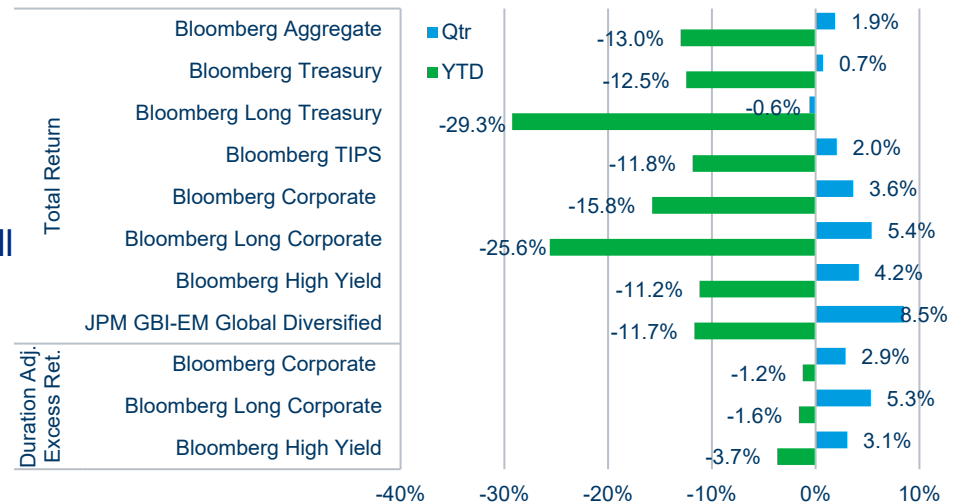
<sup>2</sup> Source: MSCI, Refinitiv, Mercer; as of 12/31/22

# Interest rates and fixed income

## Stable rates and declining spreads produced gains for most fixed income assets

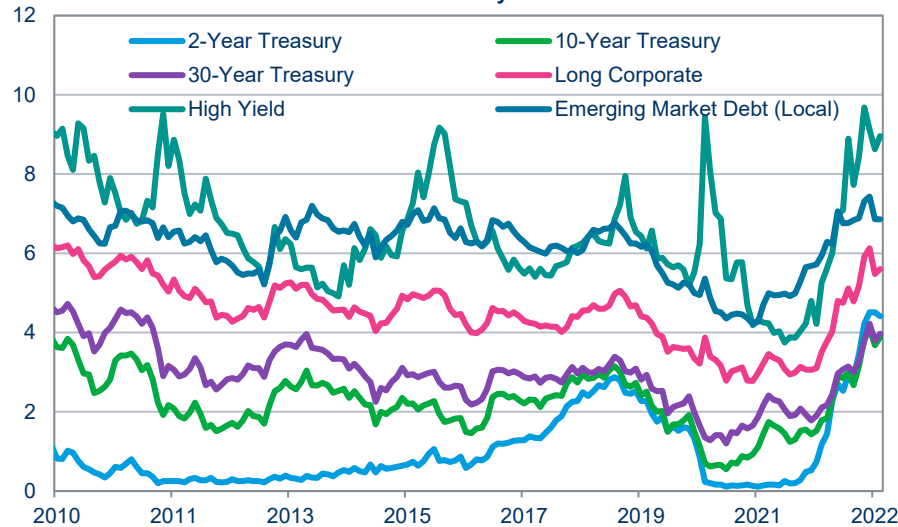
- The Bloomberg Aggregate gained 1.9% during the quarter. Treasuries gained 0.7%, lagging corporate bonds which gained 3.6%. The yield curve shifted higher at the short end of the curve, but otherwise saw modest changes during the quarter. The 3-month yield rose 109 bps, while the 30-year yield rose 18 bps<sup>1</sup>.
- Credit spreads on investment-grade corporate bonds fell 29 bps during the quarter to 1.3%, which is roughly 17 bps above the long-term median level<sup>2</sup>.
- High yield bonds gained 4.2% during the quarter, as credit spreads fell 84 bps to 4.7%. High yield spreads are 7 bps above the long-term median level of 4.6%<sup>2</sup>. Local currency EMD gained 8.5% during Q4.

Fixed Income Performance



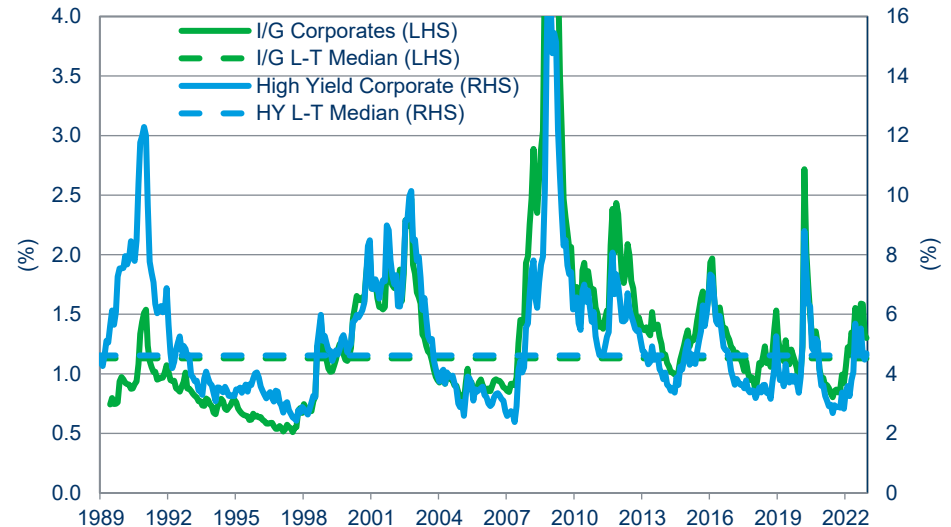
Source: Bloomberg, Datastream; as of 12/31/22

Yield History



Source: Bloomberg, Federal Reserve; as of 12/31/22

Credit Spread to Treasuries



Source: Bloomberg; as of 12/31/22

<sup>1</sup> Source: Federal Reserve; as of 12/31/22

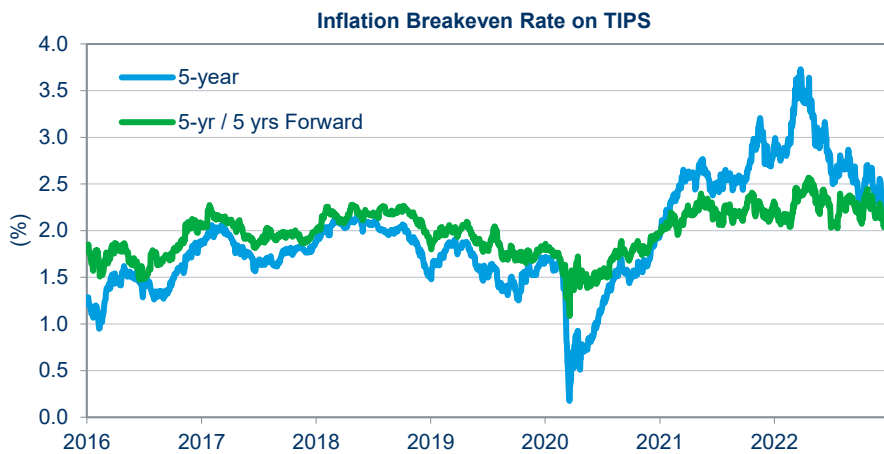
<sup>2</sup> Source: Bloomberg, Mercer; as of 12/31/22

Past performance is no guarantee of future results

# Monetary policy

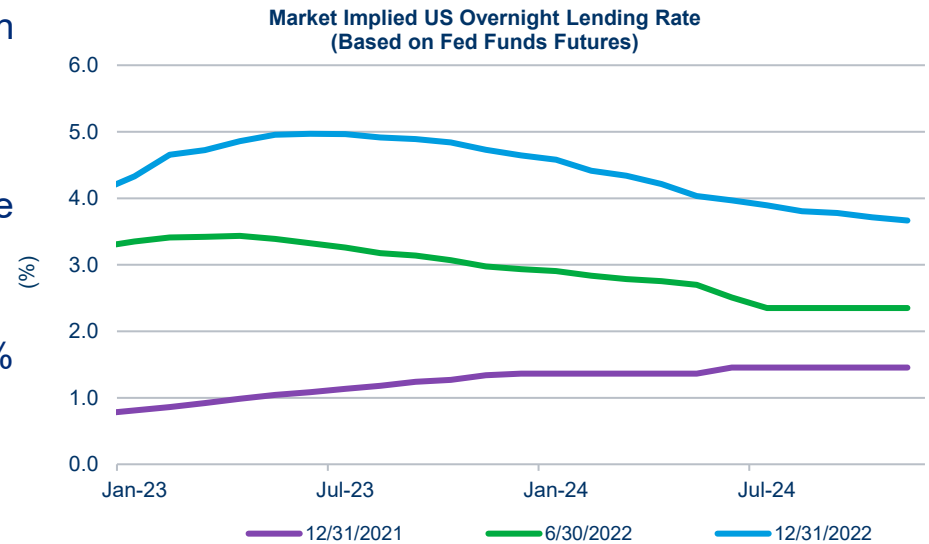
## Most central banks remain hawkish

- In December, the Federal Reserve raised rates by 50 bps following 4 consecutive 75 bp increases (in addition to 25 and 50 basis point moves implemented earlier in the year). This brought its policy rate to 4.25% - 4.5%. The Fed's December dot plot suggests another 75 bps of tightening in 2023, while the market is pricing in more modest tightening.
- US inflation breakeven rates rose during the quarter, with 10-year inflation breakeven rates rising from 2.15% to 2.3%, slightly below the Fed's target of 2% PCE (roughly 2.5% CPI)<sup>1</sup>.
- Overseas, most other central banks also raised rates, including the ECB and BOE. The notable exception was China, where easing measures were announced. The BOJ kept rate targets unchanged, but surprised markets by widening the band around its yield target.

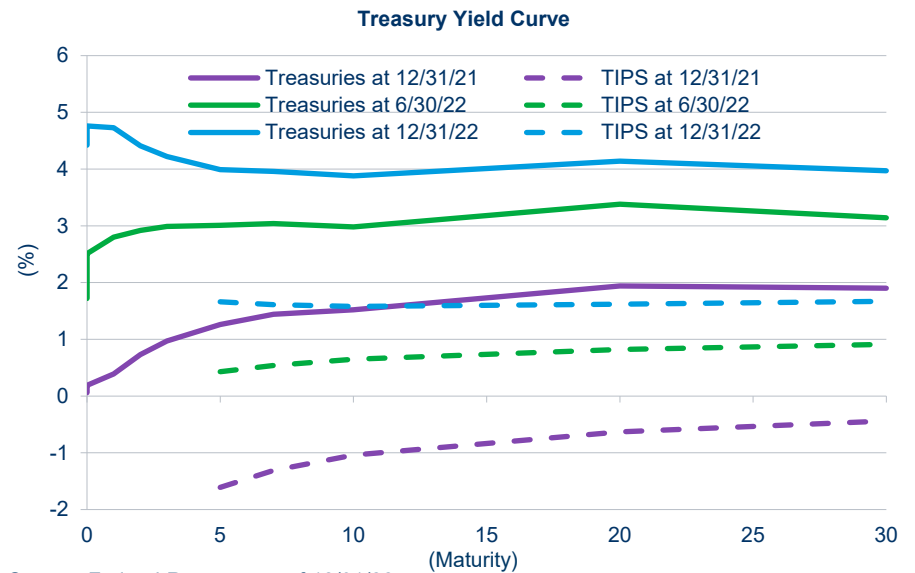


Source: Bloomberg, Mercer through 12/31/21

<sup>1</sup> Source: St. Louis Fed; as of 12/31/22



Source: Bloomberg; as of 12/31/22



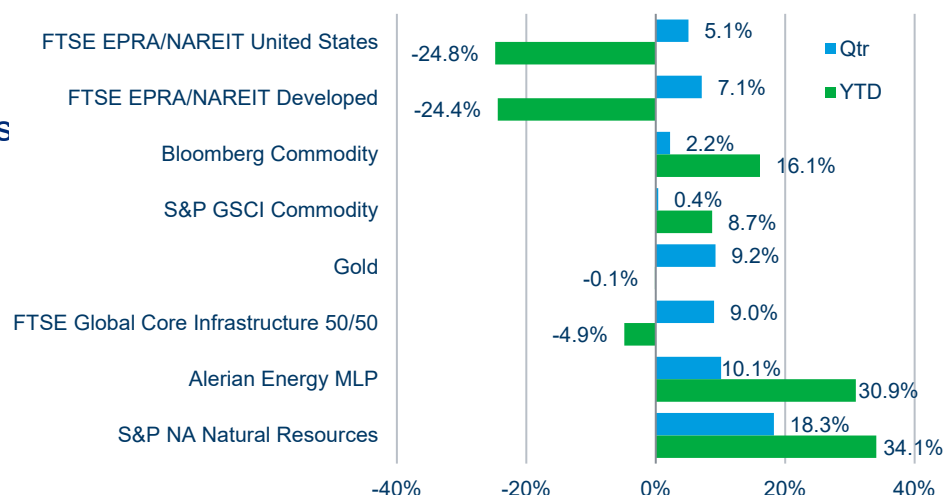
Source: Federal Reserve; as of 12/31/22

# Alternative investment performance

## Natural resources and MLPs outperformed, hedge funds delivered gains

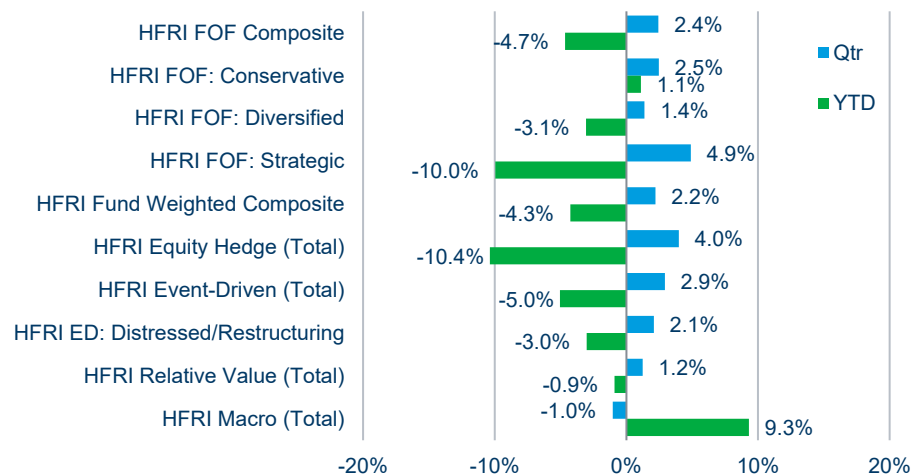
- Global REITs gained roughly 7% during Q4, lagging broader equity markets. Infrastructure stocks gained 9% during the quarter, in line with broader equity markets.
- Commodities posted modest gains during the quarter as economic activity slowed, but returns remained positive for 2022. Natural Resource stocks and MLPs delivered strong gains for the quarter and the calendar year.
- The HFRI FOF Composite Index gained 2.4% in Q4, leaving it with a 4.7% decline for 2022<sup>1</sup>. Macro strategies outperformed in 2022, while equity hedge strategies lagged.
- Global private equity outperformed global developed stocks over the most recent trailing periods<sup>2</sup>.

Real Asset Performance



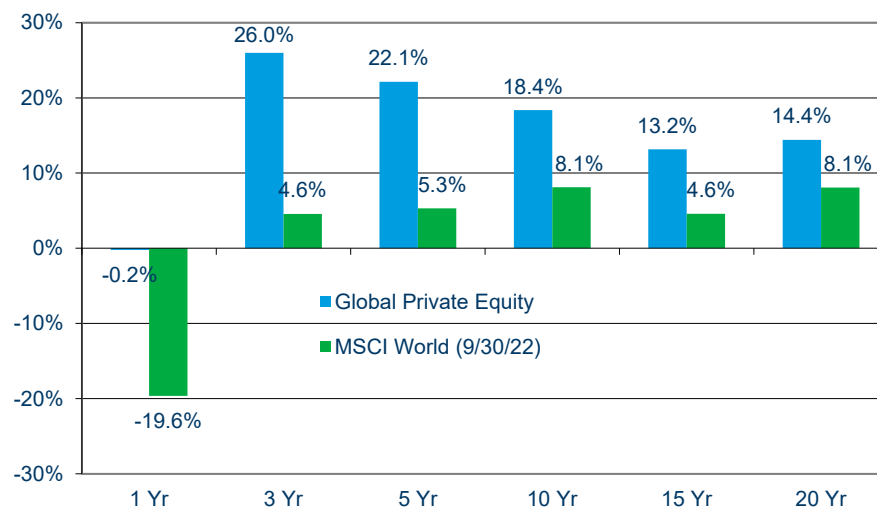
Source: Bloomberg, Datastream; as of 12/31/22

Hedge Fund Performance



Source: Hedge Fund Research; as of 12/31/22

Global Private Equity vs. Global Public Equities



Source: Burgiss, Bloomberg; as of 9/30/22

<sup>1</sup> Source: Hedge Fund Research; as of 12/31/22

<sup>2</sup> Source: Burgiss, Bloomberg; as of 9/30/22

Past performance is no guarantee of future results

# Valuations and yields

Ending December 31, 2022

## Valuations

<b>MSCI USA</b>	<b>12/31/2022</b>	<b>9/30/2022</b>	<b>6/30/2022</b>	<b>3/31/2022</b>
Index Level	16879.3	15757.5	16534.2	19866.9
P/E Ratio (Trailing)	19.4	18.3	18.9	23.1
CAPE Ratio	25.5	24.7	26.6	33.0
Dividend Yield	1.7	1.8	1.7	1.4
P/B	3.9	3.6	3.8	4.7
P/CF	13.0	12.6	14.1	18.5
<b>MSCI EAFE</b>	<b>12/31/2022</b>	<b>9/30/2022</b>	<b>6/30/2022</b>	<b>3/31/2022</b>
Index Level	6583.4	5610.4	6189.6	7240.4
P/E Ratio (Trailing)	13.7	13.0	13.9	15.5
CAPE Ratio	14.7	14.0	15.6	17.0
Dividend Yield	3.3	3.6	3.4	2.9
P/B	1.6	1.5	1.6	1.8
P/CF	7.3	5.5	6.4	7.9
<b>MSCI EM</b>	<b>12/31/2022</b>	<b>9/30/2022</b>	<b>6/30/2022</b>	<b>3/31/2022</b>
Index Level	486.1	443.1	501.1	565.8
P/E Ratio (Trailing)	12.2	11.5	12.5	14.0
CAPE Ratio	11.0	10.1	11.6	13.7
Dividend Yield	3.4	3.6	3.1	2.5
P/B	1.6	1.5	1.7	1.8
P/CF	8.2	6.7	7.6	8.5

Source: Bloomberg, Thomson Reuters Datastream  
Past performance is no guarantee of future results

## Yields

<b>Global Bonds</b>	<b>12/31/2022</b>	<b>9/30/2022</b>	<b>6/30/2022</b>	<b>3/31/2022</b>
Germany – 10Y	2.57	2.11	1.34	0.55
France – 10Y	3.12	2.72	1.92	0.98
UK – 10Y	3.67	4.09	2.23	1.61
Switzerland – 10Y	1.62	1.23	1.07	0.60
Italy – 10Y	4.72	4.52	3.26	2.04
Spain – 10Y	3.66	3.29	2.42	1.44
Japan – 10Y	0.42	0.24	0.23	0.22
Euro Corporate	4.32	4.24	3.24	1.55
Euro High Yield	8.32	9.01	8.08	5.18
EMD (\$)	8.55	9.57	8.56	6.42
EMD (LCL)	6.86	7.31	7.06	6.23
<b>US Bonds</b>	<b>12/31/2022</b>	<b>9/30/2022</b>	<b>6/30/2022</b>	<b>3/31/2022</b>
3-Month T-Bill	4.42	3.33	1.72	0.52
10Y Treasury	3.88	3.83	2.98	2.32
30Y Treasury	3.97	3.79	3.14	2.44
10Y TIPS	1.58	1.68	0.65	-0.52
30Y TIPS	1.67	1.74	0.91	-0.03
US Aggregate	4.68	4.75	3.72	2.92
US Treasury	4.18	4.13	3.09	2.42
US Corporate	5.42	5.69	4.70	3.60
US Corporate High Yield	8.96	9.68	8.89	6.01

Source: Bloomberg, Thomson Reuters Datastream

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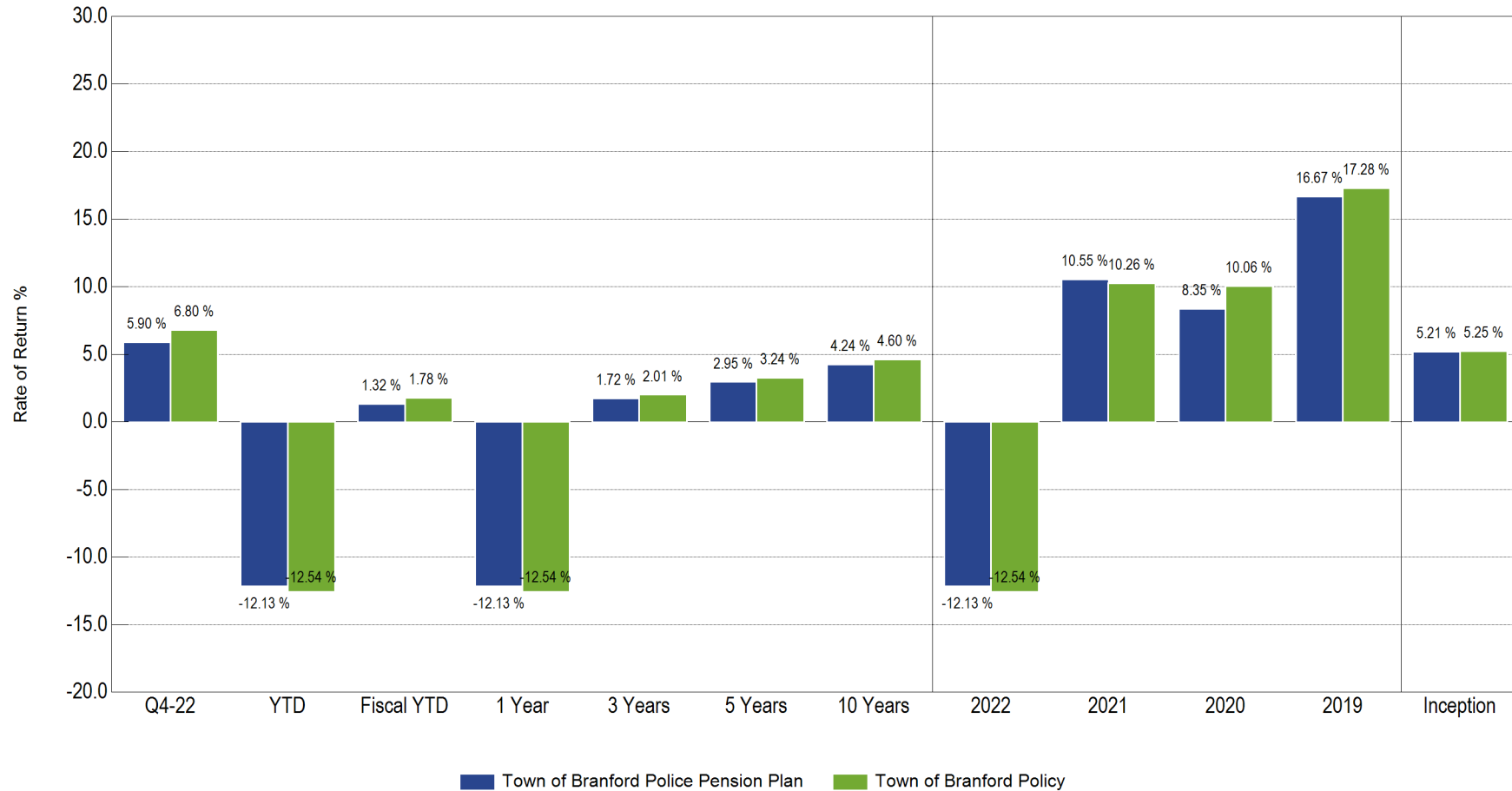
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CAR20230119MESRLV4Q22



Return Summary



For the purposes of investment comparison, the Town of Branford 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 29.

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 15.

## Town of Branford Police Pension Plan Investment Performance Analysis

Composite Performance (Gross)

As of December 31, 2022

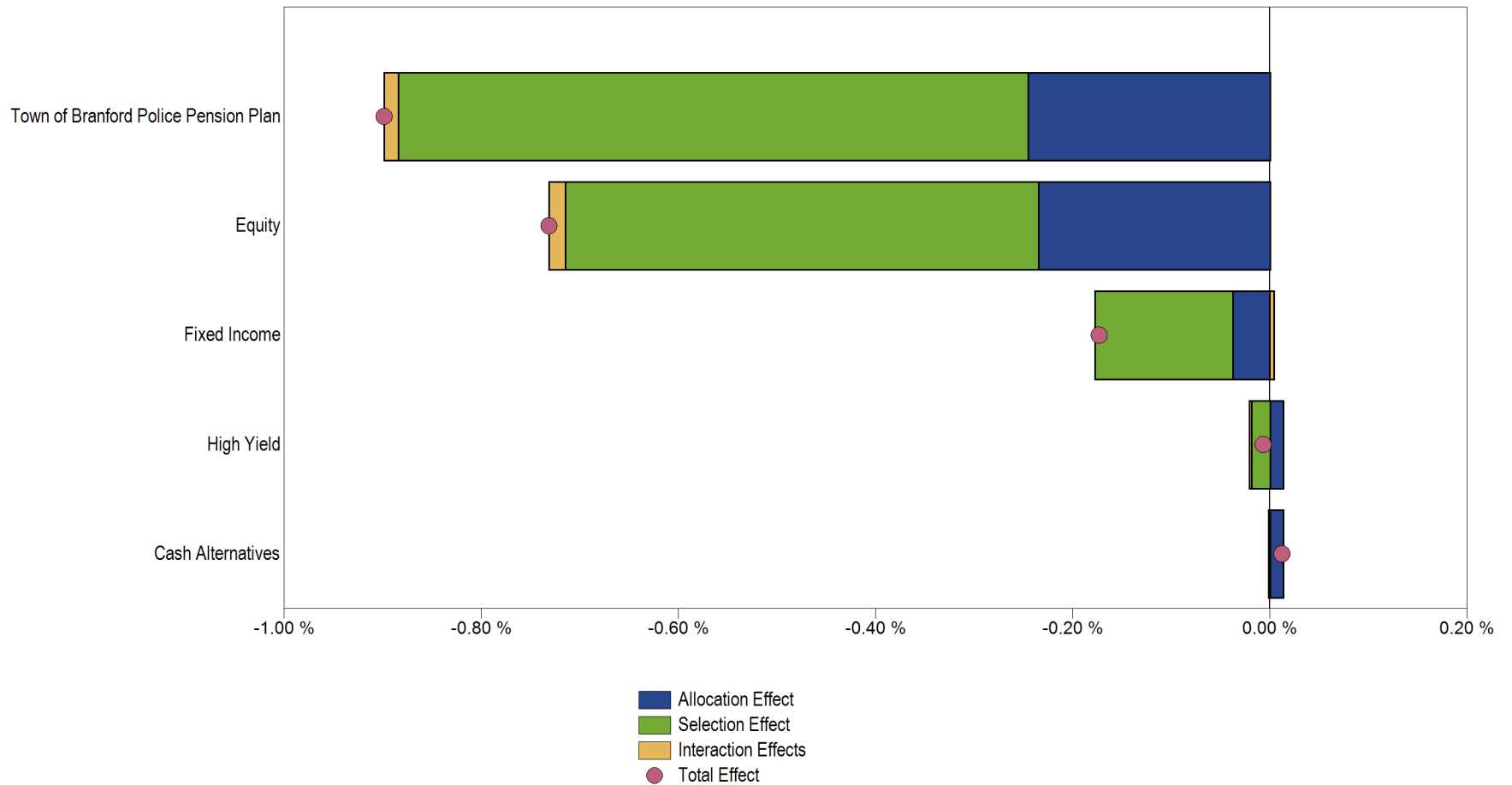
	Market Value (\$)	% of Portfolio	Ending December 31, 2022								Inception (%)	Inception Date
			3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)			
<b>Town of Branford Police Pension Plan</b>	<b>26,810,094</b>	<b>100.00</b>	<b>5.90</b>	<b>-12.13</b>	<b>1.32</b>	<b>-12.13</b>	<b>1.72</b>	<b>2.95</b>	<b>4.24</b>	<b>5.21</b>	<b>Apr-03</b>	
<i>Town of Branford Policy</i>			6.80	-12.54	1.78	-12.54	2.01	3.24	4.60	5.25	Apr-03	
Equity	14,660,503	54.68	9.60	-13.67	3.44	-13.67	4.21	4.69	7.10	7.35	Apr-03	
<i>Equity Custom Benchmark</i>			10.54	-13.46	4.40	-13.46	4.57	4.91	7.42	8.00	Apr-03	
Fixed Income	9,378,581	34.98	1.50	-11.78	-2.97	-11.78	-2.23	0.25	1.04	3.19	Jun-03	
<i>Bloomberg US Aggregate TR</i>			1.87	-13.01	-2.97	-13.01	-2.71	0.02	1.06	2.98	Jun-03	
High Yield	2,038,635	7.60	3.75	-7.71	3.71	-7.71	0.72	2.58	3.19	4.39	Dec-09	
<i>Police High Yield Bond Blended Benchmark</i>			3.98	-11.21	3.28	-11.21	-0.26	2.10	3.93	5.87	Dec-09	
Cash Alternatives	732,375	2.73	0.86	1.13	1.10	1.13	0.58	1.15	0.77	1.06	Dec-06	
<i>FTSE T-Bill 3 Months TR</i>			0.87	1.50	1.33	1.50	0.71	1.25	0.74	0.92	Dec-06	

### Composite Performance (Net)

	Market Value (\$)	% of Portfolio	Ending December 31, 2022								Inception (%)	Inception Date
			3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)			
<b>Town of Branford Police Pension Plan</b>	<b>26,810,094</b>	<b>100.00</b>	<b>5.82</b>	<b>-12.36</b>	<b>1.16</b>	<b>-12.36</b>	<b>1.49</b>	<b>2.68</b>	<b>3.87</b>	<b>4.91</b>	<b>Apr-03</b>	
<i>Town of Branford Policy</i>			6.80	-12.54	1.78	-12.54	2.01	3.24	4.60	5.25	Apr-03	

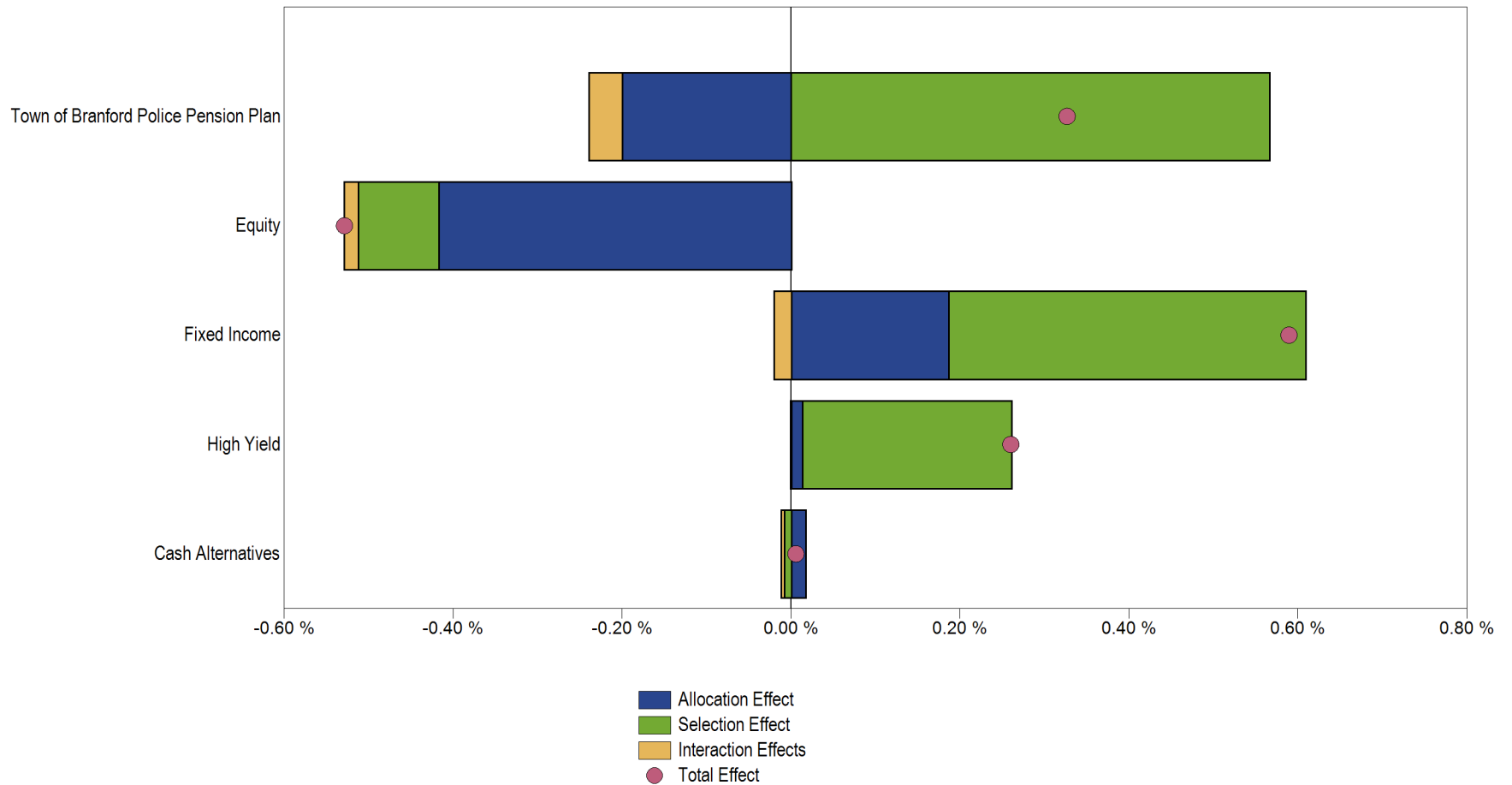
Effective September 4, 2015, ELEMENTS Rogers International Commodity Total Return was replaced with Alerian MLP. Effective December 18, 2015, the assets of the Town of Branford Police Pension plan and the Town of Branford Fire Pension plan have been separated.

**Attribution Effects**  
**3 Months Ending December 31, 2022**



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

Attribution Effects  
 1 Year Ending December 31, 2022



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 December 31, 2022

**Performance Attribution**  
**Quarter Ending December 31, 2022**

	Last 3 Mo.	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022
Wtd. Actual Return	5.86%	-12.15%	2.71%	-12.15%	1.55%	2.90%	4.24%	-12.15%
Wtd. Index Return *	6.76%	-12.47%	3.10%	-12.47%	2.00%	3.23%	4.60%	-12.47%
<b>Excess Return</b>	<b>-0.90%</b>	<b>0.33%</b>	<b>-0.39%</b>	<b>0.33%</b>	<b>-0.45%</b>	<b>-0.33%</b>	<b>-0.35%</b>	<b>0.33%</b>
Selection Effect	-0.64%	0.57%	0.01%	0.57%	0.04%	0.00%	-0.23%	0.57%
Allocation Effect	-0.25%	-0.20%	-0.43%	-0.20%	-0.52%	-0.33%	-0.12%	-0.20%
Interaction Effect	-0.01%	-0.04%	0.03%	-0.04%	0.04%	0.00%	0.00%	-0.04%

\*Calculated from benchmark returns and weightings of each component.

**Attribution Summary**  
**3 Months Ending December 31, 2022**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	9.60%	10.54%	-0.94%	-0.48%	-0.11%	-0.02%	-0.60%
Fixed Income	1.50%	1.87%	-0.38%	-0.14%	-0.02%	0.00%	-0.16%
High Yield	3.75%	3.98%	-0.23%	-0.02%	-0.01%	0.00%	-0.03%
Cash Alternatives	0.86%	0.87%	-0.01%	0.00%	-0.14%	0.00%	-0.14%
<b>Total</b>	<b>5.86%</b>	<b>6.76%</b>	<b>-0.90%</b>	<b>-0.64%</b>	<b>-0.28%</b>	<b>-0.01%</b>	<b>-0.93%</b>

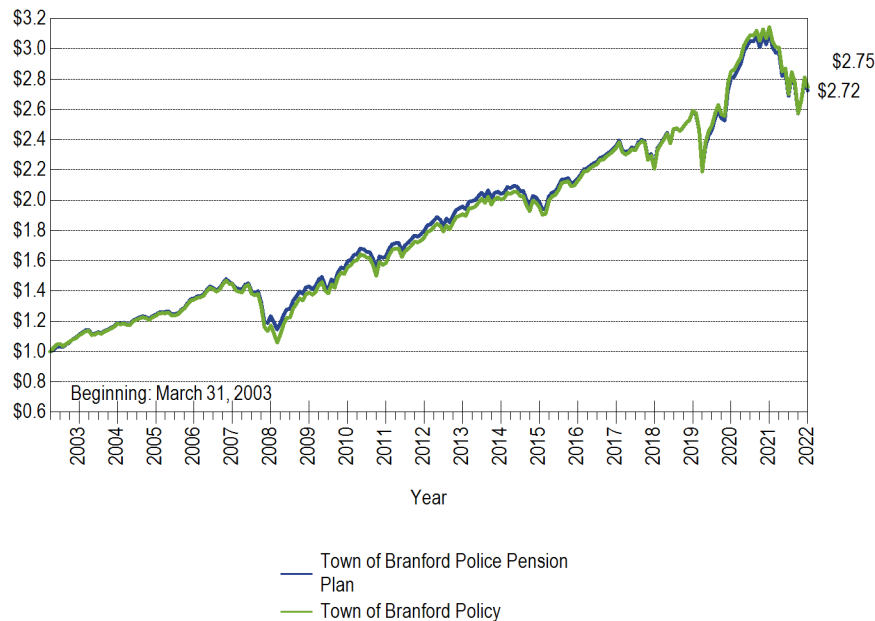
Returns are gross of advisory fees. Client returns will be reduced by advisory fees and other expenses the client may incur.

# Town of Branford Police Pension Plan Investment Performance Analysis

Total Plan Information

As of December 31, 2022

**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 Police Pension Plan	Town of Branford Policy
<b>RETURN SUMMARY STATISTICS</b>		
Number of Periods	237	237
Maximum Return	7.65	8.79
Minimum Return	-10.72	-11.29
Annualized Return	5.21	5.25
Total Return	172.44	174.87
Annualized Excess Return Over Risk Free	3.99	4.04
Annualized Excess Return	-0.05	0.00
<b>RISK SUMMARY STATISTICS</b>		
Beta	0.92	1.00
Upside Deviation	4.69	5.18
Downside Deviation	6.92	7.52
<b>RISK/RETURN SUMMARY STATISTICS</b>		
Annualized Standard Deviation	7.97	8.57
Alpha	0.03	0.00
Sharpe Ratio	0.50	0.47
Excess Return Over Market / Risk	-0.01	0.00
Tracking Error	1.23	0.00
Information Ratio	-0.04	--
<b>CORRELATION STATISTICS</b>		
R-Squared	0.98	1.00
Correlation	0.99	1.00

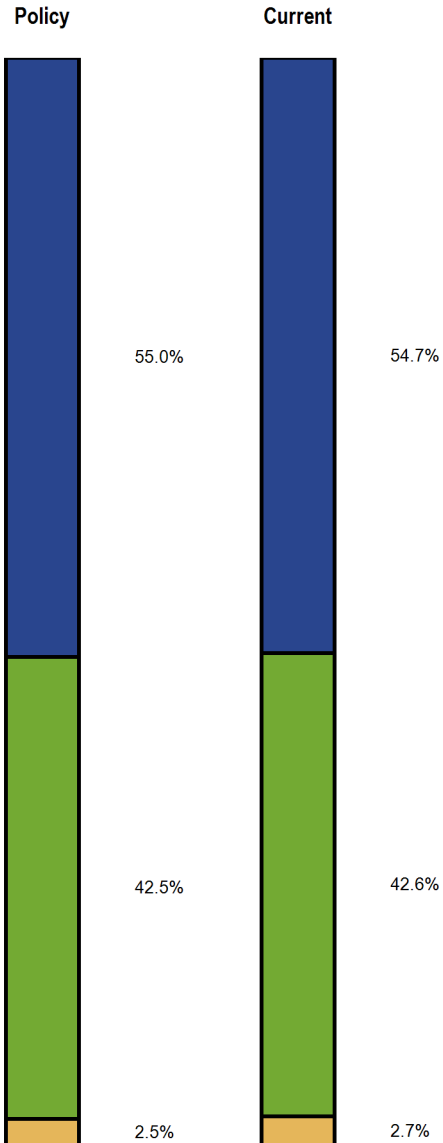
## Summary of Cash Flows

	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years	Five Years	Ten Years	Inception 4/1/03
Beginning Market Value	\$25,818,171	\$30,766,441	\$26,184,750	\$30,766,441	\$27,287,344	\$23,631,964	\$20,391,941	\$8,311,293
Net Cash Flow	-\$525,854	-\$221,762	\$328,991	-\$221,762	-\$1,857,181	-\$599,137	-\$3,277,334	\$464,505
Net Investment Change	\$1,517,777	-\$3,734,585	\$296,353	-\$3,734,585	\$1,379,932	\$3,777,267	\$9,695,487	\$18,034,296
Ending Market Value	\$26,810,094	\$26,810,094	\$26,810,094	\$26,810,094	\$26,810,094	\$26,810,094	\$26,810,094	\$26,810,094

Town of Branford Police Pension Plan  
**Investment Performance Analysis**

Asset Allocation vs. Target Policy

As of December 31, 2022

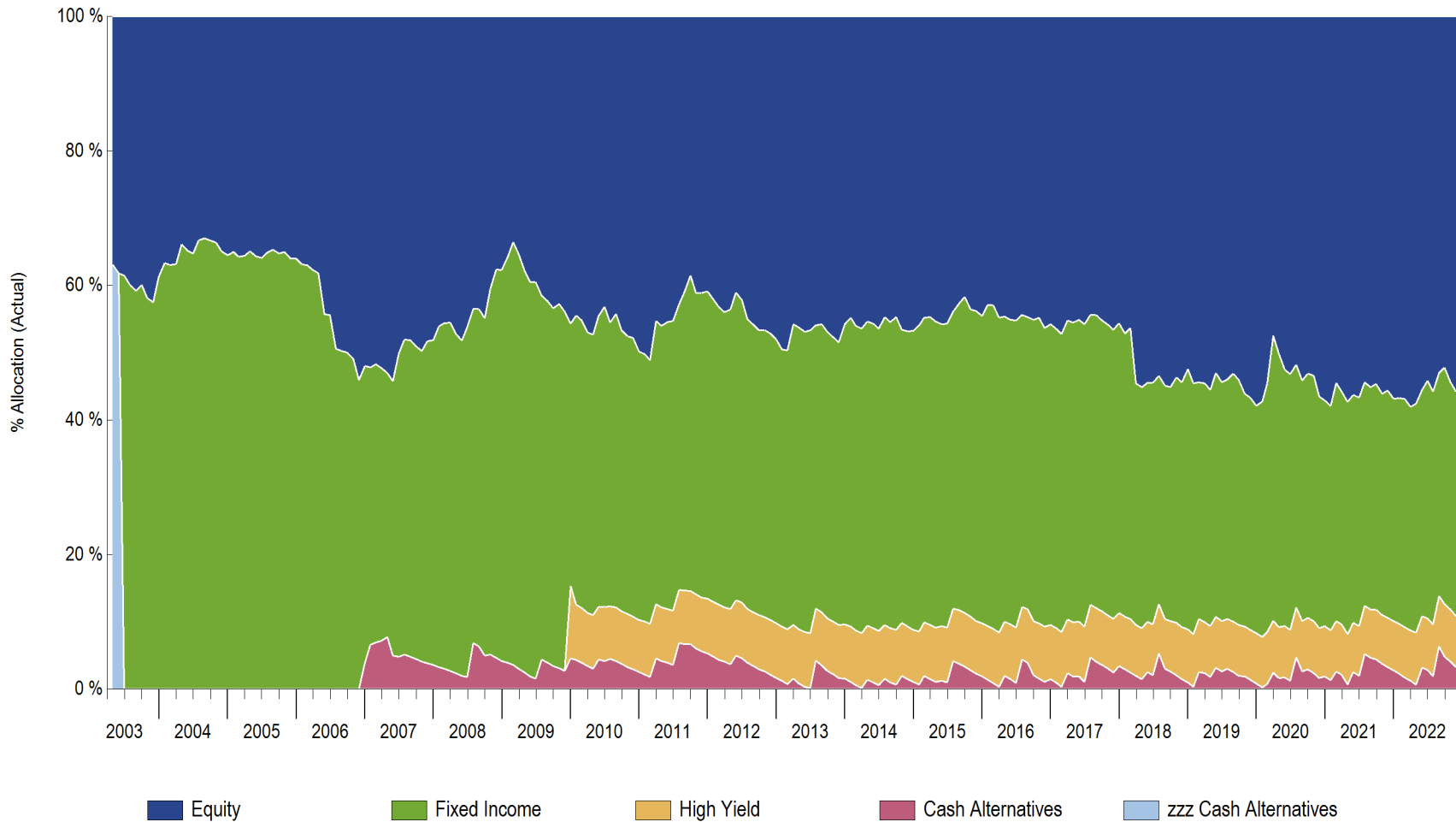


**Asset Allocation vs. Target**  
**As Of December 31, 2022**

	Policy Range	Policy	%	Current	%	Difference*	%
US Equity	30.0% - 60.0%	\$14,745,552	55.0%	\$14,660,503	54.7%	-\$85,049	-0.3%
US Fixed Income	40.0% - 65.0%	\$11,394,290	42.5%	\$11,417,216	42.6%	\$22,926	0.1%
Cash	0.0% - 10.0%	\$670,252	2.5%	\$732,375	2.7%	\$62,123	0.2%
<b>Total</b>		<b>\$26,810,094</b>	<b>100.0%</b>	<b>\$26,810,094</b>	<b>100.0%</b>		

\*Difference between Policy and Current Allocation

Asset Allocation History  
19 Years 9 Months Ending December 31, 2022





# **Investment Analysis**

*Total Plan*

As of December 31, 2022

**Manager Roster**  
As of December 31, 2022

	Account Type	Benchmark	Universe	Market Value	Allocation	Inception
Cash Alternatives	Cash	FTSE T-Bill 3 Months TR		\$732,375	2.7%	12/1/2006
Equity	Global Equity	Equity Custom Benchmark	Global Equity	\$14,660,503	54.7%	4/1/2003
Fixed Income	US Fixed Income	Bloomberg US Aggregate TR	US Intermediate Fixed Income	\$9,378,581	35.0%	6/30/2003
High Yield	US Fixed Income	Police High Yield Bond Blended Benchmark	US Below Inv Grade (High Yield) Fixed Income	\$2,038,635	7.6%	12/1/2009
<b>Total</b>		<b>Town of Branford Policy</b>		<b>\$26,810,094</b>	<b>100.0%</b>	<b>4/1/2003</b>

**Town of Branford  
Equity Positions  
As of December 31, 2022**

Holding	Market Value	% of Equity Portfolio
Cash & Cash Equivalents	\$819,167.17	5.32%
ISHARES S&P 500	\$3,802,526.37	24.70%
ISHARES S&P MIDCAP 400	\$1,439,729.28	9.35%
ISHARES Russell 2000	\$1,419,813.48	9.22%
ISHARES MSCI EAFE Index Fund	\$3,427,655.16	22.27%
ISHARES MSCI Emerging Markets	\$2,300,871.10	14.95%
ISHARES Dow Jones U.S. Real Estate	\$849,561.29	5.52%
Alerian MLP	\$1,333,554.03	8.66%
	<b>\$15,392,877.88</b>	<b>100.00%</b>

**Town of Branford  
Fixed Income Positions  
as of December 31, 2022**

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
200	MORGAN STANLEY	A-	3.125	01/23/2023	99.908	203	2.16	4.508	0.065
205	CASH & EQUIVALENTS	AAA	4.250	01/30/2023	100.000	205	2.19	4.250	0.084
0	GNMA POOL - 672864	AA+	4.500	07/15/2023	99.347	0	0.00	6.947	0.201
90	HOME DEPOT INC	A	3.750	02/15/2024	98.855	90	0.96	4.804	1.033
1	GNMA POOL - 783221	AA+	6.000	02/15/2024	99.804	1	0.01	5.967	0.348
100	JPMORGAN CHASE FINL CO LLC	A-	3.100	03/24/2024	97.014	98	1.04	5.636	1.174
55	UNITED STATES TREAS NTS	AA+	3.000	07/31/2024	97.574	54	0.58	4.601	1.504
50	TORONTO DOMINION BANK	A	4.285	09/13/2024	98.872	50	0.53	4.980	1.600
150	ENTERGY GULF STS LA LLC	A	5.590	10/01/2024	101.480	154	1.64	4.696	1.635
35	GOLDMAN SACHS GROUP INC	BBB+	5.700	11/01/2024	101.310	36	0.38	4.940	1.713
270	STATE STR CORP	A	3.776	12/03/2024	98.842	268	2.85	5.070	0.965
7	GNMA2 POOL - 004584	AA+	4.000	12/20/2024	98.680	7	0.07	5.408	0.807
35	CATERPILLAR FINL SVCS MTNS B	A	4.900	01/17/2025	100.181	35	0.38	4.807	1.913
65	BMW LEAS TR 2021-2- A4	AAA	0.430	01/25/2025	95.263	62	0.66	5.323	0.981
72	MERCK & CO INC	A+	2.750	02/10/2025	95.907	70	0.74	4.811	1.968
85	MICROSOFT CORP	AAA	2.700	02/12/2025	96.146	83	0.88	4.631	1.971
90	EXXON MOBIL CORP	AA-	2.709	03/06/2025	95.685	87	0.93	4.813	2.034
15	DEERE JOHN CAPITAL CORP	A	2.125	03/07/2025	94.689	14	0.15	4.709	2.077
90	CHARLES SCHWAB CORP	A	4.200	03/24/2025	98.908	90	0.96	4.718	2.034
65	UNITED STATES TREAS NTS	AA+	3.125	08/15/2025	97.164	64	0.68	4.276	2.450
40	GM FIN AUTO 2022-3- A3	AAA	4.010	09/20/2025	98.287	39	0.42	5.175	1.520
110	BP CAP MKTS AMER INC	A-	3.796	09/21/2025	98.274	109	1.16	4.474	2.454
95	ALLY AUTO REC 2022-02- A2	AAA	4.620	10/15/2025	99.785	95	1.01	4.864	1.078
1,560	ISHARES ICE 1-5 CRP	A-	3.152	10/31/2025	49.820	78	0.83	5.362	2.587
30	TOYOTA MTR CR CORP	A+	5.400	11/10/2025	101.552	31	0.33	4.810	2.603
25	WISCONSIN PUB SVC CORP	A-	5.350	11/10/2025	101.192	25	0.27	4.885	2.548
85	US BANCORP	A	3.950	11/17/2025	97.622	83	0.89	4.843	2.634
650	UNITED STATES TREAS NTS	AA+	4.000	12/15/2025	99.453	648	6.90	4.198	2.748
6	GNMA2 POOL - 004954	AA+	3.000	02/20/2026	97.292	6	0.06	5.177	1.187
190	APPLE INC	AA+	3.250	02/23/2026	96.139	185	1.97	4.580	2.846
30	SIERRA PAC PWR CO	A	2.600	05/01/2026	92.976	28	0.30	4.907	3.088
10	MORGAN STANLEY	A-	4.679	07/17/2026	98.286	10	0.11	5.407	2.316
15	HONDA AUTO 2022-002- A3	AAA	3.730	07/18/2026	97.910	15	0.16	4.941	1.777
90	MICROSOFT CORP	AAA	3.300	02/06/2027	96.474	88	0.94	4.245	3.646
30	FORD CR AUTO 2022-D- A3	AAA	5.270	05/15/2027	101.053	30	0.32	4.860	2.231
180	COCA COLA CO	A+	2.900	05/25/2027	94.176	170	1.81	4.368	4.037
50	BURLINGTON NORTHN SANTA FE C	A-	3.250	06/15/2027	94.694	47	0.51	4.579	4.001
330	UNITED STATES TREAS NTS	AA+	2.750	07/31/2027	94.762	316	3.37	4.011	4.178
175	NEW YORK N Y CITY TRANSITIO	AA+	3.040	08/01/2027	91.202	162	1.72	5.221	4.118
100	CHASE ISS TR 2022-1A- A	AAA	3.970	09/15/2027	97.910	98	1.04	4.842	2.500
80	BA MTG CC 2021-1A- A	AAA	3.530	11/15/2027	97.313	78	0.83	4.735	2.292
30	UNITED STATES TREAS NTS	AA+	3.875	11/30/2027	99.617	30	0.32	3.961	4.405
80	UNITED STATES TREAS NTS	AA+	2.875	05/15/2028	94.535	76	0.81	4.015	4.869
10	US BANCORP	A	4.548	07/22/2028	97.661	10	0.11	5.129	3.997
80	WELLS FARGO & CO	BBB+	4.150	01/24/2029	94.221	77	0.82	5.275	5.082

**Town of Branford  
Fixed Income Positions  
as of December 31, 2022**

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
95	UNITED STATES TREAS NTS	AA+	2.625	02/15/2029	92.625	89	0.95	3.993	5.488
40	UNITEDHEALTH GROUP INC	A-	4.000	05/15/2029	95.545	38	0.41	4.819	5.433
180	UNITED STATES TREAS NTS	AA+	2.375	05/15/2029	91.117	165	1.75	3.965	5.766
50	MASSACHUSETTS ST SPL OBLIG	AA+	3.769	07/15/2029	94.313	48	0.51	4.899	5.068
81	UNITED STATES TREAS NTS	AA+	1.625	08/15/2029	86.988	71	0.76	3.869	6.087
119	DUKE ENERGY FLA PROJ FIN LL	AAA	2.538	09/01/2029	90.664	109	1.16	5.595	3.093
15	PHILIP MORRIS INTL INC	A-	5.625	11/17/2029	101.747	15	0.16	5.312	5.530
110	BANNER HEALTH	AA-	2.338	01/01/2030	84.322	94	1.00	5.021	6.146
85	CATERPILLAR INC	A	2.600	04/09/2030	87.124	75	0.79	4.710	6.353
100	HOME DEPOT INC	A	2.700	04/15/2030	87.239	88	0.94	4.794	6.343
45	COSTCO WHOLESALE CORPORATIO	A+	1.600	04/20/2030	82.090	37	0.39	4.504	6.636
150	NORTHERN TR CORP	A	1.950	05/01/2030	82.403	124	1.32	4.826	6.564
65	HERSHEY CO	A	1.700	06/01/2030	80.238	52	0.56	4.910	6.706
60	FEDERAL NATL MTG ASSN	AA+	6.625	11/15/2030	117.560	71	0.76	4.002	6.212
25	SALESFORCE INC	A	1.950	07/15/2031	79.972	20	0.22	4.841	7.469
80	NEW YORK N Y CITY TRANSITIO	AA+	3.900	08/01/2031	90.535	74	0.79	5.285	6.293
84	GNMA 2019-053- V	AA+	2.750	08/16/2031	91.174	77	0.82	5.148	3.760
25	JOHNS HOPKINS UNIV	AA	4.705	07/01/2032	99.241	25	0.27	4.805	7.405
85	PEPSICO INC	A+	3.900	07/18/2032	94.570	82	0.87	4.609	7.563
45	KANSAS GAS SVC SECURITIZA	AAA	5.486	08/01/2032	100.851	46	0.49	5.290	4.446
110	UNITED STATES TREAS NTS	AA+	2.750	08/15/2032	91.391	102	1.08	3.827	8.156
100	ALABAMA PWR CO	A-	3.940	09/01/2032	92.230	94	1.00	4.960	7.554
55	AMEREN ILL CO	A	3.850	09/01/2032	93.213	52	0.55	4.732	7.676
15	DEERE JOHN CAPITAL CORP	A	4.350	09/15/2032	97.415	15	0.16	4.683	7.662
10	HOME DEPOT INC	A	4.500	09/15/2032	97.981	10	0.11	4.761	7.533
25	WISCONSIN ELEC PWR CO	A-	4.750	09/30/2032	98.323	25	0.27	4.968	7.474
70	HONEYWELL INTL INC	A	5.000	02/15/2033	101.699	72	0.76	4.783	7.710
2	GNMA POOL - 603773	AA+	6.000	06/15/2033	103.553	2	0.02	4.830	2.745
2	GNMA POOL - 604387	AA+	6.000	06/15/2033	102.833	2	0.02	5.000	2.609
45	BANK AMERICA CORP	A-	5.015	07/22/2033	94.939	44	0.47	5.709	7.484
2	GNMA POOL - 604639	AA+	5.000	09/15/2033	100.021	2	0.02	4.989	3.110
5	GNMA POOL - 613042	AA+	4.500	09/15/2033	97.732	5	0.05	5.181	3.142
95	TEXAS TRANSN COMMN ST HWY F	AAA	4.000	10/01/2033	90.914	87	0.93	5.151	8.074
35	US BANCORP	A	5.850	10/21/2033	103.814	37	0.39	5.344	7.592
80	LOS ANGELES CALIF UNI SCH D	A+	5.750	07/01/2034	104.458	86	0.91	5.169	7.319
4	GNMA POOL - 636236	AA+	5.000	03/15/2035	102.009	4	0.05	4.459	3.274
9	GNMA POOL - 595800	AA+	4.500	08/15/2035	98.612	9	0.09	4.850	3.668
5	GNMA POOL - 649476	AA+	4.500	10/15/2035	97.607	5	0.06	5.135	3.537
8	GNMA POOL - 648482	AA+	4.500	11/15/2035	98.343	7	0.08	4.930	3.575
3	GNMA POOL - 520293	AA+	5.500	01/15/2036	101.586	3	0.03	5.081	3.332
1	GNMA POOL - 650146	AA+	5.000	03/15/2036	100.818	1	0.01	4.809	3.673
3	GNMA POOL - 652573	AA+	5.000	05/15/2036	100.653	3	0.03	4.826	3.352
2	GNMA POOL - 384819	AA+	5.000	01/15/2037	101.892	2	0.02	4.492	3.271
3	GNMA POOL - 659106	AA+	6.000	02/15/2037	102.670	3	0.03	5.273	3.298

**Town of Branford  
Fixed Income Positions  
as of December 31, 2022**

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
1	GNMA POOL - 658708	AA+	5.000	05/15/2037	100.867	1	0.01	4.809	3.817
71	FNMA UMBS POOL - CB4256	AA+	4.000	08/01/2037	97.597	70	0.74	4.530	3.593
50	JOHNSON & JOHNSON	AAA	5.950	08/15/2037	111.759	57	0.61	4.820	9.871
21	GNMA POOL - 670370	AA+	5.000	11/15/2037	102.364	21	0.22	4.480	3.818
2	GNMA POOL - 672628	AA+	6.000	03/15/2038	105.634	2	0.03	4.677	3.446
1	GNMA POOL - 690853	AA+	5.500	06/15/2038	103.987	1	0.01	4.607	3.604
1	GNMA POOL - 699457	AA+	6.000	10/15/2038	102.553	1	0.01	5.391	3.685
15	TEXAS ST G O BDS 2009A BAB	AAA	5.517	04/01/2039	105.619	16	0.17	4.978	10.177
105	UNIVERSITY MICH UNIV REVS T	AAA	2.437	04/01/2040	71.934	76	0.81	4.858	13.228
6	GNMA POOL - 737798	AA+	3.500	12/15/2040	94.073	5	0.06	4.685	4.734
130	UNITED STATES TREAS NTS	AA+	3.125	02/15/2042	86.754	114	1.22	4.134	13.925
40	DUKE ENERGY PROGRESS INC	A	4.100	05/15/2042	84.695	34	0.36	5.381	12.711
30	UNITED STATES TREAS BDS	AA+	3.000	05/15/2042	84.660	26	0.27	4.161	14.277
15	MEMORIAL SLOAN-KETTERING CAN	AA-	5.000	07/01/2042	97.776	15	0.16	5.183	12.153
35	UNITED STATES TREAS BDS	AA+	4.000	11/15/2042	98.547	35	0.37	4.107	13.748
45	OKLAHOMA DEV FIN AUTH REV T	AAA	4.623	06/01/2044	92.699	42	0.45	5.190	13.155
110	FLORIDA PWR & LT CO	A+	4.050	10/01/2044	85.201	95	1.01	5.193	13.614
125	UNITED STATES TREAS BDS	AA+	3.000	11/15/2044	83.141	104	1.11	4.184	15.432
65	UNIVERSITY CHICAGO	AA-	2.761	04/01/2045	74.757	49	0.52	5.170	11.617
60	UNIVERSITY CALIF REVS REV B	AA-	5.946	05/15/2045	105.400	64	0.68	5.395	9.666
10	GNMA 2013-068- AC	AA+	1.300	02/16/2046	86.469	9	0.09	7.452	2.373
95	UNITED STATES TREAS BDS	AA+	2.500	05/15/2046	75.211	72	0.76	4.170	16.681
9	GNMA 2018-117- AB	AA+	2.500	07/16/2046	98.875	8	0.09	6.005	0.405
34	FNMA UMBS POOL - MA2730	AA+	2.500	08/01/2046	85.844	29	0.31	4.836	5.860
42	FNMA UMBS POOL - BE1348	AA+	3.000	10/01/2046	89.538	38	0.40	4.705	5.679
30	FNMA POOL - MA2828	AA+	2.500	11/01/2046	84.484	26	0.27	5.104	5.842
85	UNIVERSITY MICH UNIV REVS T	AAA	3.599	04/01/2047	84.698	73	0.77	4.924	12.237
9	FHLMC GOLD POOL - Q52418	AA+	3.500	11/01/2047	93.954	8	0.09	4.509	5.040
15	HONEYWELL INTL INC	A	3.812	11/21/2047	83.543	13	0.13	4.971	15.055
130	UNITED STATES TREAS BDS	AA+	3.000	02/15/2048	82.660	109	1.16	4.113	16.640
63	UNITED STATES TREAS BDS	AA+	3.000	08/15/2048	82.820	53	0.56	4.088	16.847
31	FHLMC GOLD POOL - G61648	AA+	3.500	09/01/2048	92.892	29	0.31	4.705	5.072
9	FNMA UMBS POOL - BN0905	AA+	4.000	11/01/2048	95.821	9	0.10	4.668	4.998
68	BERKSHIRE HATHAWAY FIN CORP	AA	4.250	01/15/2049	89.761	62	0.66	4.954	14.790
29	FNMA UMBS POOL - BN4393	AA+	3.500	03/01/2049	91.961	27	0.29	4.774	5.430
20	BAY AREA TOLL AUTH CALIF TO	AA-	6.263	04/01/2049	113.369	23	0.24	5.264	12.900
21	FNMA UMBS POOL - FM2612	AA+	3.500	05/01/2049	92.158	20	0.21	4.736	5.417
17	GNMA POOL - 682229	AA+	4.000	07/15/2049	95.270	16	0.18	4.824	4.870
25	FHLMC UMBS POOL - QA3570	AA+	2.500	10/01/2049	85.562	22	0.23	4.680	6.231
57	FHLMC UMBS POOL - QA3677	AA+	2.500	10/01/2049	85.487	49	0.52	4.689	6.247
60	MEMORIAL SLOAN-KETTERING CAN	AA-	2.955	01/01/2050	66.792	41	0.44	5.276	16.016

**Town of Branford  
Fixed Income Positions  
as of December 31, 2022**

<b>Par (000)</b>	<b>Issuer Name</b>	<b>Quality</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Price</b>	<b>Mkt Val (000)</b>	<b>% Held (MV)</b>	<b>YTW</b>	<b>Effective Duration</b>
91	FNMA UMBS POOL - BP7257	AA+	2.000	07/01/2050	81.835	75	0.80	4.734	6.541
15	SHARP HEALTHCARE	AA-	2.680	08/01/2050	61.611	9	0.10	5.361	16.465
12	GNMA 2017-128- AC	AA+	2.600	05/16/2051	90.614	11	0.12	6.073	3.133
447	FHLMC UMBS POOL - RA5715	AA+	2.000	10/01/2051	81.506	365	3.89	4.658	6.784
195	FNMA UMBS POOL - MA4563	AA+	2.500	03/01/2052	84.751	166	1.76	4.649	6.468
15	DUKE ENERGY PROGRESS INC	A	4.000	04/01/2052	80.623	12	0.13	5.312	15.562
85	UNIVERSITY MINN TAXABLE GO	AA	4.048	04/01/2052	84.740	73	0.78	5.052	15.814
55	UNIVERSITY MIAMI FLA	A-	4.063	04/01/2052	81.490	45	0.48	5.351	15.191
272	FHLMC UMBS POOL - SD8220	AA+	3.000	06/01/2052	87.807	240	2.55	4.728	6.063
65	FNMA UMBS POOL - FS2847	AA+	4.000	08/01/2052	93.816	61	0.65	4.950	4.897
60	UNITED STATES TREAS BDS	AA+	3.000	08/15/2052	83.156	51	0.54	3.972	18.332
240	WALMART INC	AA	4.500	09/09/2052	95.824	233	2.49	4.764	15.825
94	FNMA UMBS POOL - MA4783	AA+	4.000	10/01/2052	93.804	88	0.94	4.952	4.897
20	DUKE ENERGY FLA LLC	A	5.950	11/15/2052	106.873	22	0.23	5.476	14.327
5	BURLINGTON NORTHN SANTA FE C	A-	4.450	01/15/2053	89.222	5	0.05	5.159	15.284
40	PACIFICORP	A+	5.350	12/01/2053	100.105	40	0.43	5.343	15.053
80	DUKE UNIVERSITY	AA+	2.832	10/01/2055	67.453	55	0.58	4.882	17.865
<b>10,008</b>		<b>AA</b>	<b>3.431</b>	<b>8.471</b>	<b>91.651</b>	<b>9,388</b>	<b>100.00</b>	<b>4.687</b>	<b>6.000</b>

**Town of Branford  
High Yield Positions  
As of December 31, 2022**

Holding	Market Value	% of Equity Portfolio
Cash & Cash Equivalents	\$104,848.41	5.14%
MainStay MacKay High Yield Corp Bd	\$1,933,554.80	94.86%
	\$2,038,403.21	100.00%



## Historical Policy

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4/1/2003 to 6/30/2003	70.00	Citigroup Treasury Bill-3 Month
	15.00	S&P 500
	15.00	S&P 400 Mid Cap
7/1/2003 to 4/30/2006	65.00	Barclays Aggregate
	15.00	S&P 500
	15.00	S&P 400 Mid Cap
	5.00	Citigroup Treasury Bill-3 Month
5/1/2006 to 7/31/2006	55.00	Barclays Aggregate
	21.25	S&P 500
	12.50	S&P 400 Mid Cap
	5.00	Citigroup Treasury Bill-3 Month
	3.75	MSCI EAFE (Net)
	1.25	MSCI Emerging Market (Net)
	1.25	Russell 2000
8/1/2006 to 12/31/2009	45.00	Barclays Aggregate
	27.50	S&P 500
	10.00	S&P 400 Mid Cap
	7.50	MSCI EAFE (Net)
	5.00	Citigroup Treasury Bill-3 Month
	2.50	MSCI Emerging Market (Net)
	2.50	Russell 2000
1/1/2010 to 2/28/2013	42.00	Barclays Aggregate
	18.00	S&P 500
	10.00	MSCI EAFE (Net)
	8.00	BofA Merrill Lynch US High Yield Master II TR
	7.00	Russell 2000
	5.00	MSCI Emerging Market (Net)
	5.00	S&P 400 Mid Cap
	5.00	Citigroup Treasury Bill-3 Month
3/1/2013 to 8/31/2015	44.90	Barclays Aggregate
	14.10	S&P 500
	8.00	BofA Merrill Lynch US High Yield Master II TR
	7.00	Russell 2000
	6.00	MSCI Emerging Market (Net)
	5.00	S&P 400 Mid Cap
	5.00	MSCI EAFE (Net)
	5.00	Bloomberg Commodity Index
	3.00	Dow USA Real Estate
2.00	Citigroup Treasury Bill-3 Month	
9/1/2015 to 3/31/2018	44.90	Barclays Aggregate
	14.10	S&P 500
	8.00	BofA Merrill Lynch US High Yield Master II TR
	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	BofA Merrill Lynch US High Yield Master II TR
	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 1/31/2021	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
2/1/2021 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 Capped
	2.50	Citigroup Treasury Bill-3 Month

# 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.

**CONFLICTS OF INTEREST:** To review information about certain potential conflicts of interest that may exist between GYL Financial Synergies, LLC and our clients, we refer you to GYL Financial Synergies, LLC's Form ADV, Part 2A ("Disclosure Document").

**DISCLOSURE DOCUMENT:** GYL Financial Synergies, LLC makes available to all clients, at no charge, a copy of its Disclosure Document (Part 2A of Form ADV). To receive a copy of this form, please contact us at (860) 206-7400.

**STATEMENT OF OPINION:** This and/or the accompanying information was prepared by or obtained from sources GYL Financial Synergies, LLC believes to be reliable but does not guarantee its accuracy. The report herein is not a complete analysis of every material fact in respect to any company, industry, or security. Any market prices are only indications of market values and are subject to change. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Additional information is available upon request.

**REPORTS:** This report is not the official record of your account. However, it has been prepared to assist you with your investment planning and is for information purposes only. Your custodial statement is the official record of your account. Therefore, if there are any discrepancies between this report and your custodial statement, you should rely on the custodial statement. Cost data and acquisition dates provided by you are not verified by GYL Financial Synergies, LLC. Transactions requiring tax consideration should be reviewed carefully with your accountant or tax advisor. Unless otherwise indicated, market prices/values are the most recent closing prices available at the time of this report, and are subject to change. Prices may not reflect the value at which securities could be sold. Past performance does not guarantee future results. This report may include assets that you currently hold away from our firm; these assets may not be covered by SIPC. If included, information on assets held away from your primary custodian was provided by you or a third party; while we believe this information to be reliable, its accuracy and completeness are not guaranteed.

**PAST PERFORMANCE:** Except where specifically indicated that the performance is presented gross of fees, performance has been shown net of all management and advisory fees that would be charged by GYL Financial Synergies LLC. Where gross of fee performance presented for the client's portfolio managed by a third party manager, the client's return will be further reduced by the advisory and other expenses incurred in the management of the account by such third party manager. Such fees are in addition to any fees charged by GYL Financial Synergies and will vary depending on the third party manager. The investment advisory fees charged by GYL Financial Synergies LLC are described in Part 2A of Form ADV. Past performance is not a guarantee of future results.

**INDEXES:** The indices included in this report are presented to provide you with an understanding of their historic long-term performance and are not presented to illustrate the performance of any security. Investors cannot directly purchase any index.

# 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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