

# Town of Branford Police Pension Plan

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SYNERGIES

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## 2Q21 Performance Review

This presentation has been prepared specifically for the Town of Branford for use at a meeting August 30, 2021.

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# Performance Summary

Index Performance as of: 6/30/2021

	<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>	5.16	17.67	45.40	12.23	11.99	11.54	<b>Dow Jones Industrial Avg.</b>	5.08	13.79	36.34	15.02	16.66	13.50
<b>3000</b>	8.24	15.11	44.16	18.73	17.89	14.70	<b>Wilshire 5000 (Full Cap)</b>	8.43	15.12	44.82	18.84	18.01	14.64
<b>3000 Growth</b>	11.38	12.71	42.99	24.47	23.31	17.54	<b>International Equity - Broad Market</b>						
<b>1000 Value</b>	5.21	17.05	43.68	12.42	11.87	11.61	<b>MSCI EAFE</b>	5.17	8.83	32.35	8.27	10.28	5.89
<b>1000</b>	8.54	14.95	43.07	19.16	17.99	14.90	<b>MSCI EM</b>	5.05	7.45	40.90	11.27	13.03	4.28
<b>1000 Growth</b>	11.93	12.99	42.50	25.14	23.66	17.87	<b>MSCI Frontier Markets</b>	14.10	15.01	38.50	8.88	9.37	5.34
<b>Mid Cap Value</b>	5.66	19.45	53.06	11.86	11.79	11.75	<b>MSCI ACWI</b>	7.39	12.30	39.26	14.57	14.61	9.90
<b>Mid Cap</b>	7.50	16.25	49.80	16.45	15.62	13.24	<b>MSCI ACWI Ex USA</b>	5.48	9.16	35.72	9.38	11.08	5.45
<b>Mid Cap Growth</b>	11.07	10.44	43.77	22.39	20.52	15.13	<b>MSCI AC Asia Ex Japan</b>	3.60	6.40	39.64	12.22	14.50	7.04
<b>2000 Value</b>	4.56	26.69	73.28	10.27	13.62	10.85	<b>International Equity - Country</b>						
<b>2000</b>	4.29	17.54	62.03	13.52	16.47	12.34	<b>MSCI Brazil</b>	22.91	10.65	46.55	10.84	9.69	-2.43
<b>2000 Growth</b>	3.92	8.98	51.36	15.94	18.76	13.52	<b>MSCI BRIC</b>	5.40	5.30	34.00	11.37	14.92	4.18
<b>Standard &amp; Poors</b>							<b>MSCI China</b>	2.27	1.83	27.39	10.36	16.59	7.71
<b>S&amp;P 500</b>	8.55	15.25	40.79	18.67	17.65	14.84	<b>MSCI Europe</b>	7.42	11.80	35.09	8.66	10.34	5.58
<b>Consumer Disc</b>	6.95	10.27	37.08	19.36	19.69	17.89	<b>MSCI India</b>	6.91	12.38	56.36	11.87	11.86	5.53
<b>Consumer Staples</b>	3.83	5.02	23.29	14.14	8.04	11.49	<b>MSCI Japan</b>	-0.28	1.28	24.84	7.24	10.19	7.15
<b>Energy</b>	11.30	45.64	49.38	-6.09	-0.80	-0.02	<b>MSCI EM Latin America</b>	15.01	8.89	44.92	5.05	5.89	-2.45
<b>Financials</b>	8.36	25.69	61.77	13.97	17.05	13.71	<b>MSCI Russia</b>	14.03	19.65	38.64	15.28	16.31	1.88
<b>Health Care</b>	8.40	11.85	27.92	17.03	14.06	15.67							
<b>Industrials</b>	4.48	16.40	51.45	15.02	14.40	12.80							
<b>Information Technology</b>	11.56	13.76	42.40	30.31	31.21	21.99							
<b>Materials</b>	4.97	14.50	48.51	14.87	14.59	10.09							
<b>Real Estate</b>	13.09	23.30	31.88	14.71	9.56	11.06							
<b>Telecom Services</b>	10.72	19.67	48.38	23.27	10.89	11.30							
<b>Utilities</b>	-0.41	2.38	15.77	10.49	7.41	10.56							

Source: Morningstar

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Index Performance as of: 6/30/2021

	<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	1.83	-1.60	-0.33	5.34	3.03	3.39	Barclays Municipal	1.42	1.06	4.17	5.10	3.25	4.28
Barclays US Aggregate 1-3 Yr	0.05	-0.02	0.36	2.87	1.83	1.49	Barclays Municipal 3 Yr	0.27	0.41	1.46	2.68	1.79	1.73
Barclays US Aggregate 3-5 Yr	0.16	-0.79	-0.07	4.28	2.45	2.55	Barclays Municipal 5 Yr	0.48	0.17	2.24	3.75	2.38	2.71
Barclays US Aggregate 5-7 Yr	1.12	-1.85	-0.51	5.10	2.86	3.13	Barclays Municipal 7 Yr	0.72	0.18	2.95	4.63	2.85	3.59
BofAML 3-Month T-Bill	0.00	0.02	0.09	1.34	1.17	0.63	Barclays HY Muni	3.93	6.13	14.34	7.58	6.19	6.98
Barclays U.S. Gov't	1.71	-2.51	-3.10	4.66	2.19	2.78	<b>Alternative Investments</b>						
Barclays U.S. Credit	3.32	-1.28	2.99	7.42	4.63	4.92	Alerian MLP	21.23	47.84	63.98	-0.33	-1.05	1.07
Barclays High Yield Corp.	2.74	3.62	15.37	7.45	7.48	6.66	Bloomberg Commodity	13.30	21.15	45.61	3.90	2.40	-4.44
Barclays TIPS	3.25	1.73	6.51	6.53	4.17	3.40	FTSE NAREIT Equity REIT	12.02	21.96	38.02	10.10	6.31	9.41
Barclays Global Aggregate	0.92	-4.42	4.60	3.12	1.63	0.99	S&P Global Natural Res.	7.28	19.94	49.35	6.07	11.42	2.25
Barclays Gbl Agg Ex USD	1.31	-3.21	2.63	4.23	2.34	2.05	S&P N. Amer Natural Res.	11.12	32.73	45.92	-1.77	2.03	-0.58
JPM EMBI Global Div	3.93	-1.00	6.81	6.48	4.44	5.34							

Source: Morningstar

# Performance drivers

## 1. Developed economies continue to re-open, driving a surge in activity

- Vaccines have been rolled out at a tremendous pace in the US and UK, while the EU and Japan have seen an improving pace of vaccinations. This has allowed broad re-openings to begin in much of the developed world, driving a mini-boom of activity as pent up demand is released, benefiting both service sector and manufacturing firms. Less vaccinated developing countries across Asia Pacific saw some restrictions returning, although the impact on global growth was limited.
- Forward looking indicators such as manufacturing PMIs suggest that the expansion is likely to continue. While the US and UK are expected to reach peak growth rates this summer, the Eurozone still has room to accelerate. However, the labor market is tightening, particularly in the US, which could become a headwind moving forward.
- **GYL View:** Economic re-openings in the developed world are likely to drive strong earnings growth over the next couple of years, which should benefit equities. While equity valuations appear stretched, we believe we are in the early stages of a strong recovery, which should benefit stocks and other risk assets.

## 2. Elevated inflation readings bring the future of accommodative policies into question

- During Q2, inflation readings came in above already elevated expectations driven by base effects, supply chain pressure and a tightening labor market.
- Monetary policy remains quite dovish in most developed countries, with little change in policy among the major central banks. The Fed stressed that it viewed elevated inflation readings in the US as transitory. However, the Fed's June dot plot suggested a slightly less dovish stance, projecting two rate increases in 2023.
- Fiscal support is slowing, but it is not going away. Pandemic related fiscal programs, such as enhanced unemployment benefits, are set to be phased out. We are likely to see infrastructure programs moving forward, with a bipartisan group of US senators agreeing to a \$1.2T package, although the spending would be spread out over several years.
- **GYL View:** Inflation is likely to remain elevated this year as year-over-year figures are compared to depressed levels in 2020. We expect inflation to settle around the Fed's target over the next year, but the risk of an inflation surprise has risen. The Fed is unlikely to raise rates in the near-term, but it could begin to taper its asset purchases.

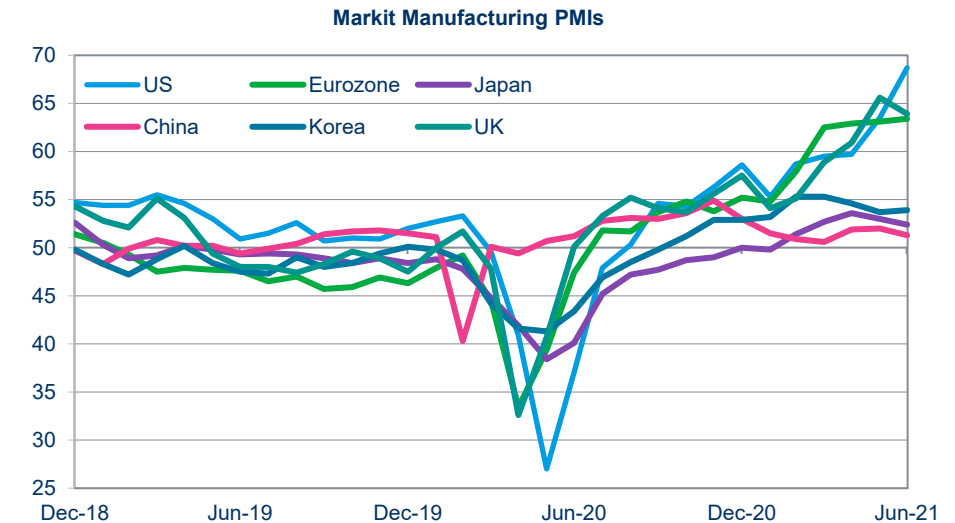
## 3. Political risks remain

- Relations between the US and China remain strained over territorial sovereignty issues and the origins of Covid-19.
- Cyberattacks are becoming more ambitious, including the temporary shut down of a major US pipeline operator in Q2.
- **GYL View:** Political risks do not currently appear as prevalent as they were in 2020, although unexpected developments could lead to volatility and downside risk.

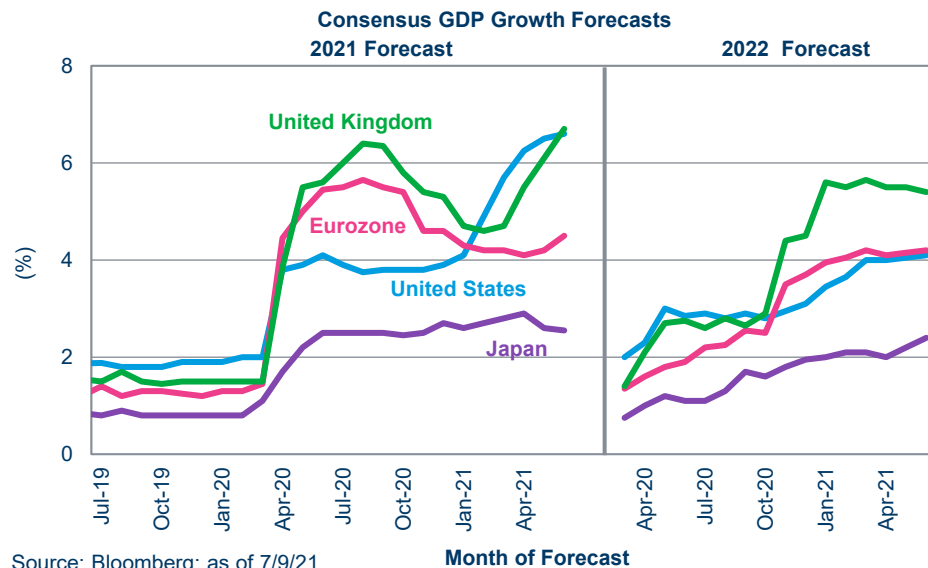
# Economic fundamentals

## Developed economies are re-opening

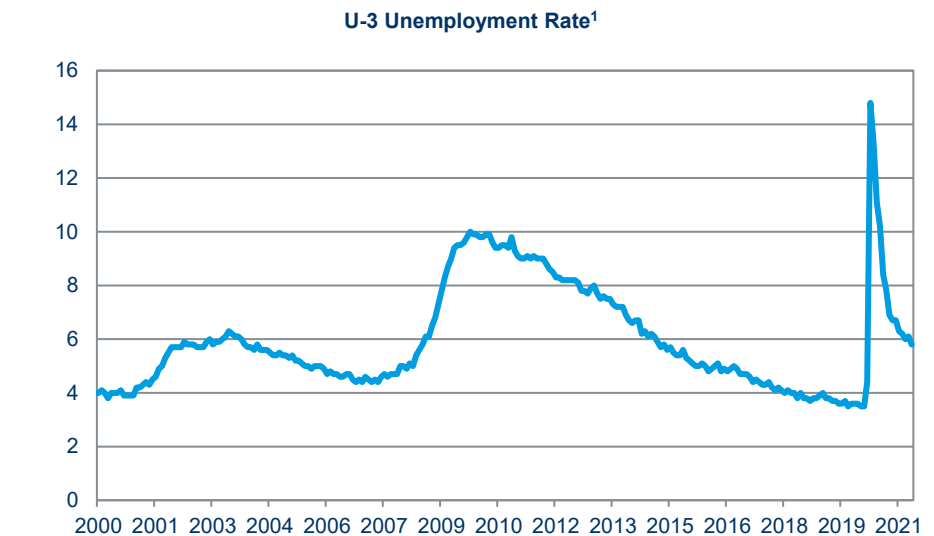
- Re-openings in the developed world are unleashing a mini-boom of activity and have broadened the recovery to include service sector firms. Corporate earnings continue to surprise on the upside, and manufacturing PMIs suggest that the expansion is likely to continue in the second half of the year.
- Monetary policy remains extremely accommodative in most developed countries. In the US, a bipartisan group of senators have reached agreement on a \$1.2T infrastructure plan.
- The US unemployment rate (U-3)<sup>1</sup> has fallen to 5.8% after peaking at 14.7% in April 2020. However, the labor force participation rate has declined and the economy is experiencing labor supply issues.



Source: Bloomberg; as of 6/30/21



Source: Bloomberg; as of 7/9/21



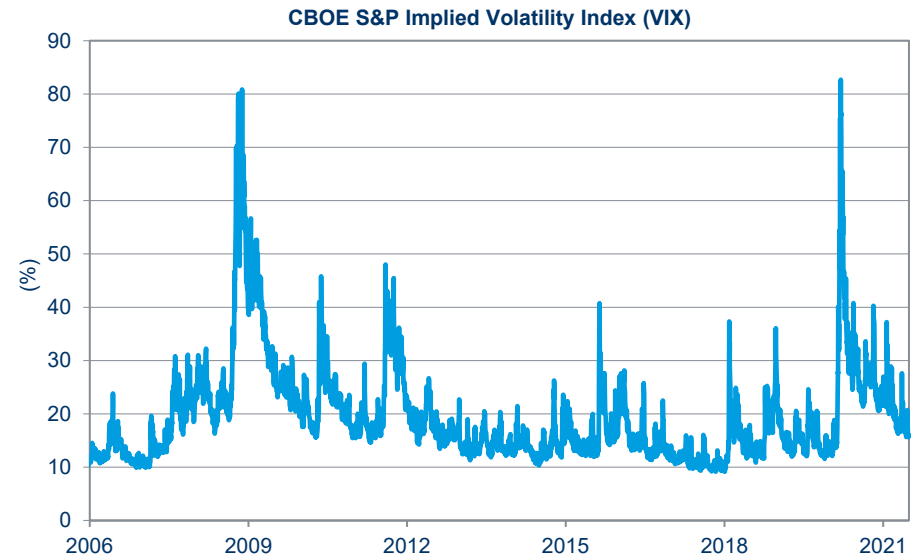
Source: Bureau of Labor Statistics; as of 5/31/21

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

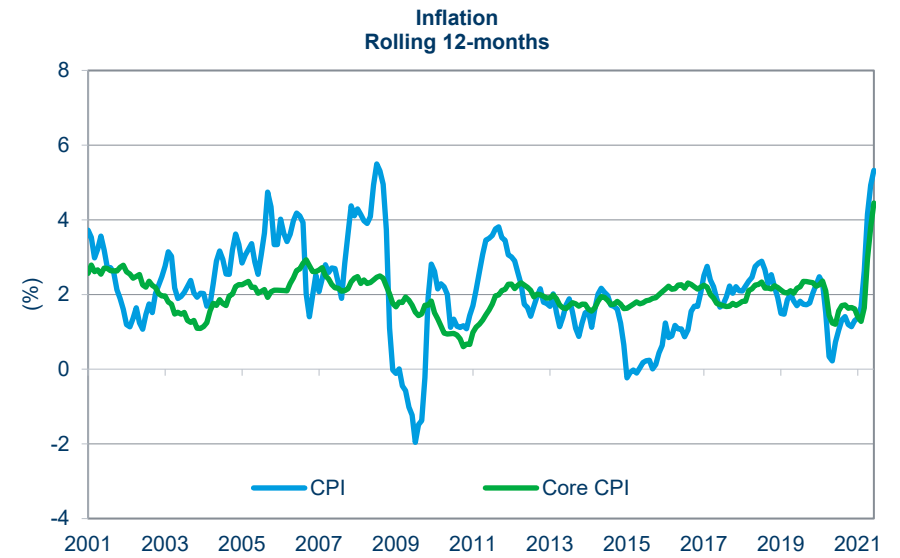
# Risk factors

## US inflation data surprised to the upside

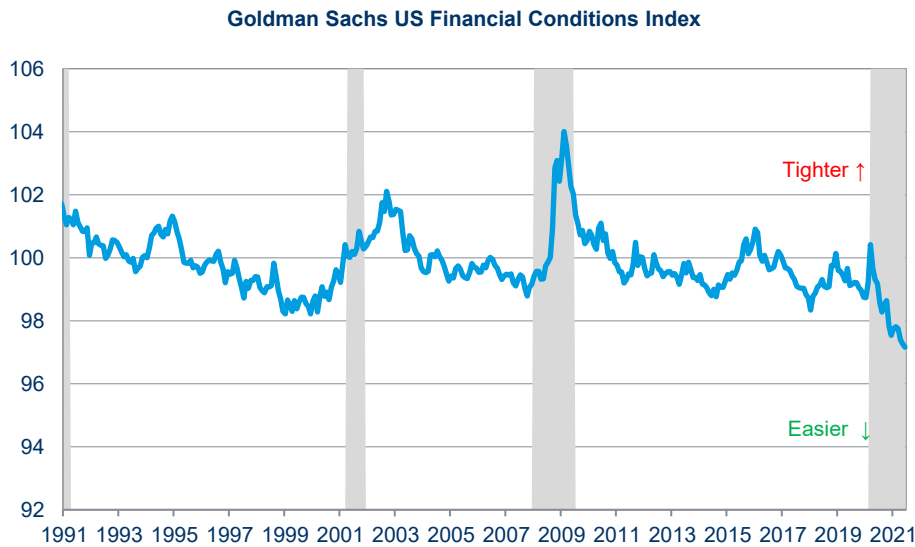
- Financial conditions became slightly easier in Q2 as rates and spreads declined. The Goldman Sachs US Financial Conditions Index is at its lowest level on record.
- The VIX index declined from 20 to 16 during the quarter. The index briefly spiked as high as 27 in May, but generally remained below 20 during a relatively calm quarter<sup>1</sup>.
- US inflation surprised to the upside during the quarter, with the June year-over-year increase in the CPI and core CPI at 5.4% and 4.5%, respectively. The Fed views current inflationary pressures as transitory, reflecting base effects and temporary supply bottlenecks.



Source: Bloomberg; as of 6/30/21



Source: Bloomberg; through 6/30/21



Source: Bloomberg; as of 6/30/21

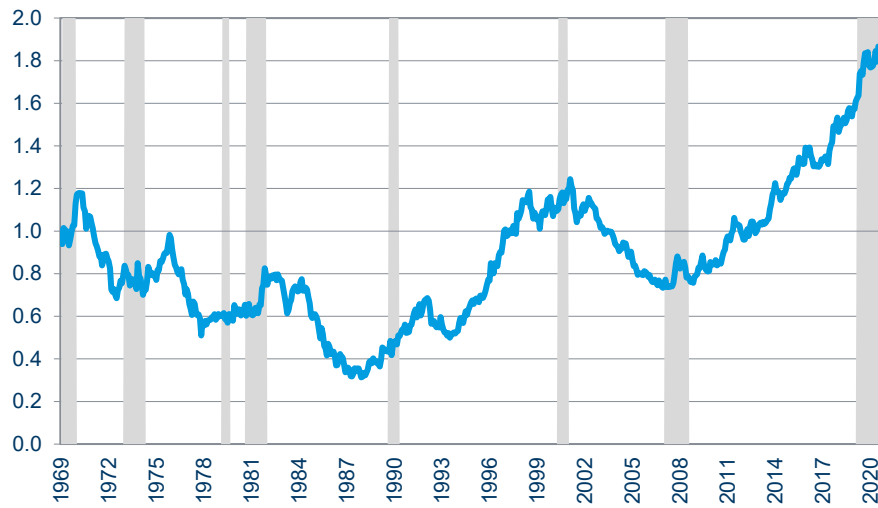
<sup>1</sup> Source: Bloomberg; as of 6/30/21

# Regional equity returns

## Global equities continue to move higher

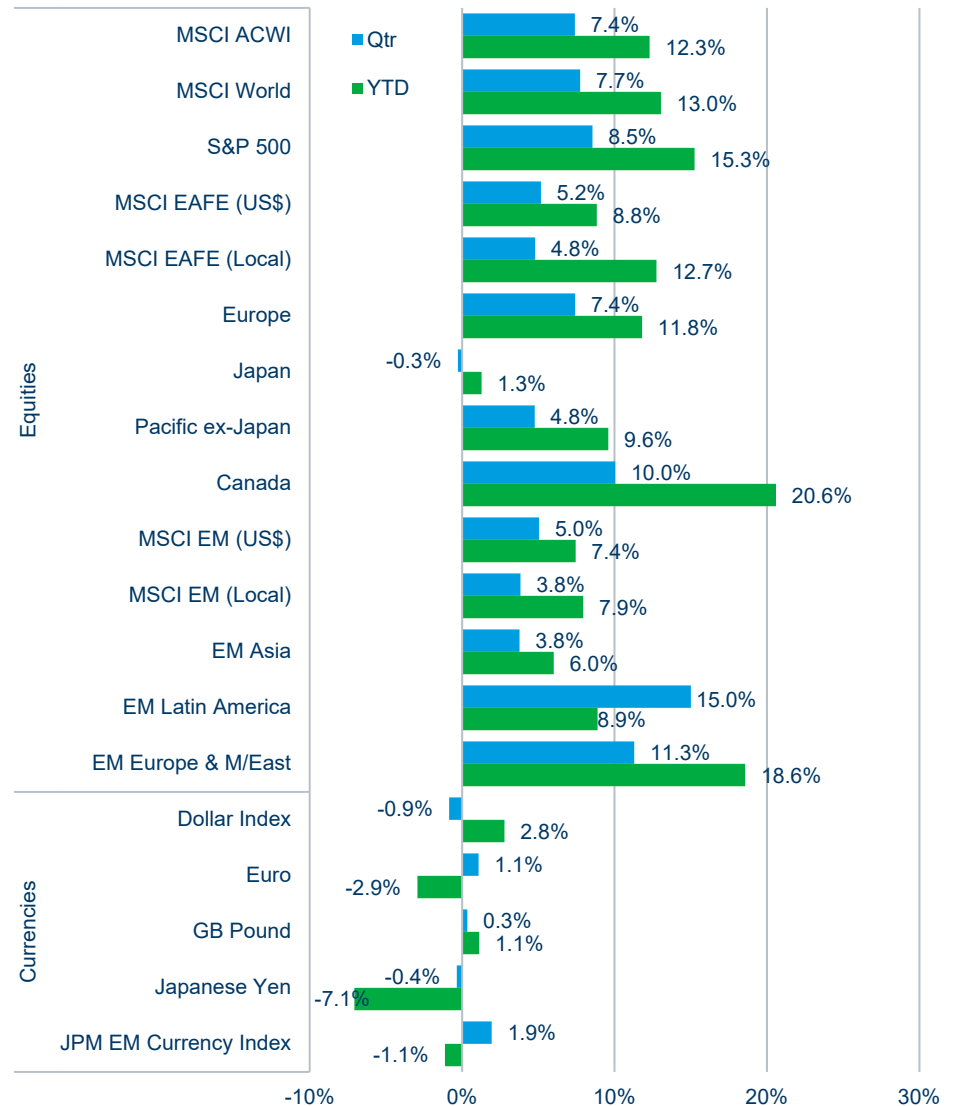
- Global equities continued to move higher in Q2, with the MSCI ACWI index gaining 7.4% for the quarter and 12.3% year-to-date.
- The S&P 500 returned 8.5% during the quarter, outpacing most other regions. Year-to-date, the S&P 500 has returned 15.3%.
- International developed stocks rose 5.2% in Q2 and 8.8% year-to-date. A weaker dollar added 40 bps to US\$ returns during the quarter.
- Emerging market equities rose 5.0% in Q2 and 7.4% year-to-date in US\$ terms. Within emerging markets, European and Middle eastern emerging markets produced the best results year-to-date, gaining 18.6%.

Ratio of MSCI US to MSCI EAFE (Relative Performance)



Source: Datastream; as of 6/30/21

Global Performance



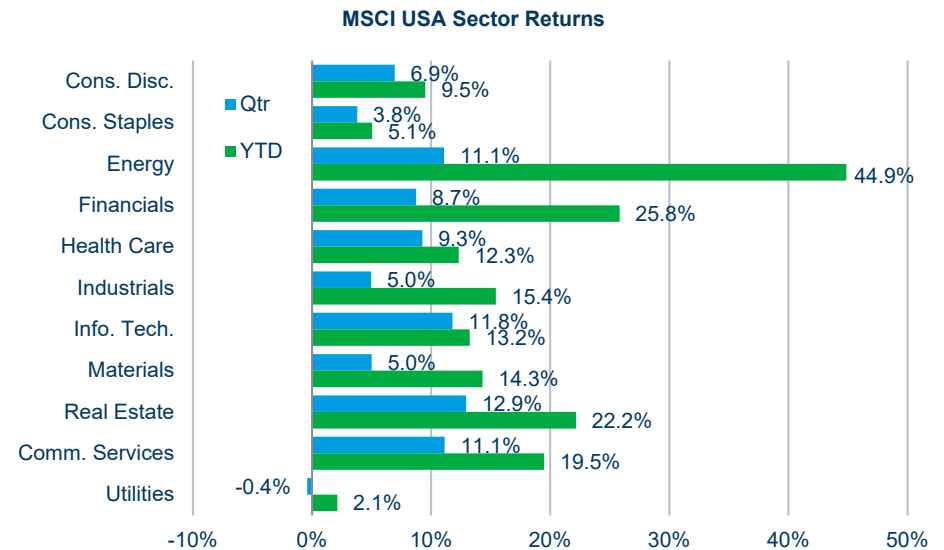
Source: Bloomberg, Datastream; as of 6/30/21



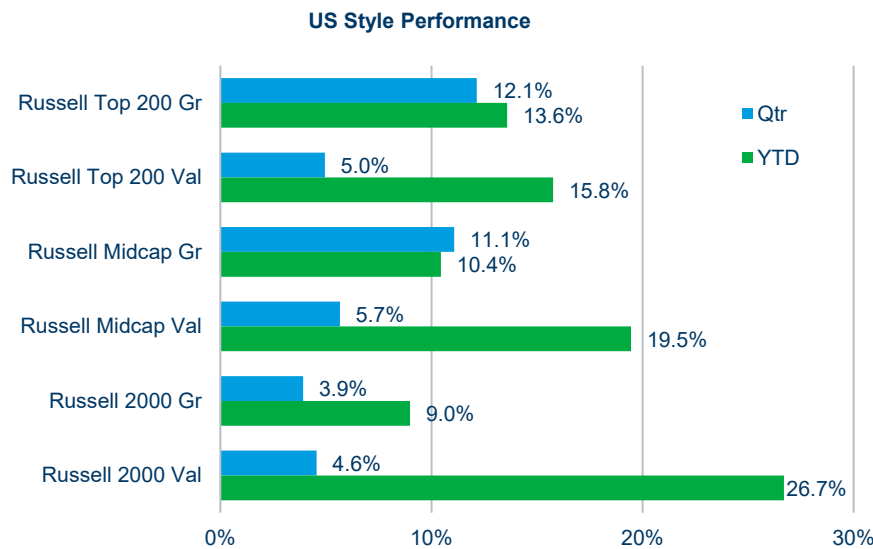
# US equity factor and sector returns

## Large-caps and growth outperform

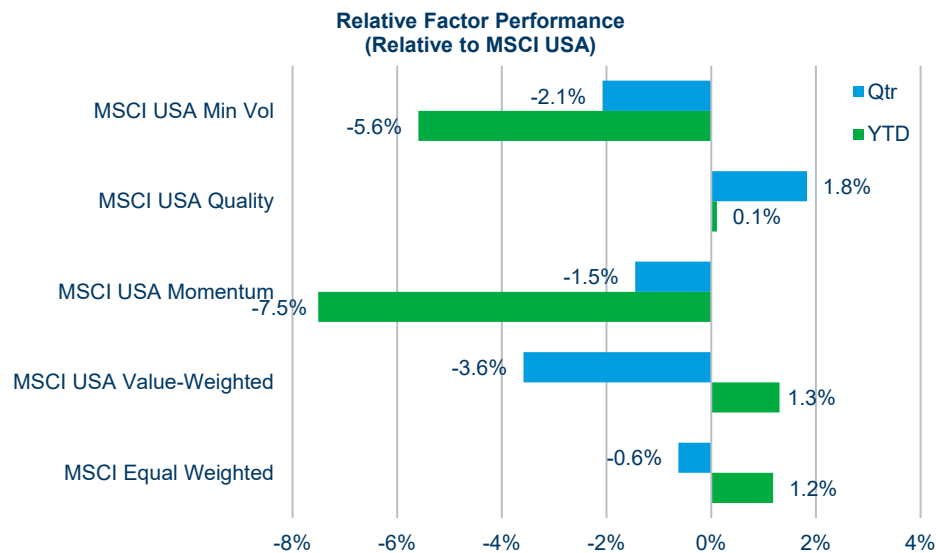
- Growth outperformed value among large and mid-caps, while value outperformed among small-cap stocks. Small-caps underperformed large-caps during the quarter. Year-to-date, value has outperformed growth.
- The quality factor outperformed in Q2, while value, momentum and size lagged. Momentum has been the worst performing factor in 2021, while value and size have outperformed. The real estate, technology, energy, and communication services sectors posted the best results for the quarter. Energy has been the best performing sector so far in 2021, while the utilities sector has lagged.



Source: Bloomberg; as of 6/30/21



Source: Datastream; as of 6/30/21



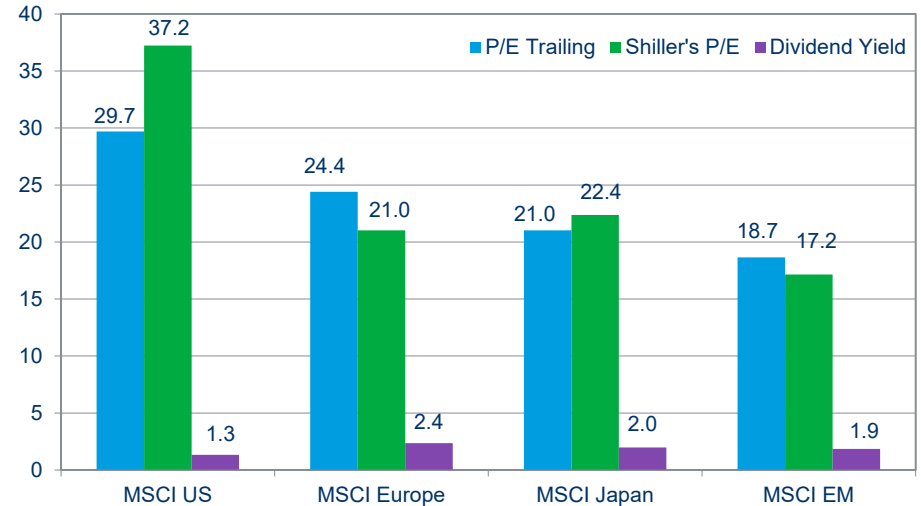
Source: MSCI; as of 6/30/21

# Equity fundamentals

## Improved earnings benefit valuations

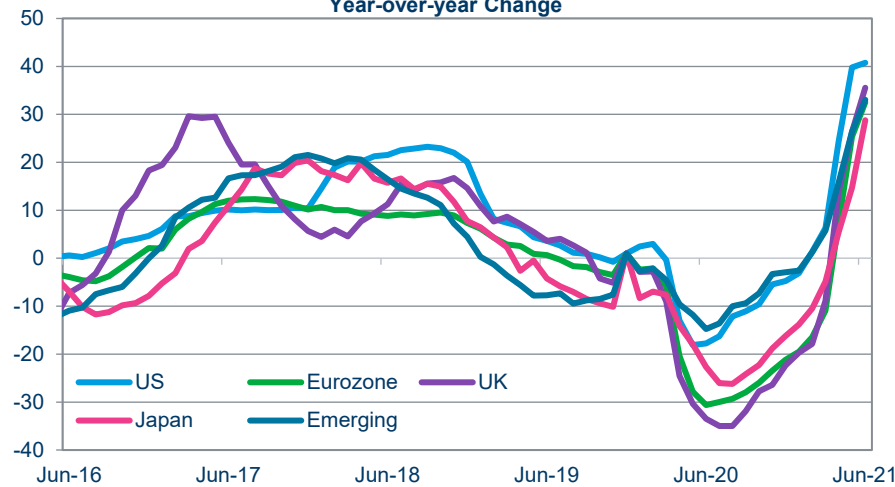
- Improved earnings helped to bring down some valuation ratios during the quarter. The trailing P/E ratio on the MSCI US Index fell from 34.0 to 29.7<sup>1</sup>. We estimate that the equity risk premium over long-term Treasuries rose by 14 bps to 2.6%<sup>2</sup> due to the decline in interest rates.
- International developed stocks remain more reasonably valued than US stocks, with the potential for macro surprises as vaccination rates increase and economies re-open in these regions.
- Emerging market valuations remain more attractive than developed markets. However, recent credit tightening and regulatory enforcement in China could provide a headwind given China's weight in the index.

Global Valuations



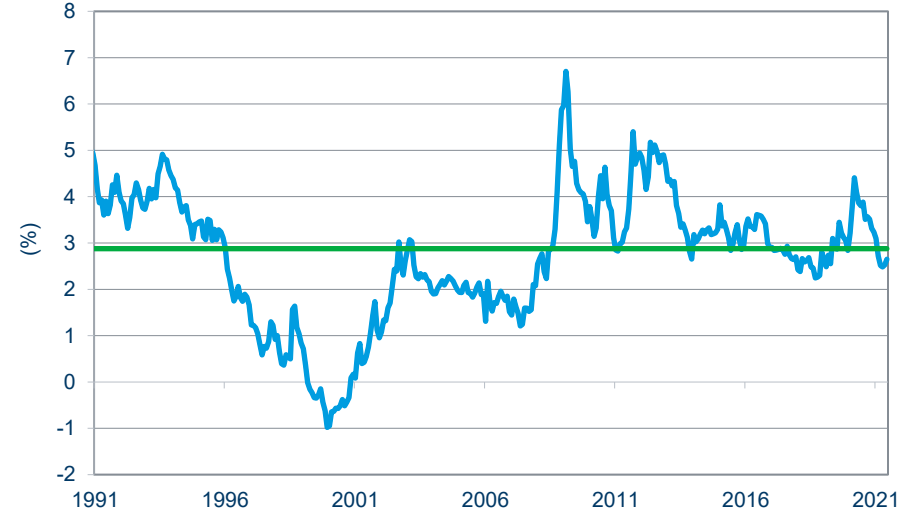
Source: Bloomberg, Datastream, Mercer; as of 6/30/21

Forward Earnings Estimates  
Year-over-year Change



Source: Datastream; as of 6/30/21

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



Source: Bloomberg, Datastream, Mercer; as of 6/30/21

<sup>1</sup> Source: Datastream; as of 6/30/21

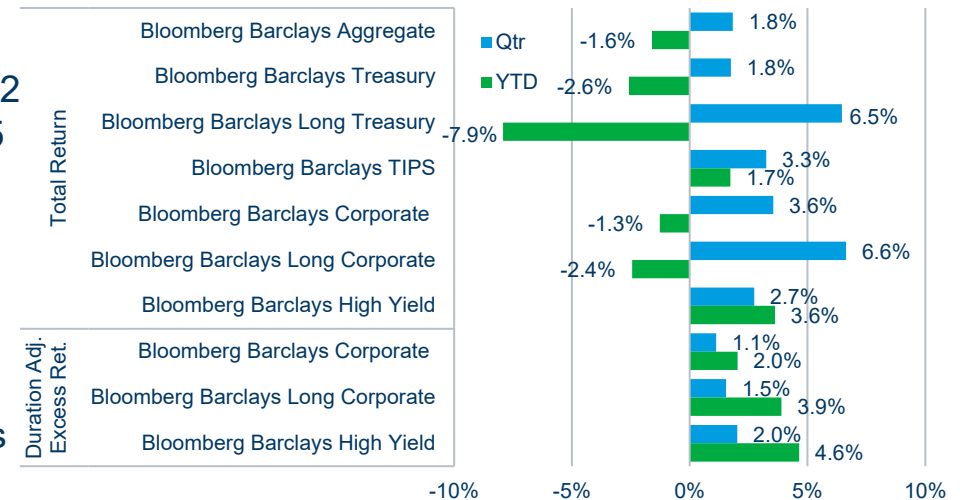
<sup>2</sup> Source: MSCI, Datastream, Mercer; as of 6/30/21

# Interest rates and fixed income

## Yields and spreads decline

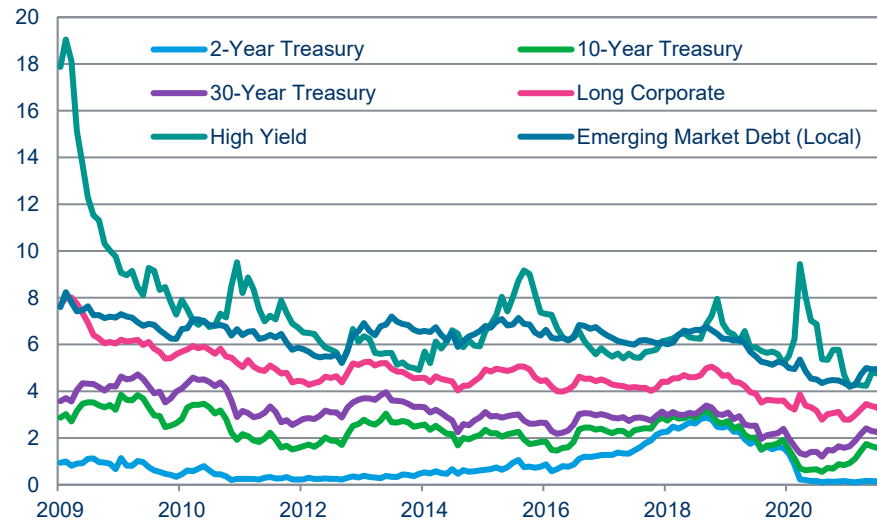
- The Bloomberg Barclays Aggregate gained 1.8% during Q2 with corporate bonds outperforming Treasuries as credit spreads declined. The yield curve flattened during the quarter, with 3-month yields rising 2 bps, while 10- and 30-year yields fell by 29 bps and 35 bps, respectively<sup>1</sup>.
- Investment-grade corporate bond spreads fell an average of 10 bps during the quarter to 0.8%, which is roughly 30 bps below the long-term median level<sup>2</sup>.
- High yield bonds gained 2.7% during the quarter, as credit spreads fell by 40 bps to 2.7%, almost 200 basis points below the long-term median level of 4.6%<sup>3</sup>. Local currency EMD gained 3.5% during Q2.

Fixed Income Performance



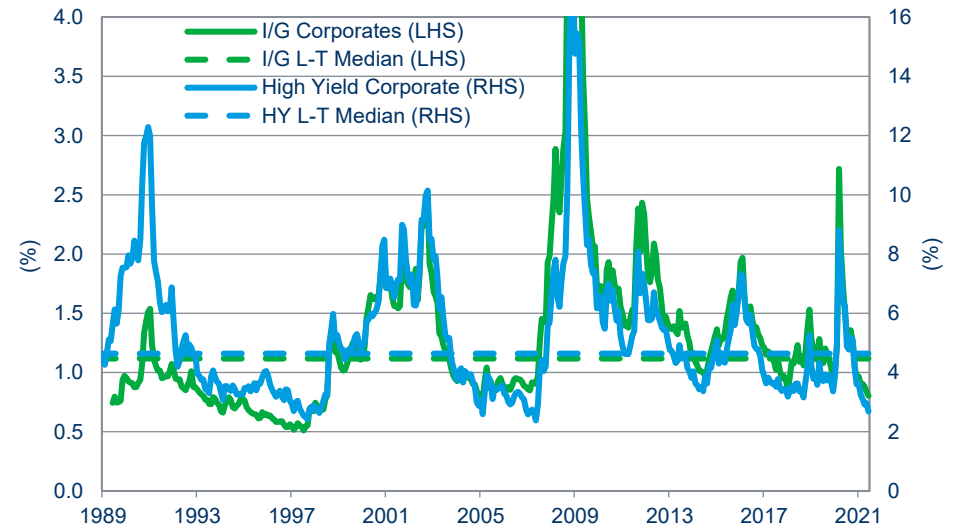
Source: Bloomberg, Datastream; as of 6/30/21

Yield History



Source: Bloomberg, Federal Reserve; as of 6/30/21

Credit Spread to Treasuries



Source: Bloomberg; as of 6/30/21

<sup>1</sup> Source: Federal Reserve; as of 6/30/21

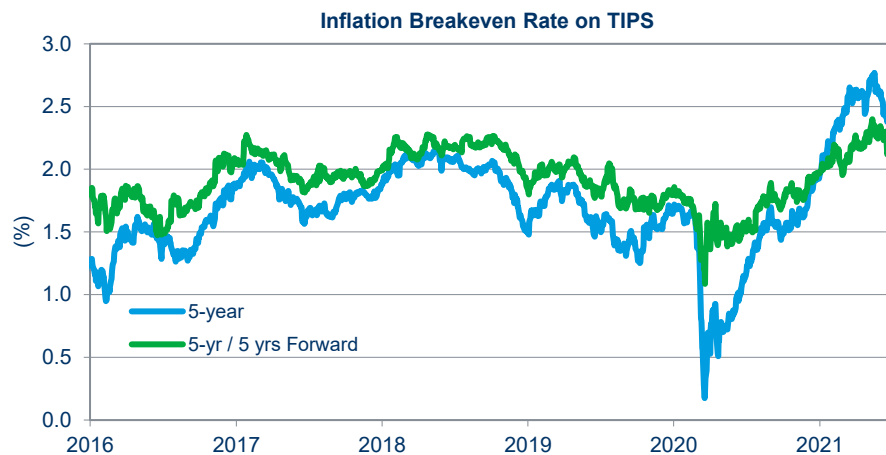
<sup>2</sup> Source: Bloomberg, Mercer; as of 6/30/21

<sup>3</sup> Source: Bloomberg, Mercer; as of 6/30/21

# Monetary policy

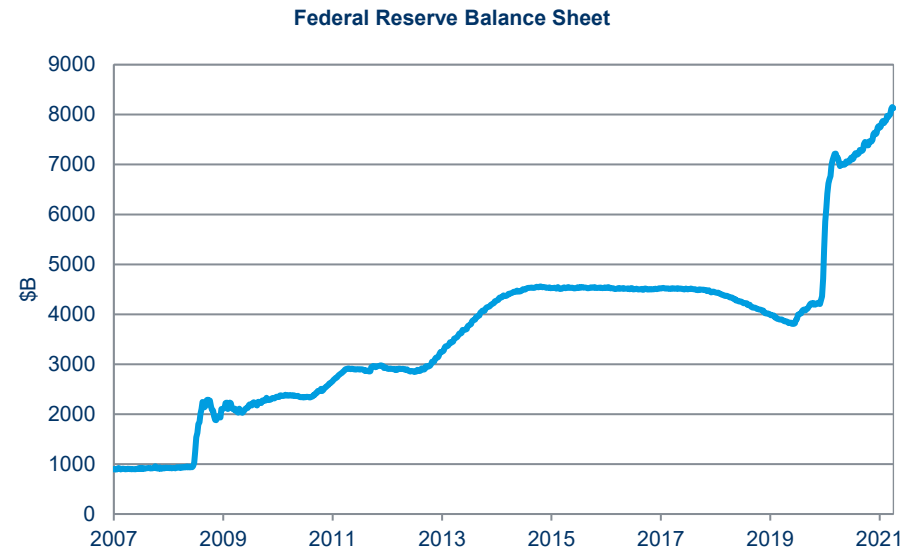
## Monetary policy remains highly accommodative

- The Fed held rates unchanged and maintained its bond buying program during the quarter, although the most recent FOMC minutes and dot plot suggest a less dovish Fed. The dot plot now projects two rate increases in 2023, and the tapering of asset purchases is expected to be discussed in upcoming meetings.
- Despite the increase in CPI, US inflation breakeven rates fell during the quarter, with 10-year inflation breakeven rates slipping from 2.37% to 2.34%, remaining near the Fed's target of 2% PCE (roughly 2.5% CPI)<sup>1</sup>.
- Overseas, the European Central Bank kept rates unchanged, maintained the size of its bond buying program, and adjusted its inflation targeting framework. The Bank of England and the Bank of Japan made no changes to monetary policy during Q2.

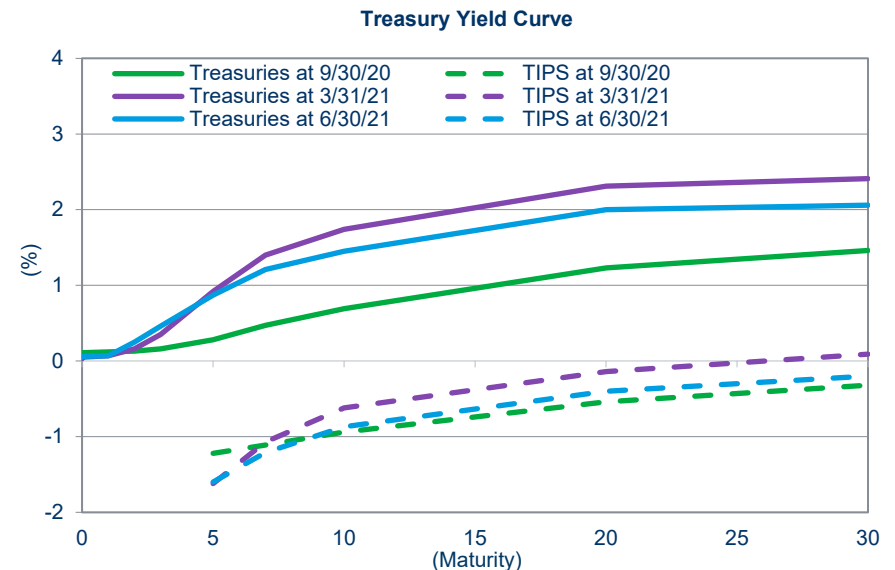


Source: Bloomberg, Mercer; as of 6/30/21

<sup>1</sup> Source: St. Louis Fed; as of 6/30/21



Source: Bloomberg; as of 6/30/21

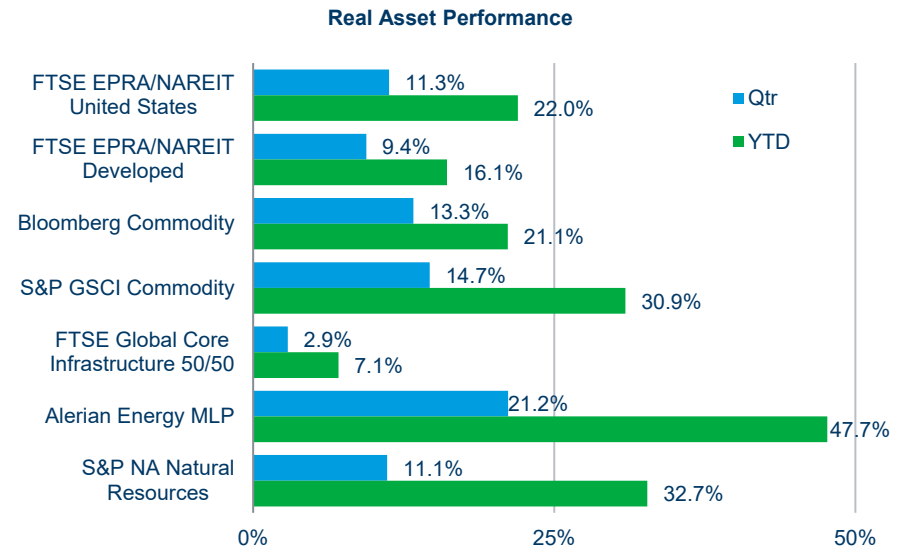


Source: Federal Reserve; as of 6/30/21

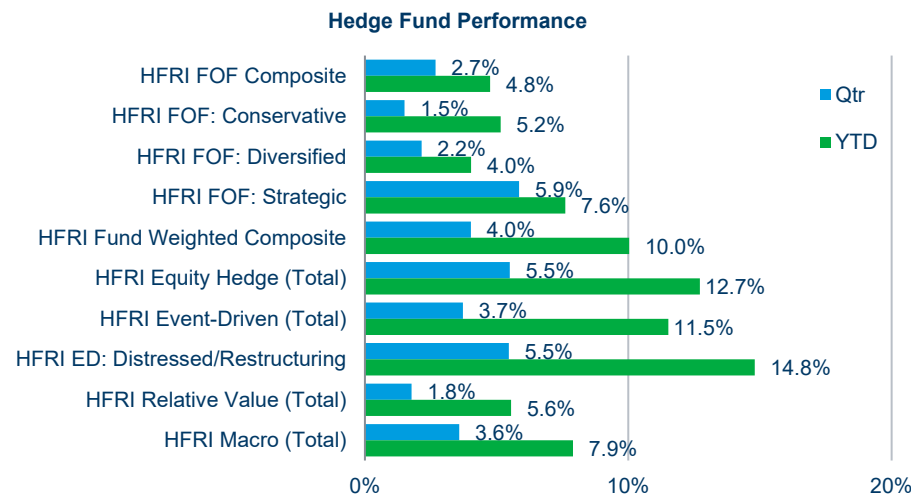
# Alternative investment performance

## MLPs, commodities, natural resources and REITs outperform

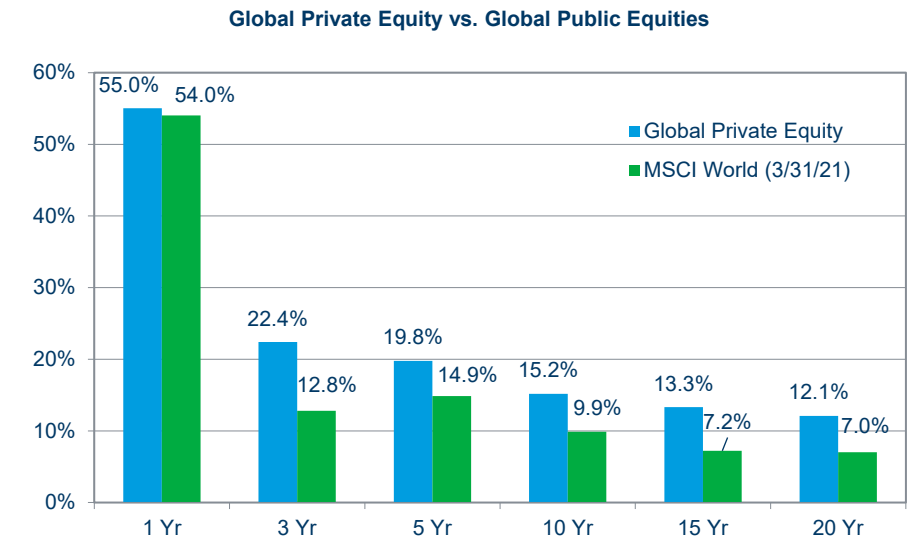
- REITs outperformed the broader market in Q2 and year-to-date. REITs have benefited from a faster than expected pace of vaccinations, which has allowed some developed economies to reduce restrictions.
- Master Limited Partnerships (MLPs), natural resource stocks, and commodities all posted strong gains during Q2 as oil gained 24.2%<sup>1</sup> amid economic re-openings and higher inflation expectations. Infrastructure stocks generally lagged.
- Hedge funds returned 2.7% in Q2<sup>2</sup>. Equity hedge and distressed/restructuring strategies performed well during the quarter, while relative value strategies lagged.
- Global private equity outperformed global developed stocks over the most recent trailing periods<sup>3</sup>.



Source: Bloomberg, Datastream; as of 6/30/21



Source: Hedge Fund Research; as of 6/30/21



Source: Burgiss, Bloomberg; as of 3/31/21

<sup>1</sup> Source: Bloomberg; as of 6/30/21

<sup>2</sup> Source: Hedge Fund Research; as of 6/30/21

<sup>3</sup> Source: Burgiss, Bloomberg; as of 3/31/21

# Valuations and yields

## Ending June 30, 2021

### Valuations

MSCI USA	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Index Level	18960.7	17411.2	16506.0	14587.9
P/E Ratio (Trailing)	29.7	34.0	32.2	28.4
CAPE Ratio	37.2	34.3	32.7	30.0
Dividend Yield	1.3	1.4	1.5	1.6
P/B	4.8	4.6	4.4	4.0
P/CF	20.1	19.6	16.9	14.4
MSCI EAFE	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Index Level	7527.2	7157.1	6916.5	5960.1
P/E Ratio (Trailing)	24.1	25.2	23.1	20.2
CAPE Ratio	19.2	18.6	18.0	15.4
Dividend Yield	2.3	2.3	2.4	2.7
P/B	1.9	1.9	1.8	1.6
P/CF	6.5	6.5	7.3	6.7
MSCI EM	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Index Level	670.6	638.4	624.1	521.4
P/E Ratio (Trailing)	18.7	21.5	21.7	18.6
CAPE Ratio	17.2	16.4	15.9	13.4
Dividend Yield	1.9	1.9	2.0	2.4
P/B	2.1	2.1	2.0	1.8
P/CF	9.1	11.9	12.5	10.4

Source: Bloomberg, Thomson Reuters Datastream

### Yields

Global Bonds	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Germany – 10Y	-0.21	-0.29	-0.57	-0.52
France - 10Y	0.13	-0.05	-0.34	-0.24
UK - 10Y	0.72	0.85	0.20	0.23
Switzerland – 10Y	-0.22	-0.28	-0.55	-0.49
Italy – 10Y	0.82	0.67	0.54	0.87
Spain 10Y	0.41	0.34	0.05	0.25
Japan – 10Y	0.06	0.10	0.02	0.02
Euro Corporate	0.33	0.36	0.24	0.55
Euro High Yield	2.97	3.22	3.40	4.80
EMD (\$)	4.89	5.26	4.53	5.14
EMD (LCL)	4.98	4.99	4.22	4.48
US Bonds	6/30/2021	3/31/2021	12/31/2020	9/30/2020
3-Month T-Bill	0.05	0.03	0.09	0.10
10Y Treasury	1.45	1.74	0.93	0.69
30Y Treasury	2.06	2.41	1.65	1.46
10Y TIPS	-0.87	-0.63	-1.06	-0.94
30Y TIPS	-0.20	0.11	-0.37	-0.32
US Aggregate	1.50	1.61	1.12	1.18
US Treasury	0.95	1.00	0.57	0.48
US Corporate	2.04	2.28	1.74	2.01
US Corporate High Yield	3.75	4.23	4.18	5.77

Source: Bloomberg, Thomson Reuters Datastream

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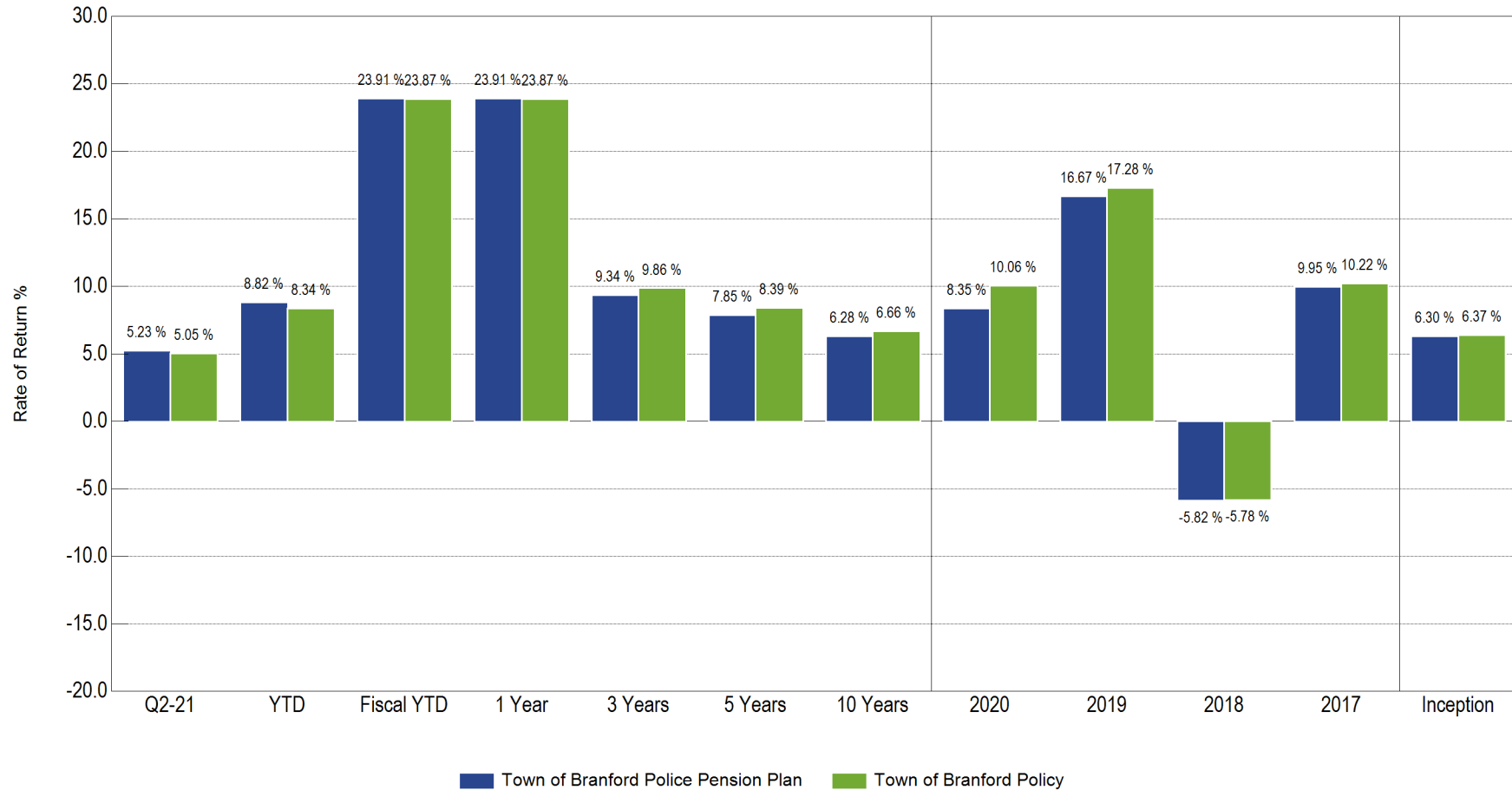
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Return Summary



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 June 30, 2021

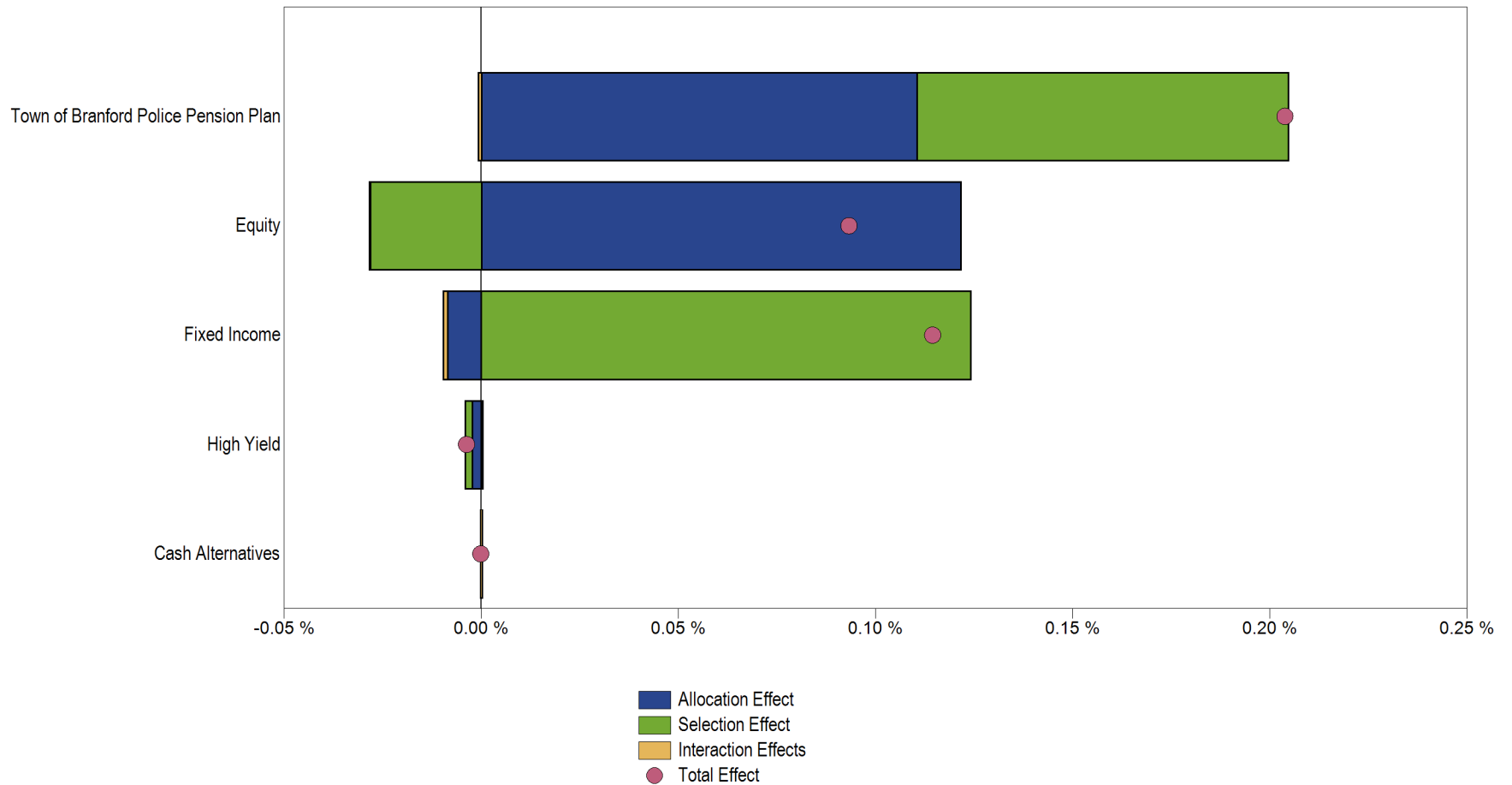
	Market Value (\$)	% of Portfolio	Ending June 30, 2021								Inception (%)	Inception Date
			3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)			
<b>Town of Branford Police Pension Plan</b>	<b>30,027,826</b>	<b>100.00</b>	<b>5.23</b>	<b>8.82</b>	<b>23.91</b>	<b>23.91</b>	<b>9.34</b>	<b>7.85</b>	<b>6.28</b>	<b>6.30</b>	<b>Apr-03</b>	
<i>Town of Branford Policy</i>			5.05	8.34	23.87	23.87	9.86	8.39	6.66	6.37	Apr-03	
Equity	17,012,877	56.66	7.62	16.60	44.78	44.78	12.39	12.48	9.05	8.69	Apr-03	
<i>Equity Custom Benchmark</i>			7.67	16.16	44.15	44.15	12.60	12.75	9.26	9.39	Apr-03	
Fixed Income	10,206,416	33.99	2.18	-1.47	-0.60	-0.60	5.32	2.89	3.32	4.21	Jun-03	
<i>BBgBarc US Aggregate TR</i>			1.83	-1.60	-0.33	-0.33	5.34	3.03	3.39	4.03	Jun-03	
High Yield	2,218,790	7.39	2.75	3.44	14.09	14.09	6.85	6.21	5.09	5.54	Dec-09	
<i>Police High Yield Bond Blended Benchmark</i>			2.77	3.70	15.60	15.60	7.12	7.28	6.49	7.61	Dec-09	
Cash Alternatives	589,743	1.96	0.00	0.00	0.02	0.02	1.32	1.22	0.67	1.09	Dec-06	
<i>FTSE T-Bill 3 Months TR</i>			0.01	0.03	0.08	0.08	1.31	1.14	0.60	0.91	Dec-06	

Composite Performance (Net)

	Market Value (\$)	% of Portfolio	Ending June 30, 2021								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>30,027,826</b>	<b>100.00</b>	<b>5.18</b>	<b>8.70</b>	<b>23.64</b>	<b>23.64</b>	<b>9.06</b>	<b>7.49</b>	<b>5.93</b>	<b>6.00</b>	<b>Apr-03</b>	
<i>Town of Branford Policy</i>			5.05	8.34	23.87	23.87	9.86	8.39	6.66	6.37	Apr-03	

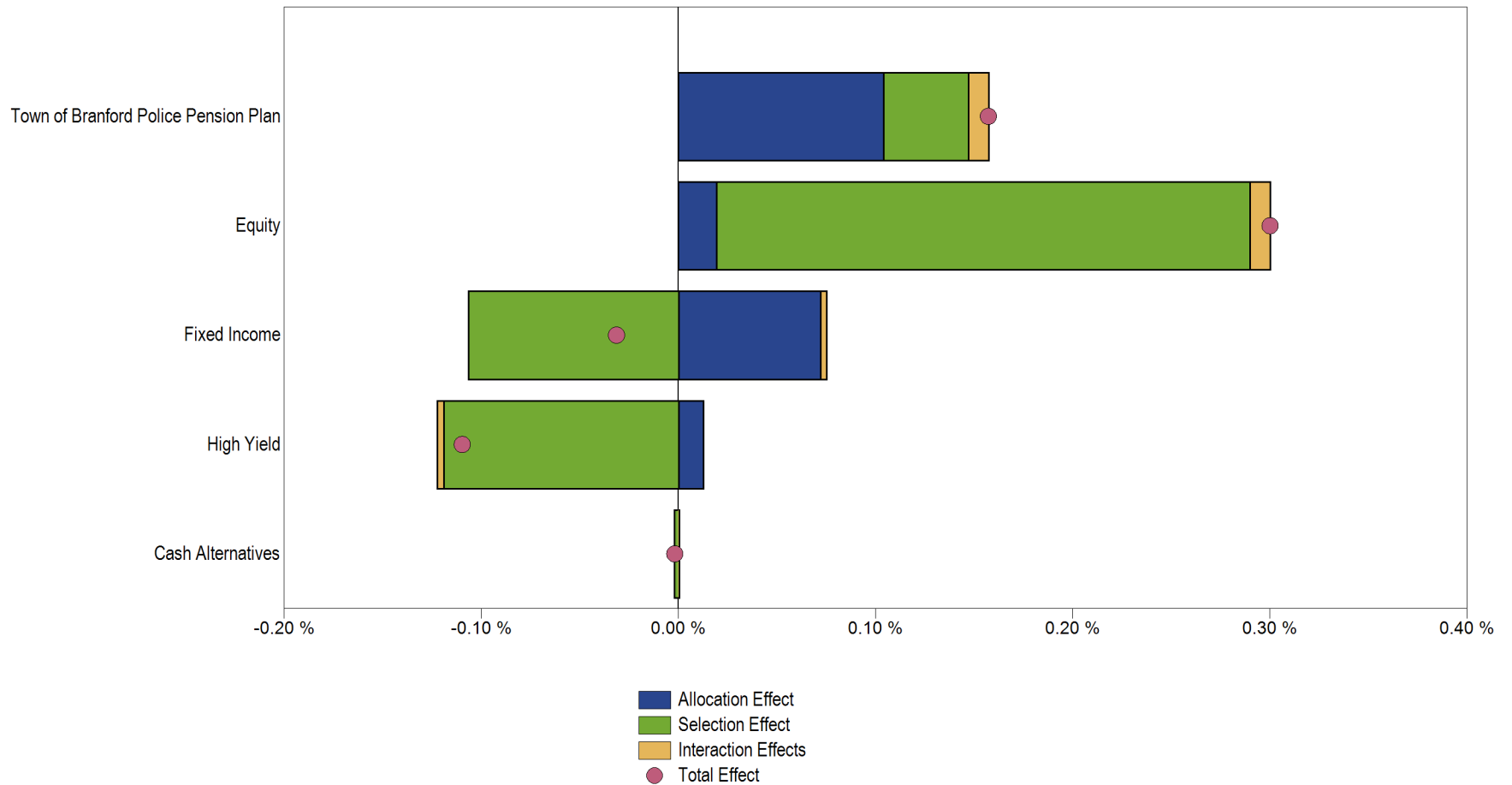
Effective September 4, 2015, ELEMENTS Rogers International Commodity Total Return was replaced with Alerian MLP. Effective December 18, 2015, the assets of the Town of Branford Police Pension plan and the Town of Branford Fire Pension plan have been separated.

Attribution Effects  
 3 Months Ending June 30, 2021



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 June 30, 2021



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

As of June 30, 2021

**Performance Attribution**  
**Quarter Ending June 30, 2021**

	Last 3 Mo.	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020
Wtd. Actual Return	5.22%	8.84%	10.92%	23.89%	9.17%	7.82%	6.28%	7.81%
Wtd. Index Return *	5.02%	8.30%	11.77%	23.73%	9.82%	8.36%	6.65%	10.02%
<b>Excess Return</b>	<b>0.20%</b>	<b>0.55%</b>	<b>-0.84%</b>	<b>0.16%</b>	<b>-0.65%</b>	<b>-0.54%</b>	<b>-0.36%</b>	<b>-2.20%</b>
Selection Effect	0.09%	0.26%	-0.26%	0.04%	-0.15%	-0.28%	-0.24%	-0.69%
Allocation Effect	0.11%	0.28%	-0.66%	0.10%	-0.55%	-0.26%	-0.13%	-1.67%
Interaction Effect	0.00%	0.01%	0.08%	0.01%	0.04%	0.01%	0.00%	0.16%

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

**Attribution Summary**  
**3 Months Ending June 30, 2021**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	7.62%	7.67%	-0.05%	-0.03%	0.04%	0.00%	0.01%
Fixed Income	2.18%	1.83%	0.35%	0.12%	0.01%	0.00%	0.13%
High Yield	2.75%	2.77%	-0.02%	0.00%	0.00%	0.00%	0.00%
Cash Alternatives	0.00%	0.01%	0.00%	0.00%	0.04%	0.00%	0.04%
<b>Total</b>	<b>5.22%</b>	<b>5.02%</b>	<b>0.20%</b>	<b>0.09%</b>	<b>0.08%</b>	<b>0.00%</b>	<b>0.18%</b>

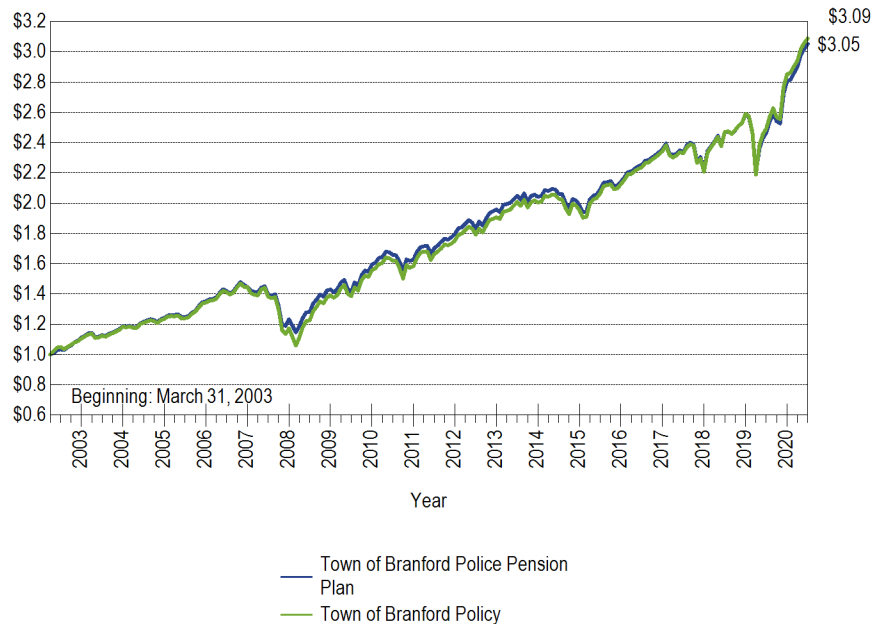
Returns are gross of advisory fees. Client returns will be reduced by advisory fees and other expenses the client may incur.

# Town of Branford Police Pension Plan Investment Performance Analysis

Total Plan Information

As of June 30, 2021

**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	219	219
Maximum Return	7.65	8.79
Minimum Return	-10.72	-11.29
Annualized Return	6.30	6.37
Total Return	205.21	208.82
Annualized Excess Return Over Risk Free	5.07	5.14
Annualized Excess Return	-0.07	0.00
<b>RISK SUMMARY STATISTICS</b>		
Beta	0.92	1.00
Upside Deviation	4.53	5.03
Downside Deviation	6.77	7.39
<b>RISK/RETURN SUMMARY STATISTICS</b>		
Annualized Standard Deviation	7.51	8.13
Alpha	0.04	0.00
Sharpe Ratio	0.68	0.63
Excess Return Over Market / Risk	-0.01	0.00
Tracking Error	1.25	0.00
Information Ratio	-0.05	--
<b>CORRELATION STATISTICS</b>		
R-Squared	0.98	1.00
Correlation	0.99	1.00

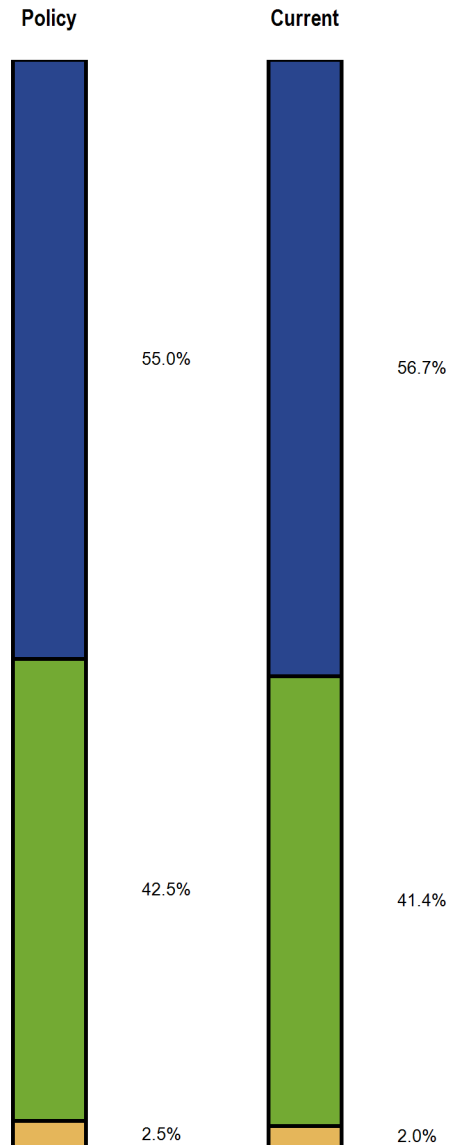
## Summary of Cash Flows

	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	\$28,826,072	\$28,355,029	\$25,107,334	\$25,107,334	\$23,676,949	\$21,356,595	\$18,147,800	\$8,311,293
Contributions	\$804,735	\$2,314,269	\$4,092,368	\$4,092,368	\$12,492,028	\$21,438,852	\$33,515,832	\$62,432,051
Withdrawals	-\$1,100,920	-\$3,097,601	-\$5,110,621	-\$5,110,621	-\$13,376,960	-\$22,495,027	-\$36,148,040	-\$62,001,342
Net Cash Flow	-\$296,185	-\$783,332	-\$1,018,253	-\$1,018,253	-\$884,932	-\$1,056,175	-\$2,632,209	\$430,709
Net Investment Change	\$1,497,939	\$2,456,129	\$5,938,745	\$5,938,745	\$7,235,809	\$9,727,407	\$14,512,235	\$21,285,824
Ending Market Value	\$30,027,826	\$30,027,826	\$30,027,826	\$30,027,826	\$30,027,826	\$30,027,826	\$30,027,826	\$30,027,826

# Town of Branford Police Pension Plan Investment Performance Analysis

Asset Allocation vs. Target Policy

As of June 30, 2021

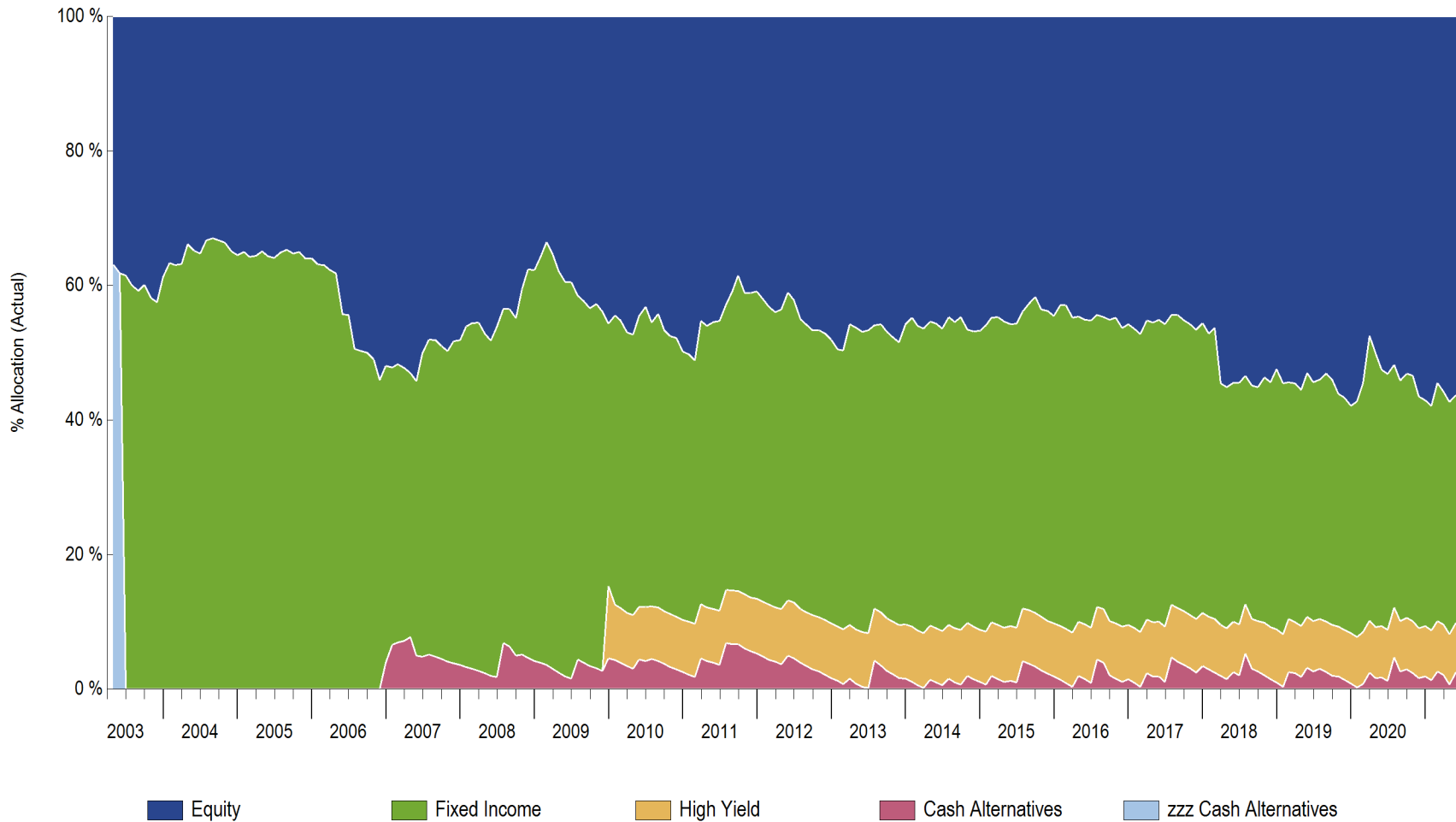


### Asset Allocation vs. Target As Of June 30, 2021

	Policy Range	Policy	%	Current	%	Difference*	%
US Equity	30.0% - 60.0%	\$16,515,304	55.0%	\$17,012,877	56.7%	\$497,573	1.7%
US Fixed Income	40.0% - 65.0%	\$12,761,826	42.5%	\$12,425,206	41.4%	-\$336,620	-1.1%
Cash	0.0% - 10.0%	\$750,696	2.5%	\$589,743	2.0%	-\$160,952	-0.5%
<b>Total</b>		<b>\$30,027,826</b>	<b>100.0%</b>	<b>\$30,027,826</b>	<b>100.0%</b>		

\*Difference between Policy and Current Allocation

Asset Allocation History  
18 Years 3 Months Ending June 30, 2021



# **Investment Analysis**

*Total Plan*



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

As of June 30, 2021

**Manager Roster**  
 As of June 30, 2021

	Account Type	Benchmark	Universe	Market Value	Allocation	Inception
Cash Alternatives	Cash	FTSE T-Bill 3 Months TR		\$589,743	2.0%	12/1/2006
Equity	Global Equity	Equity Custom Benchmark	Global Equity	\$17,012,877	56.7%	4/1/2003
Fixed Income	US Fixed Income	BBgBarc US Aggregate TR	US Intermediate Fixed Income	\$10,206,416	34.0%	6/30/2003
High Yield	US Fixed Income	Police High Yield Bond Blended Benchmark	US Below Inv Grade (High Yield) Fixed Income	\$2,218,790	7.4%	12/1/2009
<b>Total</b>		<b>Town of Branford Policy</b>		<b>\$30,027,826</b>	<b>100.0%</b>	<b>4/1/2003</b>

**Town of Branford  
Equity Positions  
As of June 30, 2021**

Holding	Market Value	% of Equity Portfolio
Cash & Cash Equivalents	\$743,303.33	4.22%
ISHARES S&P 500	\$4,601,003.84	26.14%
ISHARES S&P MIDCAP 400	\$1,715,572.32	9.75%
ISHARES Russell 2000	\$1,661,097.54	9.44%
ISHARES MSCI Emerging Markets	\$2,413,198.55	13.71%
ISHARES MSCI EAFE Index Fund	\$3,755,634.56	21.34%
ISHARES Dow Jones U.S. Real Estate	\$1,075,161.18	6.11%
Alerian MLP	\$1,637,648.98	9.30%
	<b>\$17,602,620.30</b>	<b>100.00%</b>

**Town of Branford  
Fixed Income Positions  
as of June 30, 2021**

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
6	CASH & EQUIVALENTS	AAA	0.040	07/31/2021	100.000	6	0.06	0.040	0.085
50	EXXON MOBIL CORP	AA-	8.625	08/15/2021	100.982	52	0.51	0.738	0.125
1	BNSF RY CO	AA	5.943	01/15/2022	102.078	1	0.01	2.063	0.525
50	NEW YORK ST URBAN DEV CORP	AA	2.830	03/15/2022	101.791	51	0.50	0.297	0.699
90	PHILIP MORRIS INTL INC	A	2.375	08/17/2022	102.251	93	0.91	0.222	1.030
100	CONNECTICUT ST GO BDS 2009B	A+	5.200	12/01/2022	106.834	107	1.05	0.368	1.382
200	MORGAN STANLEY	BBB+	3.125	01/23/2023	104.252	211	2.07	0.395	1.519
200	GOLDMAN SACHS GROUP INC	BBB+	3.200	02/23/2023	104.318	211	2.07	0.427	1.521
85	CHEVRON CORPORATION	AA-	3.191	06/24/2023	104.981	89	0.87	0.308	1.694
85	WALMART INC	AA	3.400	06/26/2023	105.976	90	0.88	0.254	1.857
4	GNMA POOL - 672864	AA+	4.500	07/15/2023	104.615	4	0.04	-2.333	0.639
90	GLAXOSMITHKLINE CAP PLC	A	0.534	10/01/2023	100.359	90	0.89	0.247	1.719
85	BP CAP MKTS AMER INC	A-	3.790	02/06/2024	107.879	93	0.91	0.629	2.391
90	HOME DEPOT INC	A	3.750	02/15/2024	107.736	98	0.96	0.471	2.266
5	GNMA POOL - 783221	AA+	6.000	02/15/2024	103.662	5	0.05	1.042	0.754
85	ALPHABET INC	AA	3.375	02/25/2024	107.509	92	0.91	0.521	2.536
170	BK OF AMERICA CORP	A-	4.000	04/01/2024	109.100	187	1.83	0.658	2.613
200	TRUIST BK CHARLOTTE N C	A	3.200	04/01/2024	107.006	216	2.11	0.552	2.562
100	WALMART INC	AA	3.300	04/22/2024	107.254	108	1.06	0.448	2.465
1,560	ISHARES ICE 1-5 CRP	A-	3.085	05/29/2024	54.810	86	0.84	0.855	2.778
150	ENTERGY GULF STS LA LLC	A	5.590	10/01/2024	115.007	175	1.71	0.898	2.999
270	STATE STR CORP	A	3.776	12/03/2024	107.775	292	2.86	0.544	2.337
74	AMAZON COM INC	A+	3.800	12/05/2024	109.950	82	0.80	0.635	3.028
150	CITIBANK CC 2018-A6- NT	AAA	3.210	12/07/2024	104.255	157	1.54	0.240	1.413
17	GNMA2 POOL - 004584	AA+	4.000	12/20/2024	106.399	18	0.18	-1.412	1.003
72	MERCK & CO INC	A+	2.750	02/10/2025	106.568	77	0.76	0.767	3.233
85	MICROSOFT CORP	AAA	2.700	02/12/2025	107.148	92	0.90	0.554	3.238
90	EXXON MOBIL CORP	AA-	2.709	03/06/2025	106.368	97	0.95	0.824	3.308
165	CHARLES SCHWAB CORP	A	4.200	03/24/2025	111.768	186	1.83	0.914	3.404
150	DEERE & CO	A	2.750	04/15/2025	106.722	161	1.58	0.903	3.548
100	PEPSICO INC	A+	2.750	04/30/2025	106.788	107	1.05	0.824	3.458
103	GENERAL DYNAMICS CORP	A-	3.500	05/15/2025	109.650	113	1.11	0.851	3.510
70	BERKSHIRE HATHAWAY INC DEL	AA	7.250	06/15/2025	121.836	85	0.84	1.542	3.540
135	BP CAP MKTS AMER INC	A-	3.796	09/21/2025	110.866	151	1.48	1.054	3.784
85	US BANCORP	A+	3.950	11/17/2025	112.558	96	0.94	0.960	4.005
95	HILLIARD OHIO SCH DIST TAXA	AA+	5.550	12/01/2025	118.557	113	1.11	1.223	4.008
21	GNMA2 POOL - 004954	AA+	3.000	02/20/2026	105.018	22	0.21	-0.627	0.934
190	APPLE INC	AA+	3.250	02/23/2026	109.793	211	2.07	0.970	4.138
15	EXXON MOBIL CORP	AA-	3.043	03/01/2026	108.635	16	0.16	1.039	4.184
42	US BANCORP	A-	3.100	04/27/2026	108.750	46	0.45	1.196	4.459
75	DISNEY WALT CO	BBB+	1.850	07/30/2026	102.996	78	0.76	1.240	4.852
70	TJX COS INC NEW	A	2.250	09/15/2026	105.214	74	0.73	1.165	4.810
90	MICROSOFT CORP	AAA	3.300	02/06/2027	111.249	101	0.99	1.127	4.967
35	BLACKROCK INC	AA-	3.200	03/15/2027	110.925	39	0.38	1.213	5.265
150	NIKE INC	A+	2.750	03/27/2027	107.886	163	1.60	1.280	5.254

**Town of Branford  
Fixed Income Positions  
as of June 30, 2021**

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
148	CHEVRON CORPORATION	AA-	1.995	05/11/2027	103.220	153	1.50	1.405	5.518
180	COCA COLA CO	A+	2.900	05/25/2027	109.173	197	1.93	1.281	5.498
50	BURLINGTON NORTHN SANTA FE C	A-	3.250	06/15/2027	110.327	55	0.54	1.364	5.343
175	NEW YORK N Y CITY TRANSITIO	AA+	3.040	08/01/2027	109.178	193	1.89	1.458	5.587
130	BRISTOL-MYERS SQUIBB CO	A	3.450	11/15/2027	111.579	146	1.43	1.467	5.660
60	NATIONAL RURAL UTILS COOP FI	A-	3.400	02/07/2028	110.091	67	0.66	1.717	5.822
81	PRUDENTIAL FINL INC	A-	3.878	03/27/2028	114.404	93	0.92	1.538	5.865
80	UNITED STATES TREAS NTS	AA+	2.875	05/15/2028	111.160	89	0.87	1.180	6.354
60	HORMEL FOODS CORP	A	1.700	06/03/2028	100.657	60	0.59	1.597	6.569
80	WELLS FARGO & CO	BBB+	4.150	01/24/2029	115.046	93	0.92	1.935	6.408
95	UNITED STATES TREAS NTS	AA+	2.625	02/15/2029	109.734	105	1.03	1.281	7.001
85	DEERE JOHN CAPITAL CORP	A	3.450	03/07/2029	112.421	96	0.95	1.718	6.852
180	UNITED STATES TREAS NTS	AA+	2.375	05/15/2029	107.984	195	1.91	1.305	7.305
81	UNITED STATES TREAS NTS	AA+	1.625	08/15/2029	102.356	83	0.82	1.318	7.683
69	UNITED STATES TREAS NTS	AA+	1.750	11/15/2029	103.293	71	0.70	1.333	7.903
115	PROCTER & GAMBLE CO	AA-	3.000	03/25/2030	110.448	128	1.25	1.707	7.810
160	CATERPILLAR INC	A	2.600	04/09/2030	106.843	172	1.68	1.733	7.838
100	HOME DEPOT INC	A	2.700	04/15/2030	107.029	108	1.05	1.808	7.820
100	TJX COS INC NEW	A	3.875	04/15/2030	114.741	116	1.13	1.990	7.469
150	BLACKROCK INC	AA-	2.400	04/30/2030	104.734	158	1.55	1.802	7.963
150	NORTHERN TR CORP	A	1.950	05/01/2030	100.941	152	1.49	1.831	8.124
100	UNITED STATES TREAS NTS	AA+	0.625	05/15/2030	93.551	94	0.92	1.400	8.729
60	FEDERAL NATL MTG ASSN	AA+	6.625	11/15/2030	144.821	87	0.86	1.485	7.571
100	UNITED STATES TREAS NTS	AA+	1.625	05/15/2031	101.656	102	1.00	1.444	9.257
80	GENERAL DYNAMICS CORP	A-	2.250	06/01/2031	102.661	82	0.81	1.947	8.926
95	SALESFORCE COM INC	N/A	1.950	07/15/2031	100.134	95	0.93	1.935	9.181
80	NEW YORK N Y CITY TRANSITIO	AA+	3.900	08/01/2031	113.118	92	0.90	1.912	6.587
97	GNMA 2019-053- V	AA+	2.750	08/16/2031	105.155	102	1.00	1.570	4.401
3	GNMA POOL - 604387	AA+	6.000	06/15/2033	113.755	4	0.03	0.539	2.337
3	GNMA POOL - 603773	AA+	6.000	06/15/2033	117.561	4	0.04	-0.523	2.418
3	GNMA POOL - 604639	AA+	5.000	09/15/2033	112.745	4	0.03	-0.539	1.736
12	GNMA POOL - 613042	AA+	4.500	09/15/2033	112.528	14	0.13	-1.081	1.265
11	GNMA POOL - 621667	AA+	5.000	03/15/2034	112.826	13	0.13	-0.268	1.903
5	GNMA POOL - 636236	AA+	5.000	03/15/2035	115.794	6	0.06	-1.202	1.797
0	FHLMC POOL - 1B2285	AA+	2.416	08/01/2035	100.763	0	0.00	1.720	0.170
14	GNMA POOL - 595800	AA+	4.500	08/15/2035	111.184	16	0.15	-0.821	1.028
6	GNMA POOL - 649476	AA+	4.500	10/15/2035	110.857	7	0.07	0.191	1.883
9	GNMA POOL - 648482	AA+	4.500	11/15/2035	110.943	10	0.09	-0.753	1.082
6	GNMA POOL - 520293	AA+	5.500	01/15/2036	113.851	7	0.07	-0.049	2.080
1	GNMA POOL - 650146	AA+	5.000	03/15/2036	112.840	1	0.01	-0.088	1.942
6	GNMA POOL - 652573	AA+	5.000	05/15/2036	112.853	6	0.06	-0.095	1.993
2	GNMA POOL - 384819	AA+	5.000	01/15/2037	115.460	2	0.02	-2.513	0.943
3	GNMA POOL - 659106	AA+	6.000	02/15/2037	112.479	4	0.04	1.506	2.617

**Town of Branford  
Fixed Income Positions  
as of June 30, 2021**

<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>
1	GNMA POOL - 658708	AA+	5.000	05/15/2037	112.663	1	0.01	-0.994	1.281
50	JOHNSON & JOHNSON	AAA	5.950	08/15/2037	146.860	75	0.73	2.422	11.629
17	GNMA POOL - 676551	AA+	4.500	10/15/2037	110.946	19	0.18	-0.380	1.354
23	GNMA POOL - 670370	AA+	5.000	11/15/2037	116.499	26	0.26	-1.186	1.771
3	GNMA POOL - 672628	AA+	6.000	03/15/2038	116.543	3	0.03	-0.542	2.132
1	GNMA POOL - 690853	AA+	5.500	06/15/2038	116.285	1	0.01	-1.485	1.615
60	PFIZER INC	A	4.100	09/15/2038	121.902	74	0.72	2.489	12.955
2	GNMA POOL - 699457	AA+	6.000	10/15/2038	112.236	2	0.02	1.838	2.787
18	GNMA 2015-109- A	AA+	2.528	02/16/2040	100.999	18	0.17	1.005	0.759
13	GNMA POOL - 749321	AA+	3.500	12/15/2040	104.932	14	0.14	0.567	1.132
8	GNMA POOL - 737798	AA+	3.500	12/15/2040	107.230	8	0.08	-0.803	0.070
130	UNITED STATES TREAS NTS	AA+	3.125	02/15/2042	119.359	157	1.54	1.977	16.196
30	UNITED STATES TREAS BDS	AA+	3.000	05/15/2042	117.133	35	0.35	1.993	16.562
81	FLORIDA PWR & LT CO	A+	4.050	10/01/2044	121.839	100	0.98	2.752	16.140
125	UNITED STATES TREAS BDS	AA+	3.000	11/15/2044	117.805	148	1.45	2.039	18.023
24	GNMA 2013-068- AC	AA+	1.300	02/16/2046	100.443	24	0.23	1.071	2.177
95	UNITED STATES TREAS BDS	AA+	2.500	05/15/2046	108.402	103	1.01	2.066	19.518
46	GNMA 2018-117- AB	AA+	2.500	07/16/2046	100.932	46	0.45	1.500	1.062
53	FNMA UMBS POOL - MA2730	AA+	2.500	08/01/2046	103.593	55	0.54	1.528	3.102
64	FNMA UMBS POOL - BE1348	AA+	3.000	10/01/2046	105.665	68	0.66	1.379	2.016
38	FNMA POOL - MA2828	AA+	2.500	11/01/2046	102.881	39	0.39	1.884	3.184
79	PFIZER INC	A	4.125	12/15/2046	124.172	98	0.96	2.792	17.368
41	NORTHERN STS PWR CO WIS	A	3.600	09/15/2047	113.249	47	0.46	2.868	17.858
12	FHLMC GOLD POOL - Q52418	AA+	3.500	11/01/2047	107.885	13	0.13	1.486	1.953
130	UNITED STATES TREAS BDS	AA+	3.000	02/15/2048	119.254	156	1.53	2.057	19.702
63	UNITED STATES TREAS BDS	AA+	3.000	08/15/2048	119.457	76	0.74	2.060	19.965
46	FHLMC GOLD POOL - G61648	AA+	3.500	09/01/2048	107.700	50	0.49	1.301	1.834
16	FNMA UMBS POOL - BN0905	AA+	4.000	11/01/2048	107.264	18	0.17	1.354	2.310
68	BERKSHIRE HATHAWAY FIN CORP	AA	4.250	01/15/2049	124.315	86	0.84	2.940	17.605
58	FNMA UMBS POOL - BN4393	AA+	3.500	03/01/2049	107.829	62	0.61	0.081	1.121
35	FNMA UMBS POOL - FM2612	AA+	3.500	05/01/2049	106.221	37	0.36	0.787	1.626
30	GNMA POOL - 682229	AA+	4.000	07/15/2049	107.526	32	0.31	0.348	1.360
150	MIDAMERICAN ENERGY COMPANY	A+	4.250	07/15/2049	125.820	192	1.88	2.885	17.869
22	UNITED STATES TREAS BDS	AA+	2.250	08/15/2049	103.652	23	0.23	2.078	21.689
77	FHLMC UMBS POOL - QA3677	AA+	2.500	10/01/2049	103.593	80	0.78	1.457	3.034
33	FHLMC UMBS POOL - QA3570	AA+	2.500	10/01/2049	103.877	35	0.34	1.484	2.966
95	3M CO	A+	3.700	04/15/2050	117.927	113	1.10	2.780	19.025
99	FNMA UMBS POOL - BP7257	AA+	2.000	07/01/2050	101.171	100	0.98	1.783	4.513
35	GNMA 2017-128- AC	AA+	2.600	05/16/2051	103.491	36	0.35	1.577	3.492
12	BANK 2017-BNK6- A1	AAA	1.941	07/15/2060	100.137	12	0.12	0.744	0.216
<b>9,200</b>		<b>AA-</b>	<b>3.233</b>	<b>7.721</b>	<b>108.380</b>	<b>10,205</b>	<b>100.00</b>	<b>1.249</b>	<b>6.236</b>

**Town of Branford  
High Yield Positions  
As of June 30, 2021**

Holding	Market Value	% of Equity Portfolio
Cash & Cash Equivalents	\$12,355.36	0.56%
MainStay MacKay High Yield Corp Bd	\$2,206,434.54	99.44%
	\$2,218,789.90	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 Present	35.00	Barclays Aggregate
	14.50	S&P 500
	12.50	MSCI EAFE (Net)
	8.50	MSCI Emerging Market (Net)
	7.50	BofAML US High Yield Constrained
	5.50	Russell 2000
	5.50	S&P 400 Mid Cap
	5.25	Alerian MLP Index
	3.25	Dow USA Real Estate
	2.50	Citigroup Treasury Bill-3 Month



# Definitions

- 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.

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**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.

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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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