

# Town of Branford OPEB Trust

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SYNERGIES

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## 2Q22 Performance Review

This presentation has been prepared specifically for the Town of Branford for use at a meeting August 29, 2022.

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# Performance Summary

Index Performance as of: 6/30/2022

	<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>						
3000 Value	-12.41	-13.15	-7.46	6.82	7.01	10.39	Dow Jones Industrial Avg.	-10.78	-14.44	-9.05	7.24	9.98	11.70
3000	-16.70	-21.10	-13.87	9.77	10.60	12.57	Wilshire 5000 (Full Cap)	-17.30	-21.90	-15.52	9.23	10.25	12.32
3000 Growth	-20.83	-28.15	-19.78	11.84	13.63	14.41	<b>International Equity - Broad Market</b>						
1000 Value	-12.21	-12.86	-6.82	6.87	7.17	10.50	MSCI EAFE	-14.51	-19.57	-17.77	1.07	2.20	5.40
1000	-16.67	-20.94	-13.04	10.17	11.00	12.82	MSCI EM	-11.45	-17.63	-25.28	0.57	2.18	3.06
1000 Growth	-20.92	-28.07	-18.77	12.58	14.29	14.80	MSCI Frontier Markets	-13.77	-20.59	-17.33	0.57	1.65	5.07
Mid Cap Value	-14.68	-16.23	-10.00	6.70	6.27	10.62	MSCI ACWI	-15.66	-20.18	-15.75	6.21	7.00	8.76
Mid Cap	-16.85	-21.57	-17.30	6.59	7.96	11.29	MSCI ACWI Ex USA	-13.73	-18.42	-19.42	1.35	2.50	4.83
Mid Cap Growth	-21.07	-31.00	-29.57	4.25	8.88	11.50	MSCI AC Asia Ex Japan	-9.00	-16.28	-25.03	2.11	3.09	5.50
2000 Value	-15.28	-17.31	-16.28	6.18	4.89	9.05	<b>International Equity - Country</b>						
2000	-17.20	-23.43	-25.20	4.21	5.17	9.35	MSCI Brazil	-24.40	2.75	-23.30	-9.18	0.80	-2.00
2000 Growth	-19.25	-29.45	-33.43	1.40	4.80	9.30	MSCI BRIC	-4.32	-17.02	-30.07	-2.20	2.25	3.08
<b>Standard &amp; Poors</b>							MSCI China	3.41	-11.26	-31.79	-0.57	2.14	5.49
S&P 500	-16.10	-19.96	-10.62	10.60	11.31	12.96	MSCI Europe	-14.49	-20.79	-17.61	1.24	2.16	5.44
Consumer Disc	-26.16	-32.82	-24.20	5.37	9.75	13.52	MSCI India	-13.65	-15.25	-4.80	7.28	7.25	8.14
Consumer Staples	-4.62	-5.58	6.66	10.86	8.79	10.68	MSCI Japan	-14.63	-20.27	-19.93	1.01	1.76	5.59
Energy	-5.17	31.84	39.99	10.15	7.00	4.29	MSCI EM Latin America	-21.87	-0.57	-16.08	-6.35	-0.58	-2.18
Financials	-17.50	-18.73	-12.68	6.73	7.22	12.48	MSCI Russia	0.00	-100.00	-100.00	-98.91	-92.68	-73.51
Health Care	-5.91	-8.33	3.37	13.61	12.16	14.97							
Industrials	-14.78	-16.79	-13.42	6.06	6.77	11.32							
Information Technology	-20.24	-26.91	-13.56	18.71	20.22	18.69							
Materials	-15.90	-17.89	-8.72	10.26	8.74	9.91							
Real Estate	-14.72	-20.02	-5.17	7.01	8.49	9.14							
Telecom Services	-20.71	-30.16	-29.05	5.35	6.15	6.00							
Utilities	-5.09	-0.55	14.30	9.01	9.78	10.47							

Source: Morningstar

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	<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	-4.69	-10.35	-10.29	-0.93	0.88	1.54	Barclays Municipal	-2.94	-8.98	-8.57	-0.18	1.51	2.38
Barclays US Aggregate 1-3 Yr	-0.64	-3.13	-3.58	0.21	1.02	0.99	Barclays Municipal 3 Yr	0.11	-3.45	-3.46	0.33	0.99	1.11
Barclays US Aggregate 3-5 Yr	-1.87	-6.26	-6.93	-0.31	0.96	1.39	Barclays Municipal 5 Yr	-0.42	-5.50	-5.34	0.15	1.17	1.62
Barclays US Aggregate 5-7 Yr	-3.25	-8.30	-8.71	-0.46	1.08	1.58	Barclays Municipal 7 Yr	-1.18	-6.81	-6.65	0.07	1.41	2.10
BofAML 3-Month T-Bill	0.10	0.14	0.17	0.63	1.11	0.64	Barclays HY Muni	-5.61	-11.77	-10.40	1.15	3.63	4.42
Barclays U.S. Gov't	-3.71	-9.04	-8.82	-0.85	0.76	1.03	<b>Alternative Investments</b>						
Barclays U.S. Credit	-6.90	-13.81	-13.64	-1.00	1.24	2.45	Alerian MLP	-7.38	10.04	4.33	0.07	-0.29	0.74
Barclays High Yield Corp.	-9.83	-14.19	-12.81	0.21	2.10	4.47	Bloomberg Commodity	-5.66	18.44	24.27	14.34	8.39	-0.82
Barclays TIPS	-6.08	-8.92	-5.14	3.04	3.21	1.73	FTSE NAREIT Equity REIT	-17.00	-20.20	-6.27	4.00	5.30	7.39
Barclays Global Aggregate	-11.01	-16.49	-18.78	-5.07	-1.75	-1.06	S&P Global Natural Res.	-15.56	-1.37	2.95	8.57	8.91	4.65
Barclays Gbl Agg Ex USD	-8.26	-13.91	-15.25	-3.22	-0.55	0.11	S&P N. Amer Natural Res.	-10.44	15.87	22.17	10.47	6.77	3.39
JPM EMBI Global Div	-10.55	-18.83	-19.25	-4.33	-1.00	2.05							

Source: Morningstar

# Market review & outlook

## A Rough Start to 2022



- High inflation, an increasingly hawkish Federal Reserve and economic uncertainty have weighed on markets. Global equities reached bear market territory with the MSCI ACWI Index down 20% year-to-date through June.
- The simultaneous decline in bonds has made this year particularly painful for balanced portfolios. The Bloomberg Aggregate Bond Index was down 10% year-to-date through June, leaving a 60/40 portfolio down 16%.
- Longer duration bond portfolios often favored by defined benefit plans are down around 20% year-to-date through June<sup>1</sup>, although the silver lining for defined benefit plans is that funded status has generally held up well as a result of declining liability values.

<sup>1</sup> Source: Bloomberg Long Government/Credit Index

## Outlook - Uncertainty Abounds



- Market behavior this year appears to be a mostly rational response to the increase in longer-term interest rates, along with the rise in economic uncertainty from inflationary pressures, Ukraine-Russia conflict, Chinese lockdowns and policy tightening.
- Our base case view is that the monetary policy response priced by markets should curb inflation with only an economic slowdown or a mild recession. However, the risk of downside scenarios has increased.
- Should Fed tightening prove too much for the heavily-indebted US economy to bear, inflationary fears could give way to fears of a deeper recession. However, interest rates could decline in this scenario, providing some cushion to balanced portfolios.
- A more worrisome outcome is that inflationary pressures stay high even as economic growth slows, requiring the Fed to respond even more forcefully. We expect this would be negative for stocks and bonds.

## Portfolio Actions

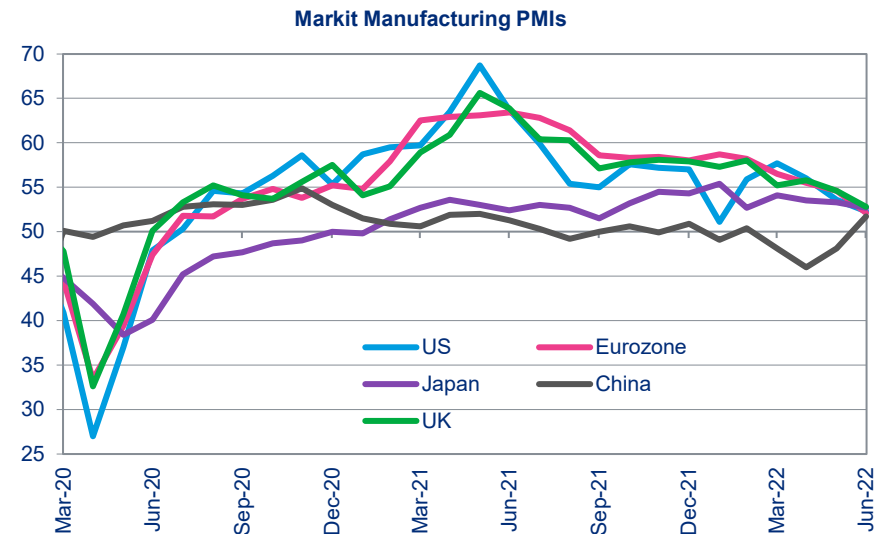


- While we are not excessively bullish, we do believe that the headwind from among other things, tightening monetary policy (in response to elevated inflation), and supply chain disruption are resulting in more attractive valuations.
- We continue to suggest investors follow rebalancing policies. Defined benefit plans on a de-risking glide path should stick with established interest rate hedge ratios and funded policy triggers.
- Clients should assess short-term liquidity needs and consider how best to meet those, should the environment worsen.
- It is our belief that the winds of deglobalization are blowing. This in turn will lead to some interesting investment themes, some of which we will be discussing at the next webinar on 8/10/22.

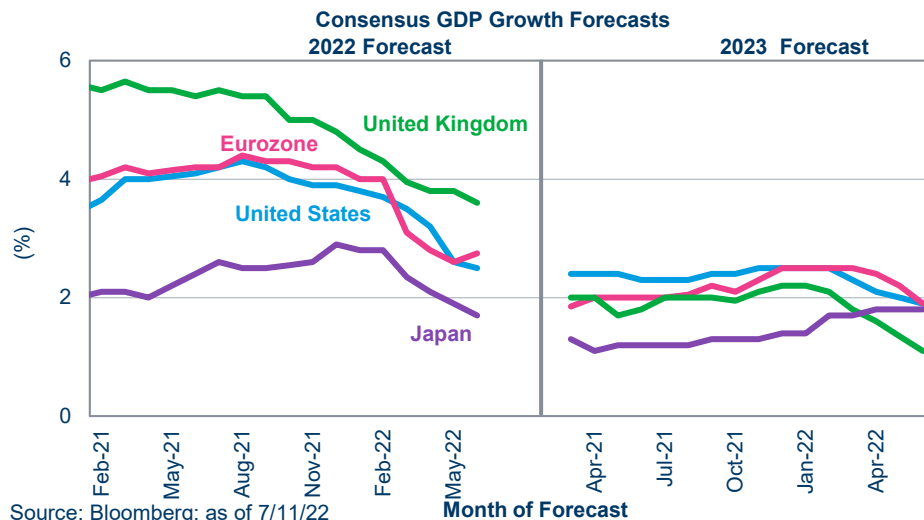
# Economic fundamentals

## Growth outlook increasingly uncertain

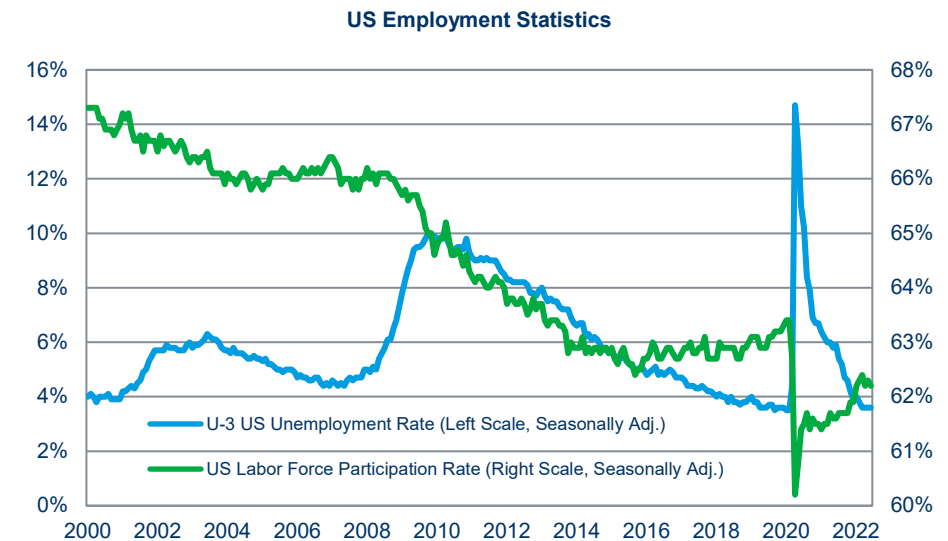
- The growth outlook has become more uncertain as persistent inflation has pushed central banks to tighten more aggressively. Consensus growth forecasts have moved lower for both 2022 and 2023.
- Manufacturing PMIs barely remain in expansionary territory for most developed markets now, having trended downward in 2022. China's PMI has rebounded as COVID restrictions eased in Q2.
- While downside risks have increased, the labor market continues to show strength. The US unemployment rate (U-3)<sup>1</sup> has fallen to 3.6% after peaking at 14.7% in April 2020. The labor force participation rate remains roughly one percentage point below its pre-COVID level.



Source: Bloomberg; as of 6/30/22



Source: Bloomberg; as of 7/11/22



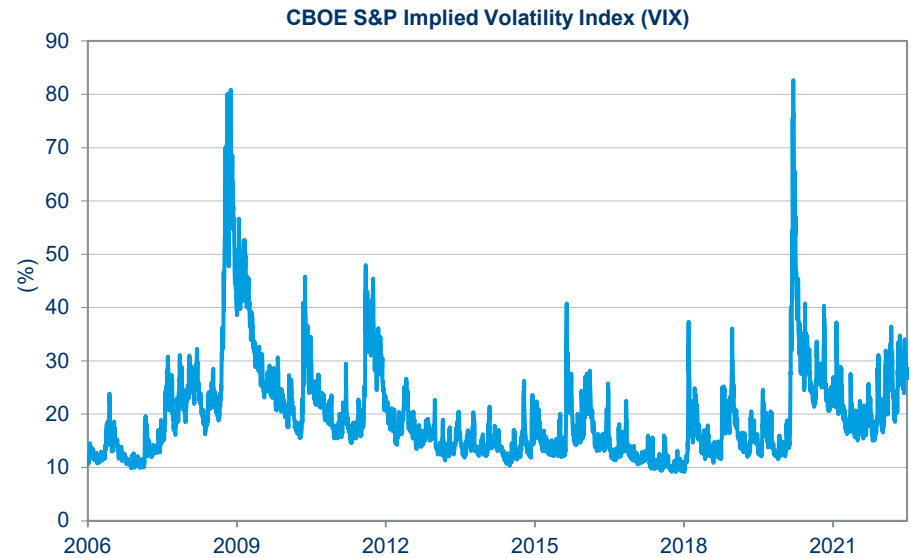
Source: Bureau of Labor Statistics; as of 6/30/22

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

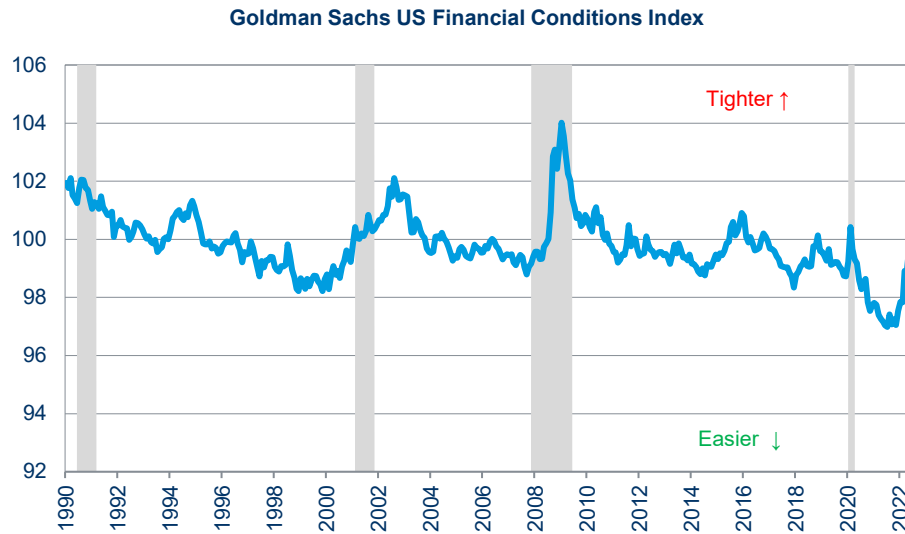
# Risk factors

## US inflation remains high

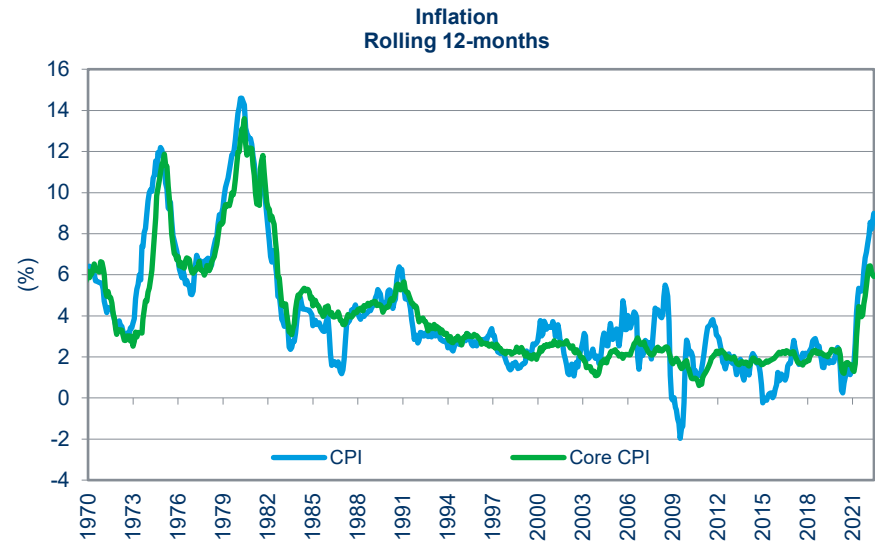
- US inflation continued to move higher in Q2, and the Fed has responded with an accelerated pace of tightening. It remains to be seen whether the Fed's actions can slow inflation without causing a recession.
- The Russian invasion of Ukraine continues to cause commodity supply disruptions and economic uncertainty, adding to the challenges central bankers face.
- The VIX volatility index rose from 21 to 29 during the quarter. It peaked at nearly 35 in mid-June.
- Financial conditions continued to tighten during the quarter as rates rose. The Goldman Sachs US Financial Conditions Index is near its pre-COVID levels.



Source: Bloomberg; as of 6/30/22



Source: Bloomberg; as of 6/30/22



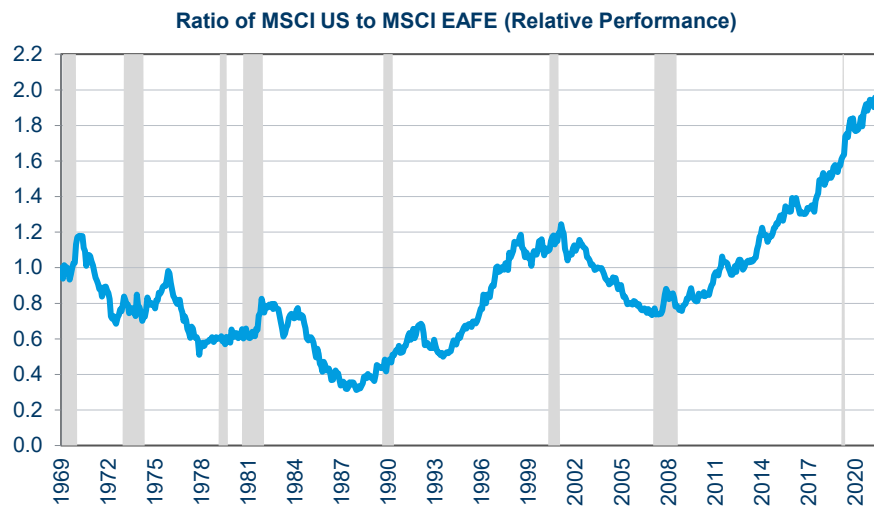
Source: Bloomberg; through 6/30/22

<sup>1</sup> Source: Bloomberg; as of 6/30/22

# Regional equity returns

## Global equities decline amid monetary tightening

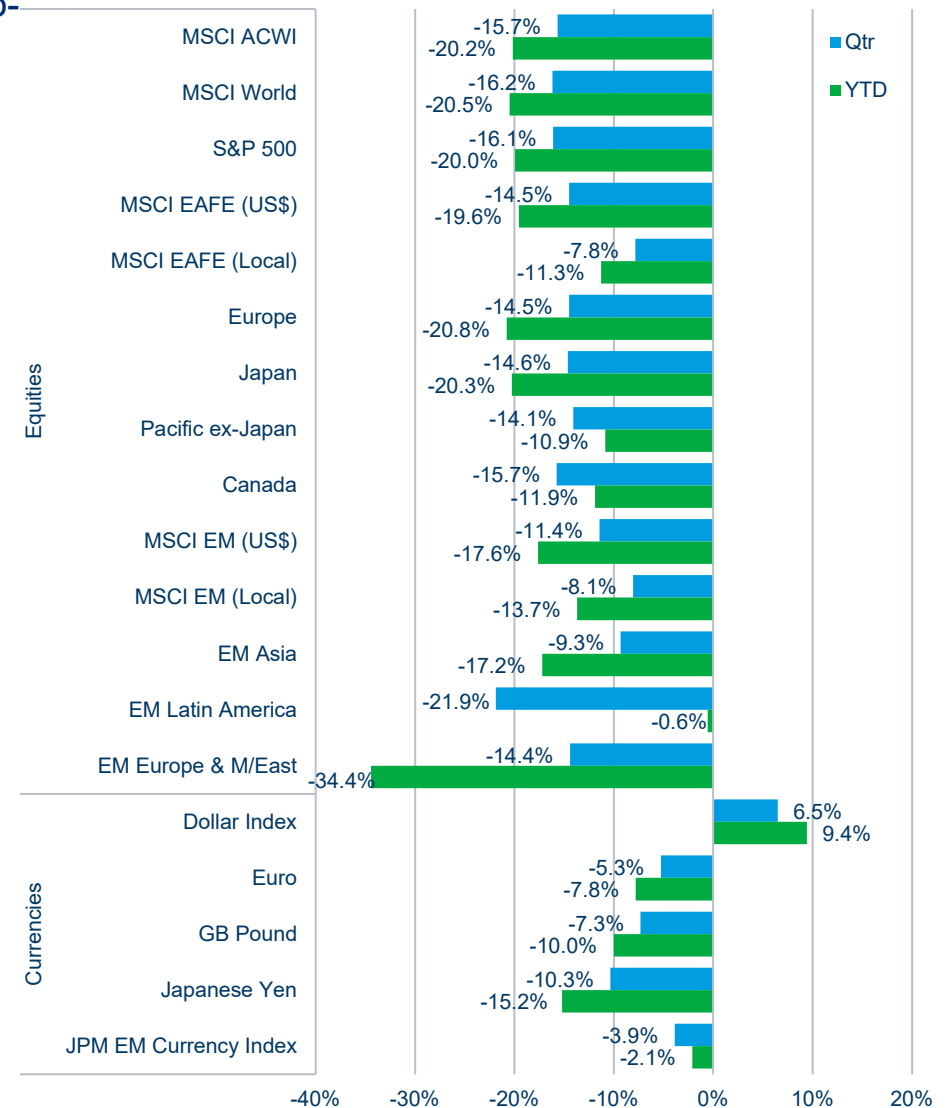
- Global equities posted steep declines in Q2, with the MSCI ACWI index falling 15.7% for the quarter. Year-to-date, the index has declined 20.2%.
- The S&P 500 fell 16.1% during the quarter, and is now down 20.0% year-to-date.
- International developed stocks declined 14.5% in Q2, leaving its year-to-date decline at 19.6%. A stronger dollar detracted 670 bps from US\$ returns during the quarter.
- Emerging market equities fell 11.4% in Q2 and 17.6% year-to-date. Asian emerging markets were the best performing region during the quarter as Chinese equities posted modest gains, while Latin American emerging markets struggled.



Source: Datastream; as of 6/30/22

Past performance is no guarantee of future results

## Global Performance



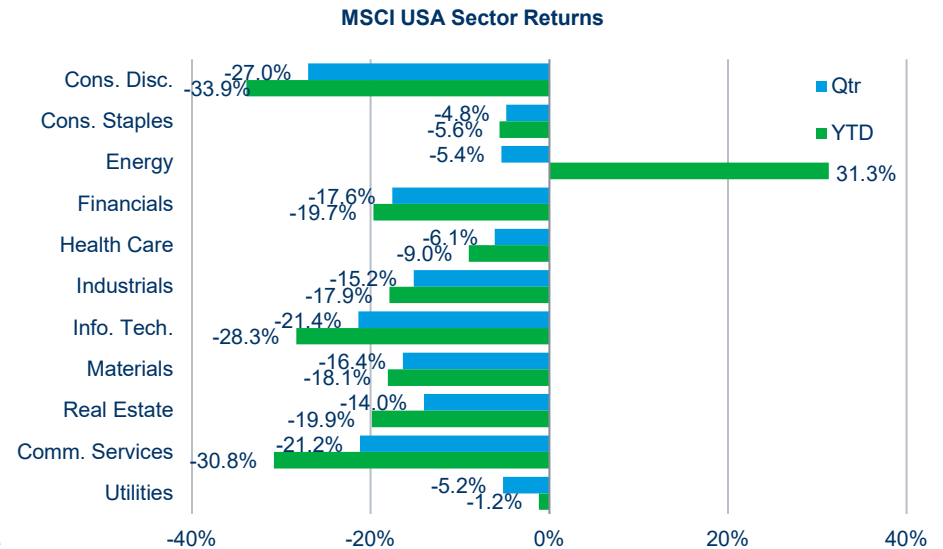
Source: Bloomberg, Datastream; as of 6/30/22



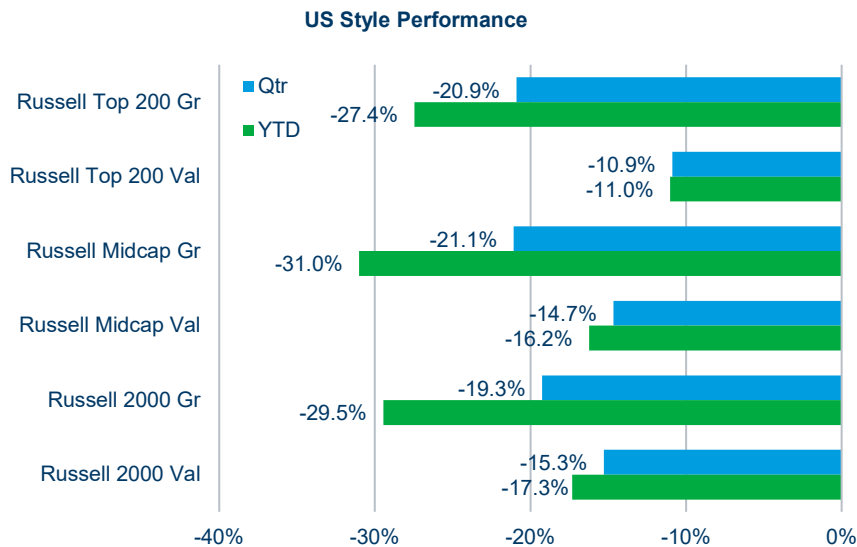
# US equity factor and sector returns

## Large-caps and value stocks outperform

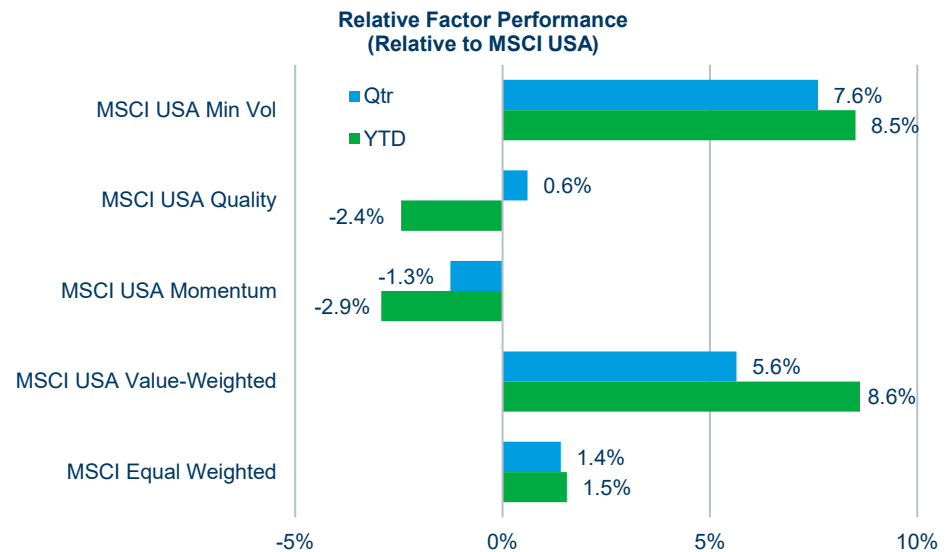
- Large-caps held up slightly better than small-caps during Q2 and year-to-date. For the quarter and year-to-date periods, value outperformed growth, particularly within large-caps.
- The value, minimum volatility, and size factors outperformed during Q2, while the momentum and quality factors generally lagged. The value and minimum volatility factors have performed the best so far in 2022.
- The consumer staples, utilities and energy sectors held up the best during Q2, while consumer discretionary and technology struggled. Energy is the only sector that remains positive year-to-date.



Source: Bloomberg; as of 6/30/22



Source: Datastream; as of 6/30/22

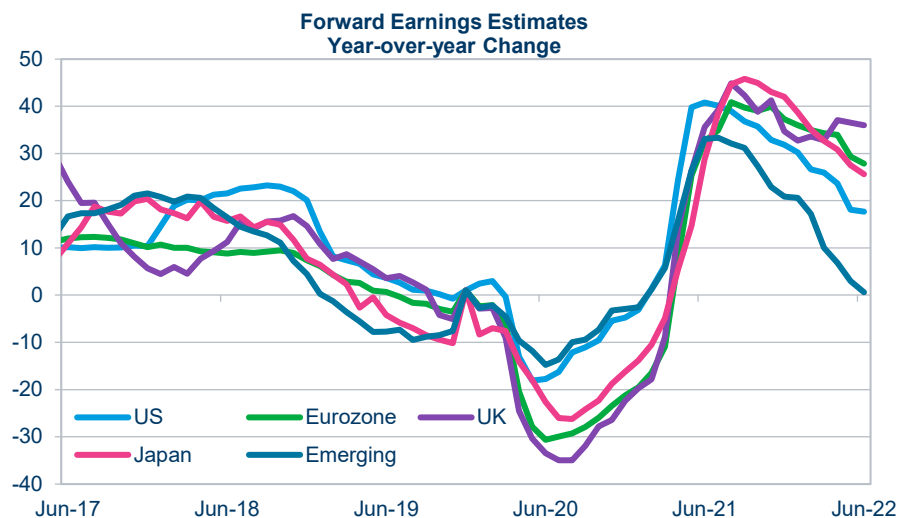


Source: MSCI; as of 6/30/22

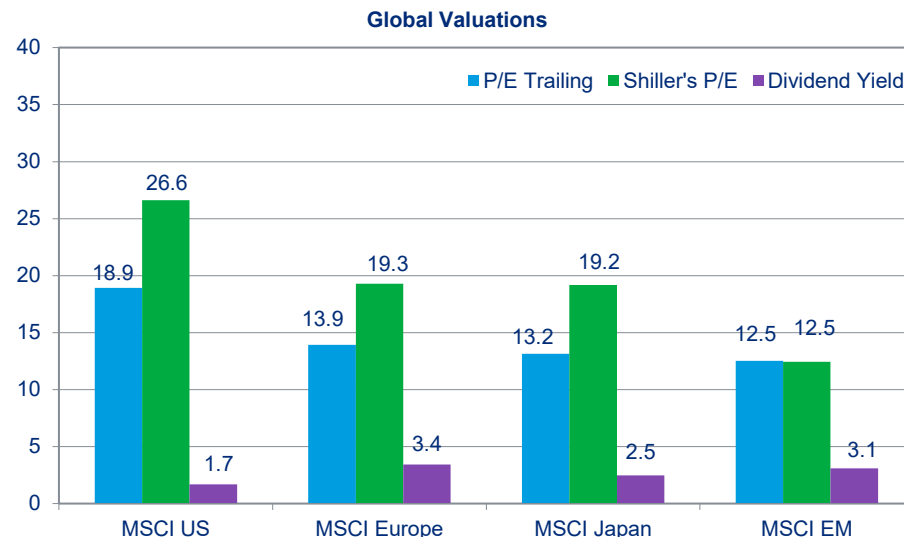
# Equity fundamentals

## Valuations improved during the equity drawdown

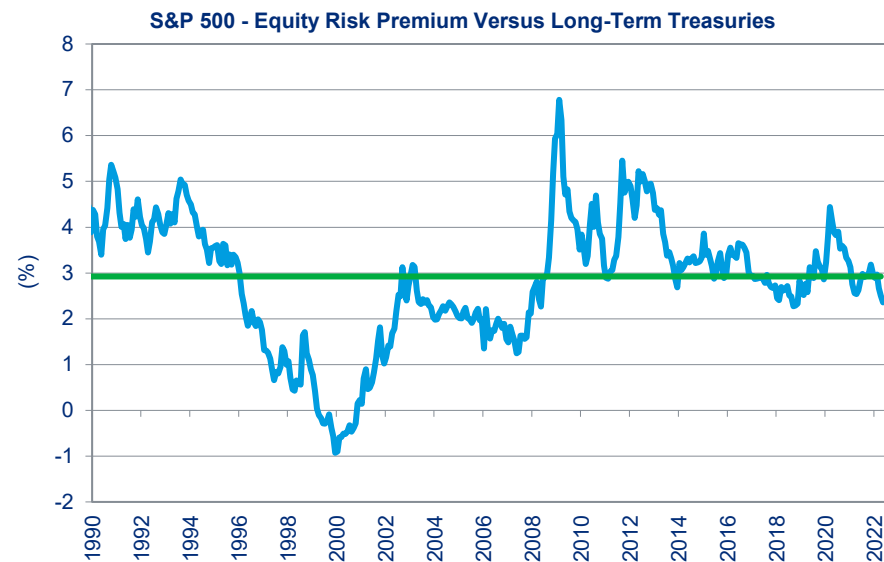
- Valuations improved during the quarter as prices declined. The trailing P/E ratio on the MSCI US Index fell from 23.1 to 18.9<sup>1</sup>. However, we estimate that the equity risk premium over long-term Treasuries fell from 2.7% to 2.4%<sup>2</sup> as the increase in yields outweighed improving valuations.
- International developed stocks remain more reasonably valued than US stocks, although the Russia-Ukraine conflict and its impact on energy and other commodity prices presents risks, particularly for Europe.
- Emerging market valuations remain more attractive than developed markets. Monetary policy remains highly accommodative in China, and reduced COVID restrictions provided a boost to activity in Q2.



Source: Datastream; as of 6/30/22



Source: Bloomberg, Datastream, Mercer; as of 6/30/22



Source: Bloomberg, Datastream, Mercer; as of 6/30/22

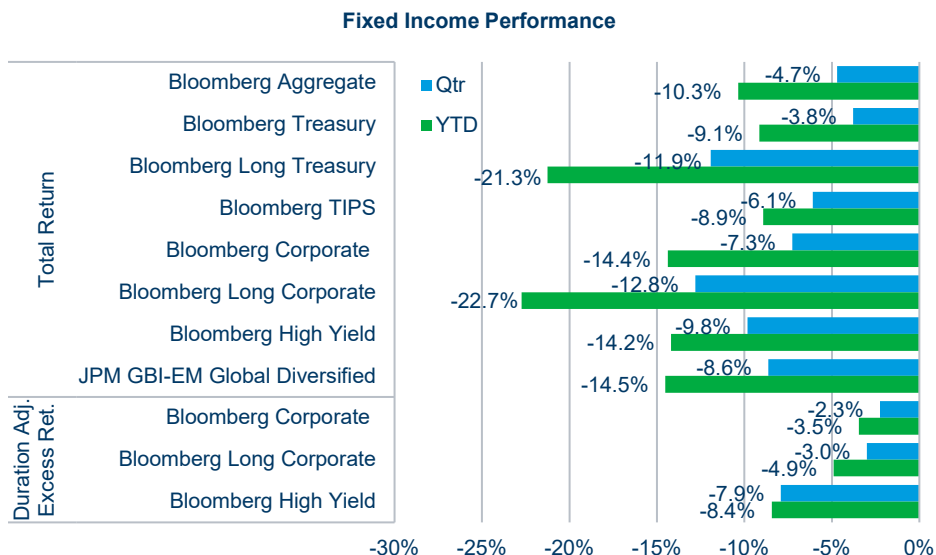
<sup>1</sup> Source: Refinitiv; as of 6/30/22

<sup>2</sup> Source: MSCI, Refinitiv, Mercer; as of 6/30/22

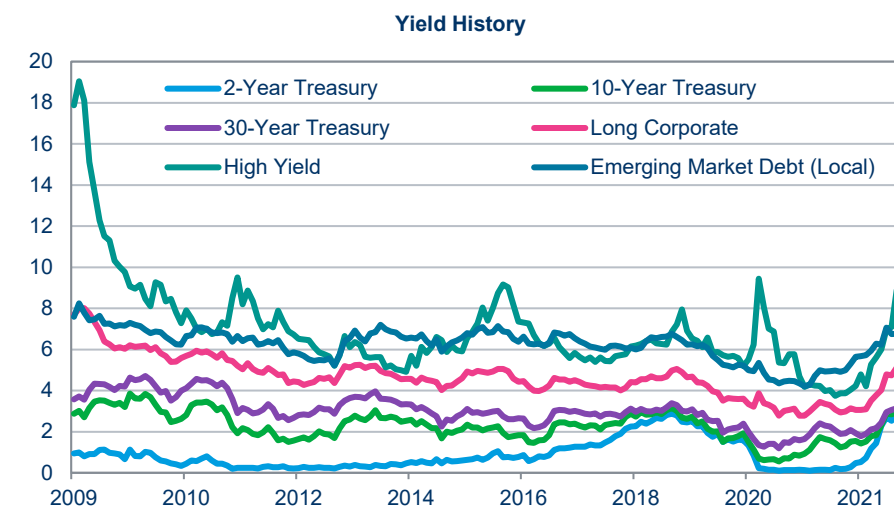
# Interest rates and fixed income

## Rising rates and spreads weigh on fixed income returns

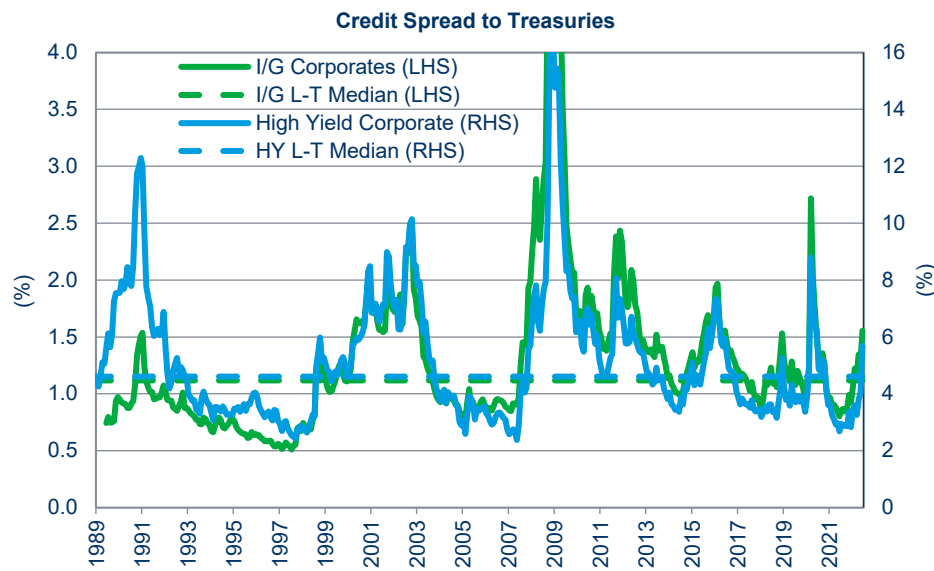
- The Bloomberg Aggregate declined 4.7% during the quarter. Treasuries declined 3.8%, but outperformed corporate bonds, which declined 7.3%. The yield curve shifted higher and flattened, with one-year yields rising 117 bps, while 30-year yields rose by 70 bps<sup>1</sup>.
- Credit spreads on investment-grade corporate bonds rose an average of 40 bps during the quarter to 1.6%, which is roughly 45 bps above the long-term median level<sup>2</sup>.
- High yield bonds declined 9.8% during the quarter, as credit spreads rose 244 bps to 5.7%. High yield spreads are now 107 bps above the long-term median level of 4.6%<sup>2</sup>. Local currency EMD declined 8.6% during Q2.



Source: Bloomberg, Datastream; as of 6/30/22



Source: Bloomberg, Federal Reserve; as of 6/30/22



Source: Bloomberg; as of 6/30/22

<sup>1</sup> Source: Federal Reserve; as of 6/30/22

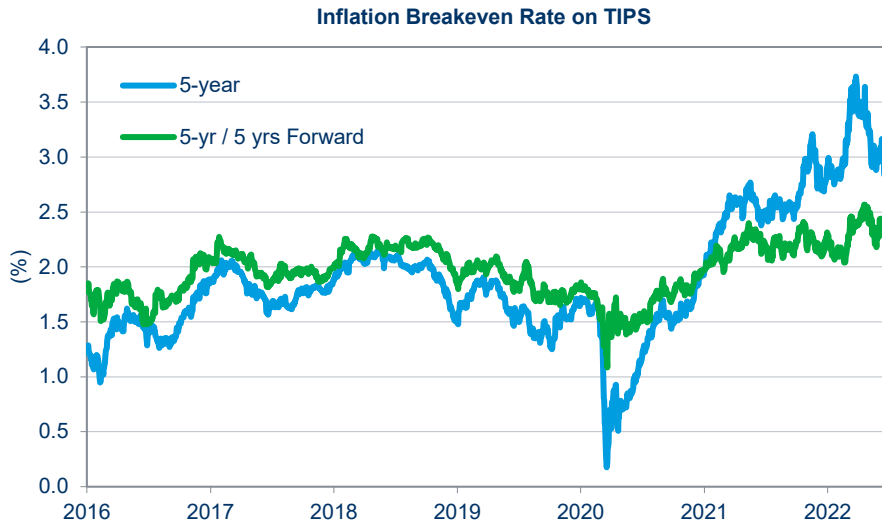
<sup>2</sup> Source: Bloomberg, Mercer; as of 6/30/22

Past performance is no guarantee of future results

# Monetary policy

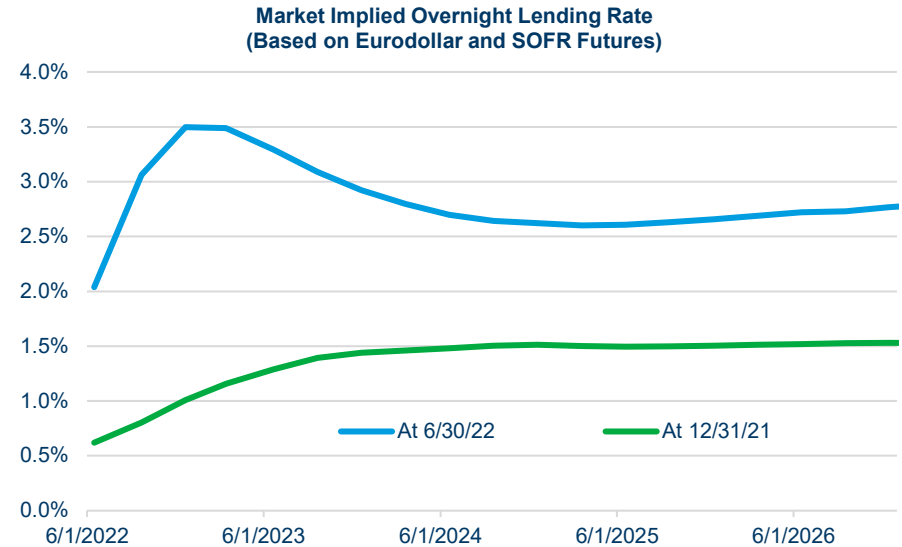
## Central banks accelerate tightening plans

- The Fed raised its target rate 75 basis points in its June meeting amid persistently high inflation. This followed a 25 basis point hike in March and a 50 basis point hike in May. Market pricing suggests another 200 basis points of rate hikes during the second half of 2022.
- US inflation breakeven rates fell during the quarter, with 10-year inflation breakeven rates falling from 2.8% to 2.3%, slightly below the Fed's target of 2% PCE (roughly 2.5% CPI)<sup>1</sup>.
- Overseas, the European Central Bank pre-announced a 25 basis point July rate hike. The Bank of England announced its fifth consecutive 25 basis point rate hike in June. Monetary policy conditions in China and Japan remained loose.

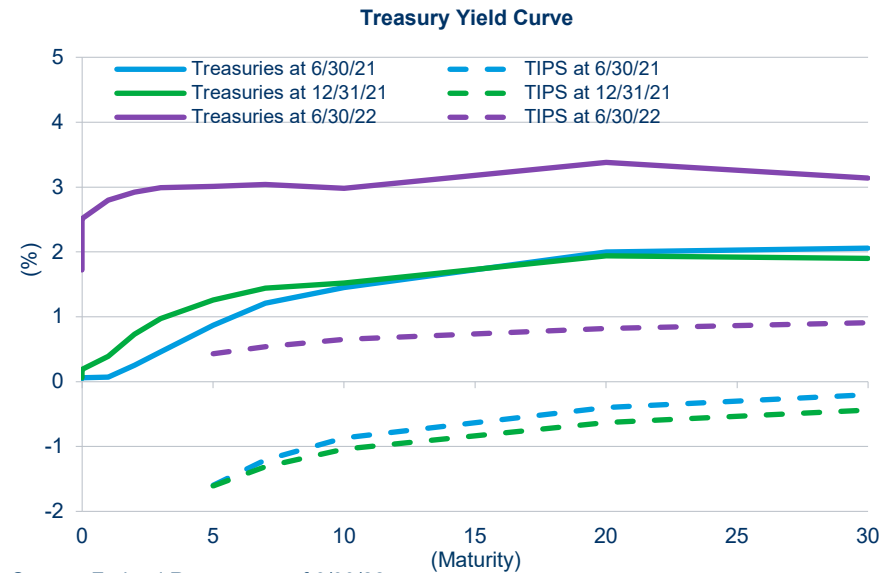


Source: Bloomberg, Mercer; as of 6/30/22

<sup>1</sup> Source: St. Louis Fed; as of 6/30/22



Source: Bloomberg, through 6/30/22



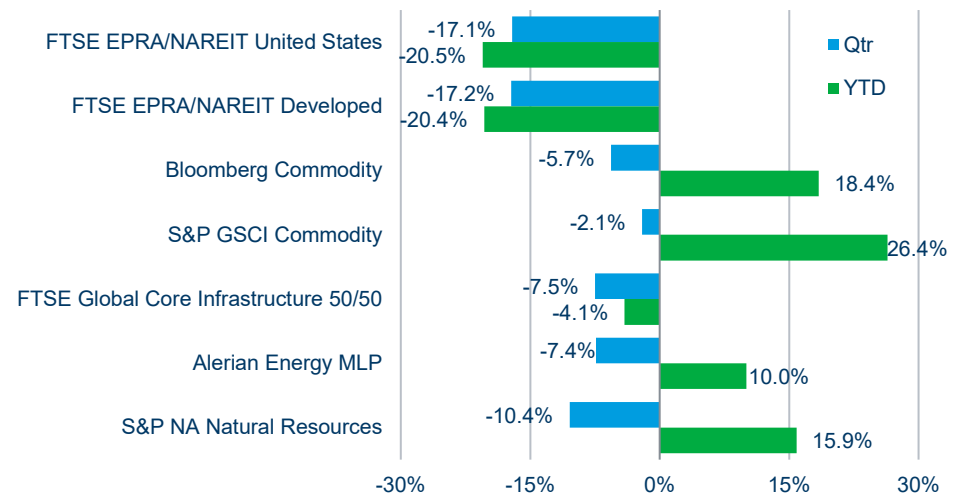
Source: Federal Reserve; as of 6/30/22

# Alternative investment performance

## Commodities and infrastructure outperform broader market

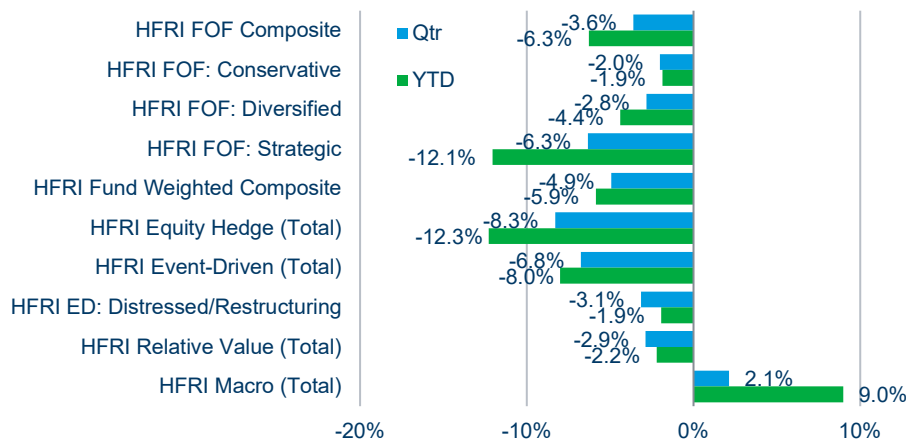
- REITs fell roughly 17% during Q2, in line with the declines in broader equity markets. Infrastructure stocks held up relatively well both in Q2 and 2022 as a whole, down 4% year-to-date.
- Commodities, natural resource stocks and MLPs declined during Q2 on fears that a potential recession could cause a slowdown in demand. However, returns for these assets remain strong year-to-date as supply concerns drove large gains early in the year.
- The HFRI FOF Composite Index declined 3.6% in Q2, leaving it down 6.3% year-to-date<sup>1</sup>. Macro strategies have outperformed in 2022, while equity hedge and event-driven strategies have lagged.
- Global private equity outperformed global developed stocks over the most recent trailing periods<sup>2</sup>.

Real Asset Performance



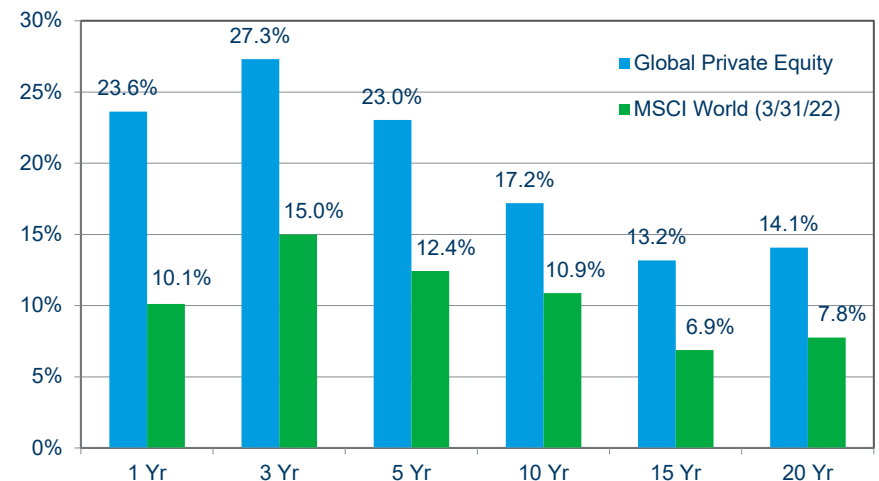
Source: Bloomberg, Datastream; as of 6/30/22

Hedge Fund Performance



Source: Hedge Fund Research; as of 6/30/22

Global Private Equity vs. Global Public Equities



Source: Burgiss, Bloomberg; as of 3/31/22

<sup>1</sup> Source: Hedge Fund Research; as of 6/30/22

<sup>2</sup> Source: Burgiss, Bloomberg; as of 3/31/22

Past performance is no guarantee of future results

# Valuations and yields

Ending June 30, 2022

## Valuations

<b>MSCI USA</b>	<b>6/30/2022</b>	<b>3/31/2022</b>	<b>12/31/2021</b>	<b>9/30/2021</b>
Index Level	16534.2	19866.9	20958.0	19038.4
P/E Ratio (Trailing)	18.9	23.1	32.2	25.9
CAPE Ratio	24.2	33.0	36.2	34.4
Dividend Yield	1.7	1.4	1.5	1.4
P/B	3.8	4.7	4.4	4.7
P/CF	14.1	18.5	20.3	20.1
<b>MSCI EAFE</b>	<b>6/30/2022</b>	<b>3/31/2022</b>	<b>12/31/2021</b>	<b>9/30/2021</b>
Index Level	6189.6	7240.4	7695.5	7493.7
P/E Ratio (Trailing)	13.9	15.5	23.1	18.5
CAPE Ratio	15.6	17.0	17.9	19.2
Dividend Yield	3.4	2.9	2.4	2.5
P/B	1.6	1.8	1.8	1.9
P/CF	6.4	7.9	7.7	7.1
<b>MSCI EM</b>	<b>6/30/2022</b>	<b>3/31/2022</b>	<b>12/31/2021</b>	<b>9/30/2021</b>
Index Level	501.1	565.8	608.3	616.4
P/E Ratio (Trailing)	12.5	14.0	21.7	15.1
CAPE Ratio	12.5	13.7	14.5	15.8
Dividend Yield	3.1	2.5	2.0	2.2
P/B	1.7	1.8	2.0	1.9
P/CF	7.6	8.5	8.3	9.4

Source: Bloomberg, Thomson Reuters Datastream

## Yields

<b>Global Bonds</b>	<b>6/30/2022</b>	<b>3/31/2022</b>	<b>12/31/2021</b>	<b>9/30/2021</b>
Germany – 10Y	1.34	0.55	-0.18	-0.20
France – 10Y	1.92	0.98	0.20	0.16
UK – 10Y	2.23	1.61	0.97	1.02
Switzerland – 10Y	1.07	0.60	-0.14	-0.16
Italy – 10Y	3.26	2.04	1.17	0.86
Spain – 10Y	2.42	1.44	0.57	0.46
Japan – 10Y	0.23	0.22	0.07	0.07
Euro Corporate	3.24	1.55	0.52	0.35
Euro High Yield	8.08	5.18	3.55	3.16
EMD (\$)	8.56	6.42	5.27	5.11
EMD (LCL)	7.06	6.23	5.72	5.30
<b>US Bonds</b>	<b>6/30/2022</b>	<b>3/31/2022</b>	<b>12/31/2021</b>	<b>9/30/2021</b>
3-Month T-Bill	1.72	0.52	0.06	0.04
10Y Treasury	2.98	2.32	1.52	1.52
30Y Treasury	3.14	2.44	1.90	2.08
10Y TIPS	0.65	-0.52	-1.04	-0.85
30Y TIPS	0.91	-0.03	-0.44	-0.19
US Aggregate	3.72	2.92	1.75	1.56
US Treasury	3.09	2.42	1.23	1.01
US Corporate	4.70	3.60	2.33	2.13
US Corporate High Yield	8.89	6.01	4.21	4.04

Source: Bloomberg, Thomson Reuters Datastream

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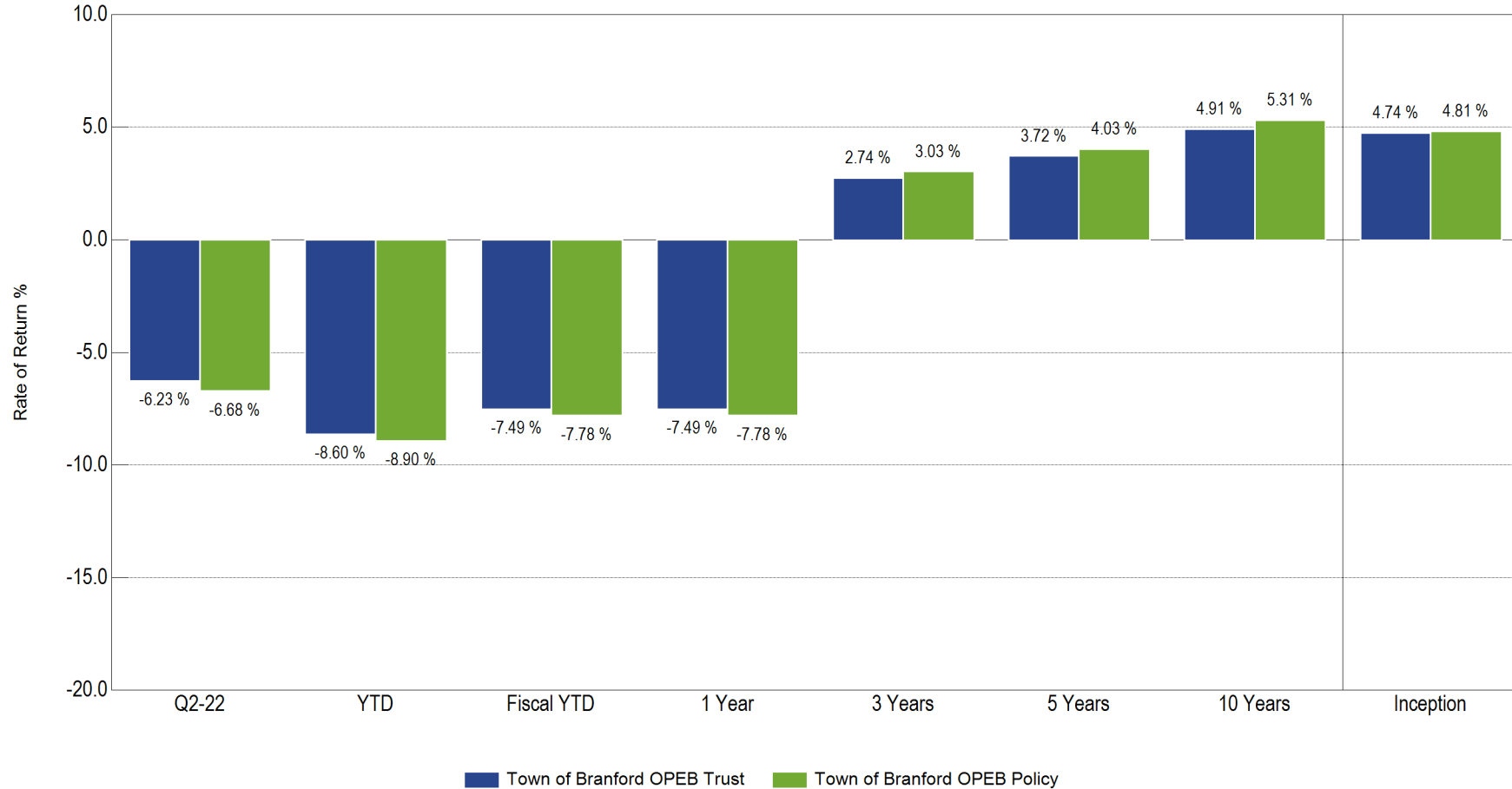
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**CAR20220725MERLV2Q22**

Return Summary



For the purposes of investment comparison, the Town of Branford OPEB Policy (the "Policy") is utilized. This Policy is a blend of comparative index sub-components based upon the current target asset allocation of the plan and has been adjusted periodically in adherence with the plan's investment policy statement. Details on the composition of the Policy can be found on page 30.

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



## Investment Performance Analysis

Gross Composite Performance

As of June 30, 2022

	Market Value (\$)	% of Portfolio	Ending June 30, 2022							Inception (%)	Inception Date
			3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)		
<b>Town of Branford OPEB Trust</b>	<b>34,237,561</b>	<b>100.00</b>	<b>-6.23</b>	<b>-8.60</b>	<b>-7.49</b>	<b>-7.49</b>	<b>2.74</b>	<b>3.72</b>	<b>4.91</b>	<b>4.74</b>	<b>Jul-11</b>
<i>Town of Branford OPEB Policy</i>			-6.68	-8.90	-7.78	-7.78	3.03	4.03	5.31	4.81	Jul-11
<b>Equity Group</b>	<b>11,822,338</b>	<b>34.53</b>	<b>-14.08</b>	<b>-17.26</b>	<b>-14.43</b>	<b>-14.43</b>	<b>5.73</b>	<b>6.14</b>	<b>7.92</b>	<b>7.25</b>	<b>Jul-11</b>
<i>Equity Custom Benchmark</i>			-14.42	-17.44	-14.52	-14.52	5.82	6.27	8.11	6.82	Jul-11
iShares S&P 500	3,336,767	9.75	-16.15	-19.98	-10.59	-10.59	10.57	11.22	12.89	12.74	Jul-11
<i>S&amp;P 500</i>			-16.10	-19.96	-10.62	-10.62	10.60	11.31	12.96	12.25	Jul-11
iShares S&P MidCap 400	1,942,497	5.67	-15.40	-19.56	-14.65	-14.65	6.74	6.92	10.79	10.15	Jul-11
<i>S&amp;P 400 MidCap</i>			-15.42	-19.54	-14.64	-14.64	6.87	7.02	10.90	9.63	Jul-11
iShares Russell 2000	1,383,975	4.04	-17.26	-23.50	-25.35	-25.35	4.06	5.04	9.30	8.91	Jul-11
<i>Russell 2000</i>			-17.20	-23.43	-25.20	-25.20	4.21	5.17	9.35	8.26	Jul-11
iShares MSCI EAFE	2,124,951	6.21	-13.07	-18.52	-17.29	-17.29	1.38	2.14	5.33	4.09	Jul-11
<i>MSCI EAFE</i>			-14.51	-19.57	-17.77	-17.77	1.07	2.20	5.40	3.48	Jul-11
iShares MSCI Emerging Mkts	1,273,010	3.72	-10.38	-17.12	-25.51	-25.51	-0.03	1.43	2.26	1.14	Jul-11
<i>MSCI Emerging Markets</i>			-11.45	-17.63	-25.29	-25.29	0.57	2.18	3.06	1.17	Jul-11
iShares Dow Jones US Real Estate	687,303	2.01	-14.71	-20.20	-7.89	-7.89	4.38	5.89	7.30	8.07	Jul-11
<i>iShares U.S. Real Estate Benchmark</i>			-14.46	-20.01	-7.52	-7.52	4.50	6.25	7.75	8.02	Jul-11
Alerian MLP	1,073,835	3.14	-8.54	9.05	2.28	2.28	-2.56	-2.24	--	-2.09	Sep-15
<i>Alerian MLP Index</i>			-7.38	10.04	4.33	4.33	0.07	-0.29	--	-0.98	Sep-15
<b>Fixed Income Group</b>	<b>22,415,223</b>	<b>65.47</b>	<b>-1.41</b>	<b>-3.24</b>	<b>-3.29</b>	<b>-3.29</b>	<b>0.81</b>	<b>1.75</b>	<b>1.82</b>	<b>1.86</b>	<b>Jul-11</b>
<i>Fixed Income Custom Benchmark</i>			-1.76	-3.70	-3.73	-3.73	0.73	1.78	2.07	2.37	Jul-11
High Yield	1,818,556	5.31	-7.97	-11.30	-9.76	-9.76	0.86	2.11	3.47	3.81	Jul-11
<i>High Yield Bond Blended Benchmark</i>			-9.98	-14.03	-12.67	-12.67	-0.07	1.88	4.10	4.44	Jul-11
Fixed Income	8,561,006	25.00	-1.98	-5.95	-6.47	-6.47	0.02	1.18	1.36	1.48	Jul-11
<i>Bloomberg US Govt/Credit Int TR</i>			-2.37	-6.77	-7.28	-7.28	-0.16	1.13	1.45	1.81	Jul-11
Cash Alternatives	12,035,662	35.15	0.10	0.10	0.10	0.10	0.40	0.83	0.43	0.39	Jul-11
<i>FTSE T-Bill 3 Months TR</i>			0.14	0.17	0.19	0.19	0.61	1.09	0.62	0.56	Jul-11

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

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

Investment Performance Analysis

Net Composite Performance

As of June 30, 2022

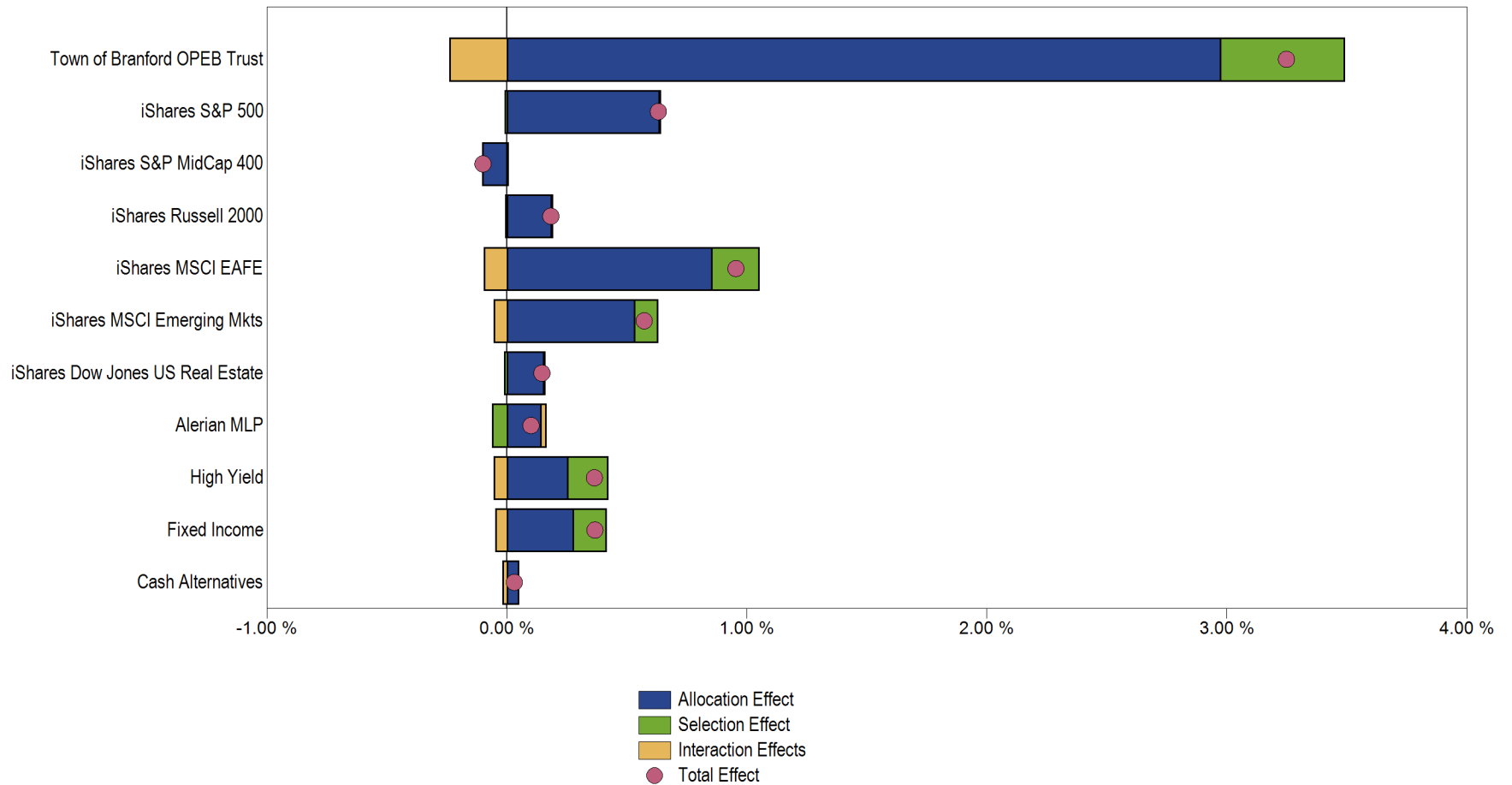
Ending June 30, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Town of Branford OPEB Trust</b>	<b>34,237,561</b>	<b>100.00</b>	<b>-6.28</b>	<b>-8.69</b>	<b>-7.67</b>	<b>-7.67</b>	<b>2.48</b>	<b>3.47</b>	<b>4.71</b>	<b>4.56</b>	<b>Jul-11</b>
<i>Town of Branford OPEB Policy</i>			-6.68	-8.90	-7.78	-7.78	3.03	4.03	5.31	4.81	Jul-11

Fund Level Attribution Analysis

As of June 30, 2022

Attribution Effects  
3 Months Ending June 30, 2022

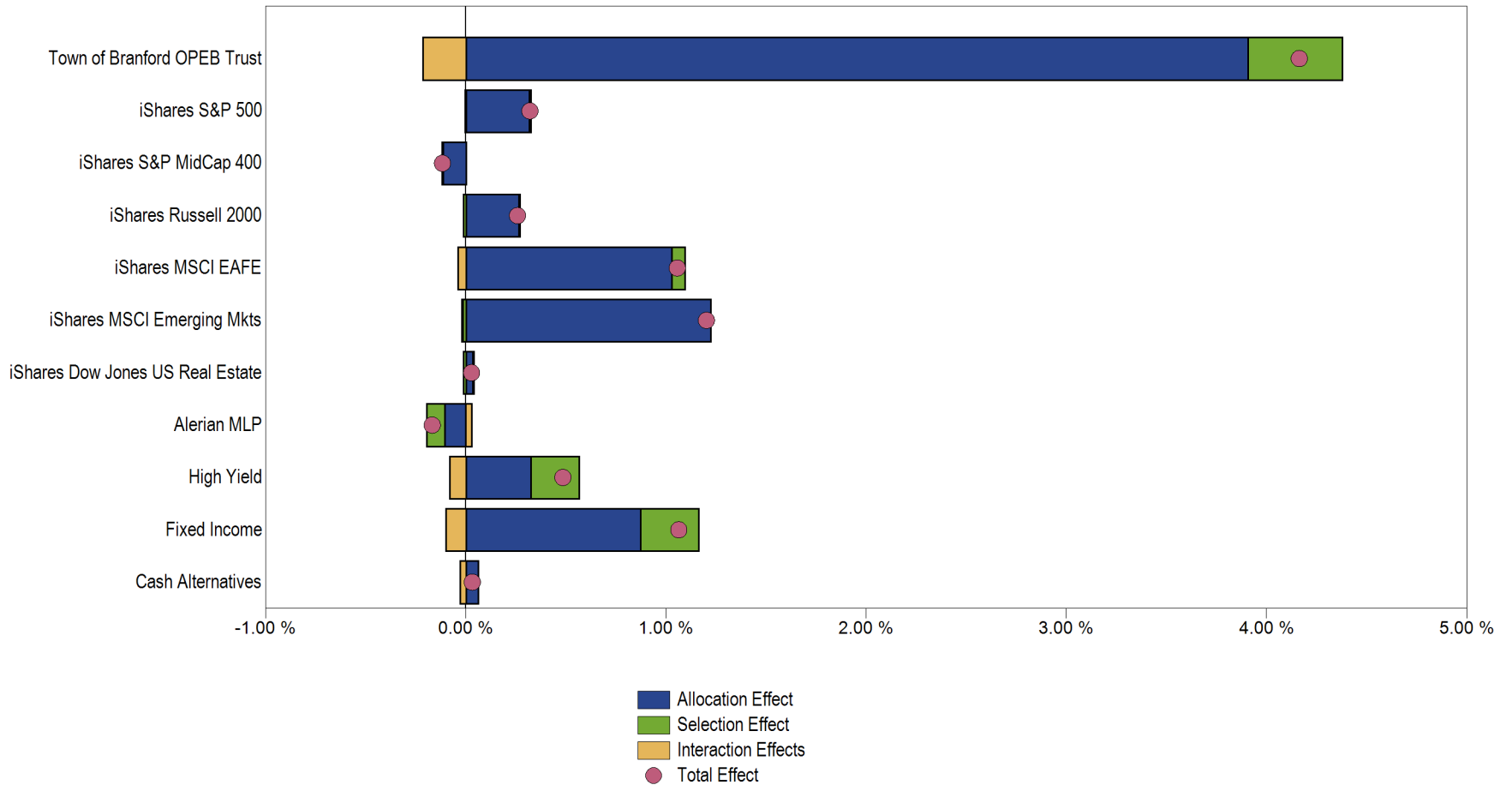


Returns are gross of advisory fees. Client returns will be reduced by advisory fees and other expenses the client may incur.

Fund Level Attribution Analysis

As of June 30, 2022

Attribution Effects  
1 Year Ending June 30, 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 June 30, 2022

**Performance Attribution**  
**Quarter Ending June 30, 2022**

	Last 3 Mo.	YTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Wtd. Actual Return	-6.23%	-8.60%	2.76%	-7.49%	2.76%	3.78%	5.02%
Wtd. Index Return *	-9.48%	-13.00%	3.29%	-11.65%	3.29%	4.29%	5.44%
<b>Excess Return</b>	<b>3.25%</b>	<b>4.40%</b>	<b>-0.52%</b>	<b>4.16%</b>	<b>-0.52%</b>	<b>-0.51%</b>	<b>-0.42%</b>
Selection Effect	0.51%	0.65%	-0.01%	0.47%	-0.01%	-0.15%	-0.19%
Allocation Effect	2.97%	4.05%	-0.47%	3.91%	-0.47%	-0.34%	-0.21%
Interaction Effect	-0.24%	-0.30%	-0.05%	-0.21%	-0.05%	-0.02%	-0.02%

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

**Attribution Summary**  
**3 Months Ending June 30, 2022**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
iShares S&P 500	-16.15%	-16.10%	-0.05%	-0.01%	0.64%	0.00%	0.63%
iShares S&P MidCap 400	-15.40%	-15.42%	0.01%	0.00%	-0.10%	0.00%	-0.10%
iShares Russell 2000	-17.26%	-17.20%	-0.06%	0.00%	0.19%	0.00%	0.18%
iShares MSCI EAFE	-13.07%	-14.51%	1.44%	0.20%	0.85%	-0.09%	0.95%
iShares MSCI Emerging Mkts	-10.38%	-11.45%	1.07%	0.09%	0.53%	-0.05%	0.57%
iShares Dow Jones US Real Estate	-14.71%	-14.46%	-0.25%	-0.01%	0.15%	0.00%	0.15%
Alerian MLP	-8.54%	-7.38%	-1.16%	-0.06%	0.14%	0.02%	0.10%
High Yield	-7.97%	-9.98%	2.02%	0.16%	0.25%	-0.05%	0.36%
Fixed Income	-1.98%	-2.37%	0.39%	0.14%	0.28%	-0.04%	0.37%
Cash Alternatives	0.10%	0.14%	-0.05%	0.00%	0.05%	-0.02%	0.03%
<b>Total</b>	<b>-6.23%</b>	<b>-9.48%</b>	<b>3.25%</b>	<b>0.51%</b>	<b>2.97%</b>	<b>-0.24%</b>	<b>3.25%</b>

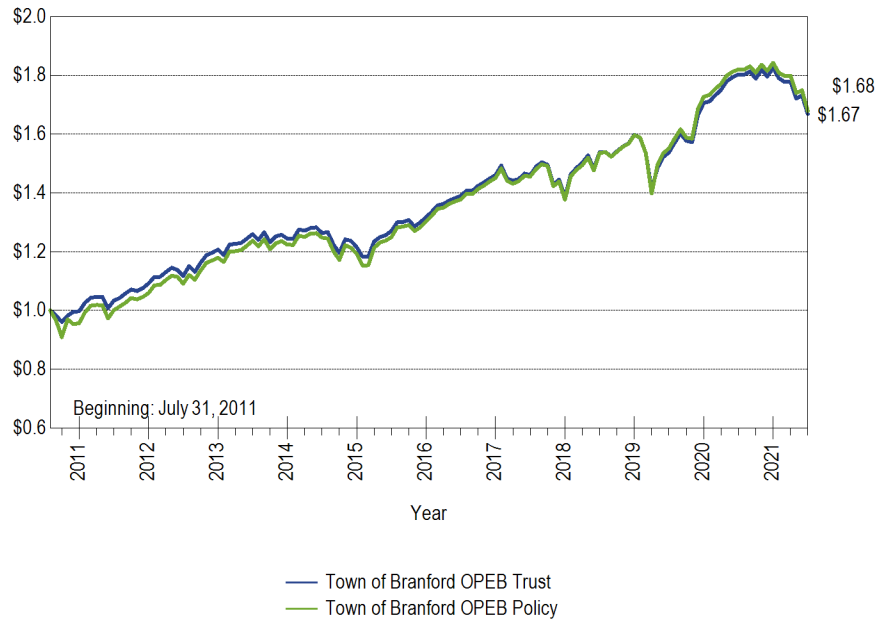
Returns are gross of advisory fees. Client returns will be reduced by advisory fees and other expenses the client may incur.

Investment Performance Analysis

Total Plan Information

As of June 30, 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 OPEB Trust    Town of Branford OPEB Policy

RETURN SUMMARY STATISTICS

Number of Periods	132	132
Maximum Return	5.87	6.92
Minimum Return	-8.09	-8.89
Annualized Return	4.74	4.81
Total Return	66.41	67.61
Annualized Excess Return Over Risk Free	4.18	4.24
Annualized Excess Return	-0.07	0.00

RISK SUMMARY STATISTICS

Beta	0.85	1.00
Upside Deviation	4.14	5.01
Downside Deviation	5.50	6.36

RISK/RETURN SUMMARY STATISTICS

Annualized Standard Deviation	7.01	7.98
Alpha	0.05	0.00
Sharpe Ratio	0.60	0.53
Excess Return Over Market / Risk	-0.01	0.00
Tracking Error	2.22	0.00
Information Ratio	-0.03	--

CORRELATION STATISTICS

R-Squared	0.93	1.00
Correlation	0.96	1.00

Summary of Cash Flows

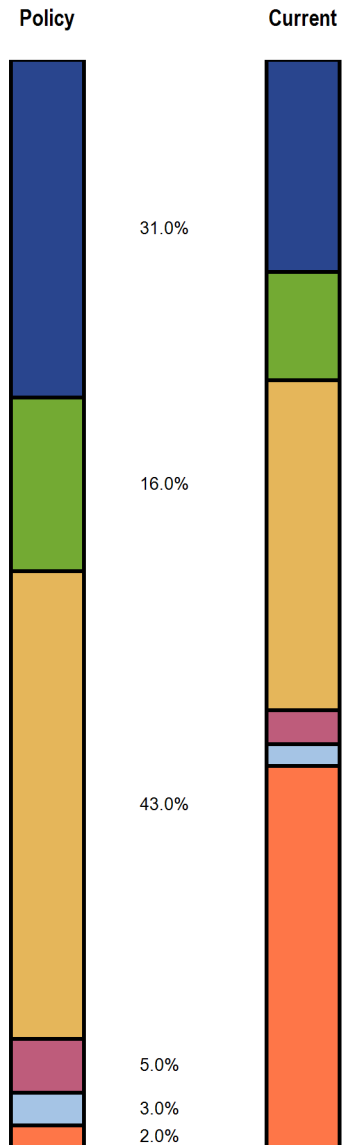
	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years	Five Years	Ten Years	Inception 7/1/11
Beginning Market Value	\$36,530,307	\$37,496,743	\$37,083,381	\$37,083,381	\$17,522,939	\$13,389,672	\$5,850,803	\$4,030,671
Contributions	\$308,809	\$2,368,773	\$2,369,428	\$2,369,428	\$21,456,963	\$28,009,258	\$38,084,496	\$40,489,684
Withdrawals	-\$325,642	-\$2,404,596	-\$2,442,879	-\$2,442,879	-\$6,460,472	-\$10,436,574	-\$15,691,079	-\$16,404,654
Net Cash Flow	-\$16,833	-\$35,822	-\$73,451	-\$73,451	\$14,996,492	\$17,572,684	\$22,393,417	\$24,085,031
Net Investment Change	-\$2,275,912	-\$3,223,359	-\$2,772,369	-\$2,772,369	\$1,718,131	\$3,275,206	\$5,993,342	\$6,121,860
Ending Market Value	\$34,237,561	\$34,237,561	\$34,237,561	\$34,237,561	\$34,237,561	\$34,237,561	\$34,237,561	\$34,237,561

Investment Performance Analysis

Asset Allocation vs. Target Policy

As of June 30, 2022

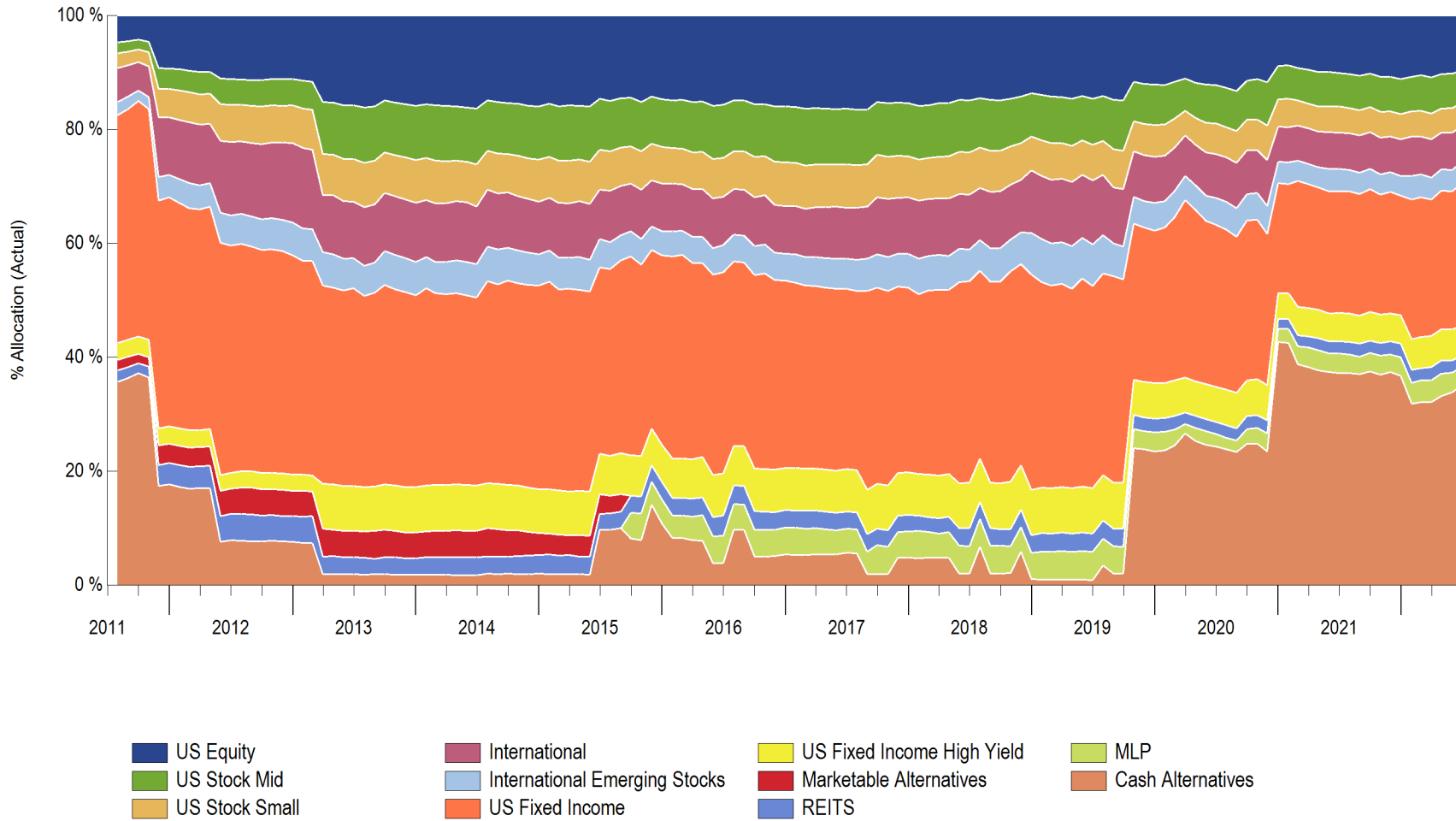
Asset Allocation vs. Target  
As Of June 30, 2022



	Policy Range	Policy	%	Current	%	Difference*	%
US Equity	20.0% - 40.0%	\$10,613,644	31.0%	\$6,663,238	19.5%	-\$3,950,406	-11.5%
Non-US Equity	5.0% - 25.0%	\$5,478,010	16.0%	\$3,397,961	9.9%	-\$2,080,049	-6.1%
US Fixed Income	20.0% - 50.0%	\$14,722,151	43.0%	\$10,379,562	30.3%	-\$4,342,590	-12.7%
Alternatives	0.0% - 10.0%	\$1,711,878	5.0%	\$1,073,835	3.1%	-\$638,043	-1.9%
Real Estate	0.0% - 10.0%	\$1,027,127	3.0%	\$687,303	2.0%	-\$339,824	-1.0%
Cash	0.0% - 5.0%	\$684,751	2.0%	\$12,035,662	35.2%	\$11,350,910	33.2%
<b>Total</b>		<b>\$34,237,561</b>	<b>100.0%</b>	<b>\$34,237,561</b>	<b>100.0%</b>		

\*Difference between Policy and Current Allocation

Asset Allocation History  
11 Years Ending June 30, 2022





# **Investment Analysis**

*Total Plan*

## Investment Performance Analysis

As of June 30, 2022

**Manager Roster**  
As of June 30, 2022

	Account Type	Benchmark	Universe	Market Value	Allocation	Inception
Alerian MLP	MLP	Alerian MLP Index		\$1,073,835	3.1%	9/1/2015
Cash Alternatives	Cash Alternatives	FTSE T-Bill 3 Months TR		\$12,035,662	35.2%	7/1/2011
Fixed Income	US Fixed Income	Bloomberg US Govt/Credit Int TR	US Intermediate Fixed Income	\$8,561,006	25.0%	7/1/2011
High Yield	US Fixed Income High Yield	High Yield Bond Blended Benchmark	High Yield Bond MStar MF	\$1,818,556	5.3%	7/1/2011
iShares Dow Jones US Real Estate	REITS	iShares U.S. Real Estate Benchmark	Real Estate MStar MF	\$687,303	2.0%	7/1/2011
iShares MSCI EAFE	International	MSCI EAFE	Foreign Large Blend MStar MF	\$2,124,951	6.2%	7/1/2011
iShares MSCI Emerging Mkts	International Emerging Stocks	MSCI Emerging Markets	Diversified Emerging Mkts MStar MF	\$1,273,010	3.7%	7/1/2011
iShares Russell 2000	US Stock Small	Russell 2000	Small Blend MStar MF	\$1,383,975	4.0%	7/1/2011
iShares S&P 500	US Equity	S&P 500	Large Blend MStar MF	\$3,336,767	9.7%	7/1/2011
iShares S&P MidCap 400	US Stock Mid	S&P 400 MidCap	Mid-Cap Blend MStar MF	\$1,942,497	5.7%	7/1/2011
<b>Total</b>		<b>Town of Branford OPEB Policy</b>		<b>\$34,237,561</b>	<b>100.0%</b>	<b>7/1/2011</b>

**Town of Branford OPEB  
Equity Positions  
As of June 30, 2022**

Holding	Market Value	% of Equity Portfolio
Cash & Cash Equivalents	\$12,035,661.59	50.45%
ISHARES S&P 500	\$3,336,767.20	13.99%
ISHARES S&P MIDCAP 400	\$1,942,496.74	8.14%
ISHARES Russell 2000	\$1,383,974.52	5.80%
ISHARES MSCI EAFE Index ETF	\$2,124,951.45	8.91%
ISHARES MSCI Emerging Markets	\$1,273,009.70	5.34%
ISHARES Dow Jones US Real Estate	\$687,303.25	2.88%
Alerian MLP	\$1,073,835.19	4.50%
	<b>\$23,857,999.64</b>	<b>100.00%</b>

**Town of Branford OPEB Trust  
Fixed Income Positions  
as of June 30, 2022**

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
144	CASH & EQUIVALENTS	AAA	1.610	07/31/2022	100.000	144	1.68	1.610	0.084
65	NORTHERN TR CORP	A	2.375	08/02/2022	99.972	66	0.77	2.665	0.089
45	PHILIP MORRIS INTL INC	A	2.375	08/17/2022	99.918	45	0.53	2.979	0.122
12	JPMORGAN CHASE & CO	A-	3.250	09/23/2022	100.154	12	0.14	2.556	0.230
70	UNITED STATES TREAS NTS	AA+	0.125	10/31/2022	99.341	70	0.81	2.110	0.333
30	CONNECTICUT ST GO BDS 2009B	A+	5.200	12/01/2022	101.117	30	0.36	2.501	0.416
160	MORGAN STANLEY	A-	3.125	01/23/2023	99.972	162	1.89	3.173	0.550
60	BERKSHIRE HATHAWAY INC DEL	AA	3.000	02/11/2023	99.832	61	0.71	3.275	0.602
160	GOLDMAN SACHS GROUP INC	BBB+	3.200	02/23/2023	100.041	162	1.89	3.124	0.606
75	UNIVERSITY CALIF REVS GEN R	AA	3.538	05/15/2023	100.366	76	0.88	3.108	0.852
1	GNMA POOL - 687736	AA+	5.500	07/15/2023	100.465	1	0.01	4.063	0.447
65	GLAXOSMITHKLINE CAP PLC	A	0.534	10/01/2023	96.642	63	0.73	3.292	1.230
90	SHELL INTERNATIONAL FIN BV	A+	3.500	11/13/2023	100.715	91	1.06	2.929	1.277
110	NATIONAL RURAL UTILS COOP FI	A-	3.400	11/15/2023	99.924	110	1.29	3.455	1.227
100	CATERPILLAR FINL SVCS MTNS B	A	3.750	11/24/2023	100.907	101	1.18	3.081	1.354
85	JOHNSON & JOHNSON	AAA	3.375	12/05/2023	100.502	86	1.00	3.013	1.386
150	UNITED STATES TREAS NTS	AA+	0.125	02/15/2024	95.606	143	1.68	2.910	1.604
1	GNMA POOL - 783221	AA+	6.000	02/15/2024	100.774	1	0.01	4.125	0.508
61	BLACKROCK INC	AA-	3.500	03/18/2024	100.476	62	0.72	3.211	1.640
85	JPMORGAN CHASE FINL CO LLC	A-	3.100	03/24/2024	97.712	84	0.98	4.484	1.596
180	BK OF AMERICA CORP	A-	4.000	04/01/2024	100.761	183	2.14	3.546	1.668
150	TRUIST BK CHARLOTTE N C	A	3.200	04/01/2024	99.604	151	1.76	3.433	1.653
65	DEERE JOHN CAPITAL CORP	A	3.350	06/12/2024	99.986	65	0.76	3.357	1.872
100	ENTERGY GULF STS LA LLC	A	5.590	10/01/2024	103.359	105	1.22	4.012	2.085
135	PHILIP MORRIS INTL INC	A	3.250	11/10/2024	98.778	134	1.56	3.795	2.244
200	STATE STR CORP	A	3.776	12/03/2024	99.868	200	2.34	3.870	1.374
40	UNITED STATES TREAS NTS	AA+	1.000	12/15/2024	95.316	38	0.45	2.990	2.400
4	GNMA2 POOL - 004585	AA+	4.500	12/20/2024	103.773	4	0.05	0.569	0.879
200	UNITED STATES TREAS NTS	AA+	1.125	01/15/2025	95.453	192	2.24	2.996	2.467
124	MERCK & CO INC	A+	2.750	02/10/2025	98.787	124	1.45	3.237	2.396
140	EXXON MOBIL CORP	AA-	2.709	03/06/2025	97.894	138	1.62	3.538	2.477
185	UNITED STATES TREAS NTS	AA+	1.750	03/15/2025	96.781	180	2.10	2.995	2.604
120	CHARLES SCHWAB CORP	A	4.200	03/24/2025	101.458	123	1.44	3.617	2.489
120	DEERE & CO	A	2.750	04/15/2025	97.899	118	1.38	3.546	2.624
3	GNMA2 POOL - 004687	AA+	4.500	05/20/2025	103.811	3	0.04	1.076	1.011
80	DEERE JOHN CAPITAL CORP	A	3.400	06/06/2025	99.646	80	0.93	3.527	2.763
50	BERKSHIRE HATHAWAY INC DEL	AA	7.250	06/15/2025	108.928	55	0.64	4.018	2.668
130	UNITED STATES TREAS NTS	AA+	2.000	08/15/2025	96.988	127	1.48	3.016	2.978
187	BP CAP MKTS AMER INC	A-	3.796	09/21/2025	100.428	190	2.22	3.647	2.911
70	WELLS FARGO & CO	BBB+	3.550	09/29/2025	98.316	69	0.81	4.108	3.009
65	PROCTER & GAMBLE CO	AA-	2.700	02/02/2026	98.315	65	0.75	3.200	3.360
3	GNMA2 POOL - 004954	AA+	3.000	02/20/2026	98.431	3	0.04	4.014	1.421
180	APPLE INC	AA+	3.250	02/23/2026	99.388	181	2.11	3.429	3.285
310	UNITED STATES TREAS NTS	AA+	0.500	02/28/2026	91.258	283	3.31	3.036	3.579
125	US BANCORP	A	3.100	04/27/2026	96.570	121	1.42	4.077	3.527

**Town of Branford OPEB Trust  
Fixed Income Positions  
as of June 30, 2022**

Par (000)	Issuer Name	Quality	Coupon	Maturity	Price	Mkt Val (000)	% Held (MV)	YTW	Effective Duration
100	UNITED STATES TREAS NTS	AA+	0.750	04/30/2026	91.789	92	1.07	3.035	3.726
30	SIERRA PAC PWR CO	A	2.600	05/01/2026	95.221	29	0.34	3.954	3.546
124	BANK NEW YORK MELLON CORP	A	2.800	05/04/2026	96.426	120	1.40	3.807	3.531
115	UNITED STATES TREAS NTS	AA+	1.625	05/15/2026	94.887	109	1.28	3.033	3.708
150	JPMORGAN CHASE & CO	A-	3.200	06/15/2026	96.598	145	1.69	4.140	3.613
46	UNITED STATES TREAS NTS	AA+	1.875	07/31/2026	95.652	44	0.52	3.014	3.864
66	MICROSOFT CORP	AAA	2.400	08/08/2026	96.230	64	0.75	3.391	3.778
160	UNITED STATES TREAS NTS	AA+	0.750	08/31/2026	91.152	146	1.71	3.025	4.044
100	TJX COS INC NEW	A	2.250	09/15/2026	93.879	95	1.10	3.838	3.904
190	PEPSICO INC	A+	2.375	10/06/2026	95.907	183	2.14	3.413	3.941
150	UNITED STATES TREAS NTS	AA+	1.250	11/30/2026	92.723	139	1.63	3.022	4.247
30	UNITED STATES TREAS NTS	AA+	1.625	11/30/2026	94.227	28	0.33	3.031	4.215
47	PFIZER INC	A	3.000	12/15/2026	97.955	46	0.54	3.499	4.135
200	UNITED STATES TREAS NTS	AA+	1.500	01/31/2027	93.504	188	2.20	3.028	4.360
90	MICROSOFT CORP	AAA	3.300	02/06/2027	99.498	91	1.06	3.418	4.096
110	NIKE INC	A+	2.750	03/27/2027	96.373	107	1.25	3.588	4.326
200	CHEVRON CORPORATION	AA-	1.995	05/11/2027	92.059	185	2.16	3.798	4.538
140	COCA COLA CO	A+	2.900	05/25/2027	97.329	137	1.60	3.497	4.518
75	JOHNSON & JOHNSON	AAA	2.900	01/15/2028	96.772	74	0.86	3.547	4.923
195	UNITED STATES TREAS NTS	AA+	2.750	02/15/2028	98.418	194	2.27	3.058	5.128
200	UNITED STATES TREAS NTS	AA+	1.125	02/29/2028	90.074	181	2.11	3.045	5.402
100	UNITED STATES TREAS NTS	AA+	1.250	04/30/2028	90.356	91	1.06	3.068	5.546
90	UNITED STATES TREAS NTS	AA+	2.875	05/15/2028	99.000	89	1.04	3.062	5.354
20	HORMEL FOODS CORP	A	1.700	06/03/2028	88.348	18	0.21	3.923	5.515
60	BURLINGTON NORTHN SANTA FE C	A-	6.700	08/01/2028	111.769	69	0.80	4.469	4.936
115	UNITED STATES TREAS NTS	AA+	3.125	11/15/2028	100.391	116	1.35	3.057	5.733
60	WELLS FARGO & CO	BBB+	4.150	01/24/2029	96.865	59	0.69	4.710	5.495
160	UNITED STATES TREAS NTS	AA+	2.625	02/15/2029	97.547	158	1.84	3.036	5.978
10	TOYOTA MTR CR CORP	A+	4.450	06/29/2029	101.416	10	0.12	4.214	5.975
79	UNITED STATES TREAS NTS	AA+	1.625	08/15/2029	91.234	73	0.85	3.000	6.600
98	UNITED STATES TREAS NTS	AA+	1.750	11/15/2029	91.953	90	1.06	2.973	6.821
10	PROCTER & GAMBLE CO	AA-	3.000	03/25/2030	94.574	10	0.11	3.816	6.754
120	CATERPILLAR INC	A	2.600	04/09/2030	90.725	110	1.28	3.999	6.817
190	3M CO	A+	3.050	04/15/2030	93.504	179	2.09	4.029	6.717
105	TJX COS INC NEW	A	3.875	04/15/2030	97.511	103	1.21	4.253	6.513
10	YALE UNIV MTN BE	AAA	1.482	04/15/2030	84.954	9	0.10	3.724	7.155
50	NORTHERN TR CORP	A	1.950	05/01/2030	85.150	43	0.50	4.193	7.045
80	UNITED STATES TREAS NTS	AA+	0.875	11/15/2030	84.637	68	0.79	2.959	7.944
72	SALESFORCE INC	A	1.950	07/15/2031	85.241	62	0.72	3.903	7.979
60	NEW YORK N Y CITY TRANSITIO	AA+	3.900	08/01/2031	97.612	60	0.70	4.219	6.358
80	UNITED STATES TREAS NTS	AA+	2.875	05/15/2032	99.172	80	0.93	2.972	8.512
70	TEXAS TRANSN COMMN ST HWY F	AAA	4.000	10/01/2033	99.245	70	0.82	4.087	8.605
17	GNMA 2013-105- A	AA+	1.705	02/16/2037	98.984	17	0.20	4.085	0.533

**Town of Branford OPEB Trust  
Fixed Income Positions  
as of June 30, 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>
3	GNMA POOL - 782371	AA+	5.000	08/15/2038	106.051	3	0.03	3.645	3.644
12	PFIZER INC	A	4.100	09/15/2038	96.933	12	0.14	4.366	11.610
29	FHLMC GOLD POOL - Q09424	AA+	3.500	07/01/2042	98.513	28	0.33	3.761	4.953
45	NORTHERN STS PWR CO MINN	A	3.600	09/15/2047	84.516	39	0.45	4.649	15.515
<b>8,797</b>		<b>AA-</b>	<b>2.588</b>	<b>3.925</b>	<b>96.700</b>	<b>8,560</b>	<b>100.00</b>	<b>3.380</b>	<b>3.541</b>

**Town of Branford OPEB  
High Yield Positions  
As of June 30, 2022**

Holding	Market Value	% of High Yield Portfolio
Cash & Cash Equivalents	\$2.05	0.00%
MainStay MacKay High Yield Corp Bd	1,818,553.59	100.00%
	<u>\$1,818,555.64</u>	<u>100.00%</u>

## Historical Policy

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



	10.00	MSCI EAFE (Net)
	9.00	S&P 400 Mid Cap
	8.00	Barclays Capital High Yield Very Liquid
	7.00	Russell 2000
	6.00	MSCI Emerging Market (Net)
	5.00	Alerian MLP Index
	3.00	Dow USA Real Estate
	2.00	Citigroup Treasury Bill-3 Month
6/1/2019 to 10/31/2019	35.00	Barclays Capital Int Govt/Credit
	15.00	S&P 500
	10.00	MSCI EAFE (Net)
	9.00	S&P 400 Mid Cap
	8.00	BofAML US High Yield Constrained
	7.00	Russell 2000
	6.00	MSCI Emerging Market (Net)
	5.00	Alerian MLP Index
	3.00	Dow USA Real Estate
	2.00	Citigroup Treasury Bill-3 Month
11/1/2019 to 12/31/2020	27.10	Barclays Capital Int Govt/Credit
	24.00	Citigroup Treasury Bill-3 Month
	11.70	S&P 500
	8.10	MSCI EAFE (Net)
	6.90	S&P 400 Mid Cap
	6.20	BofAML US High Yield Constrained
	5.40	Russell 2000
	4.70	MSCI Emerging Market (Net)
	3.40	Alerian MLP Index
	2.50	Dow USA Real Estate
1/1/2021 to 1/31/2021	42.50	Citigroup Treasury Bill-3 Month
	19.30	Barclays Capital Int Govt/Credit
	8.80	S&P 500
	6.20	MSCI EAFE (Net)
	5.90	S&P 400 Mid Cap
	4.80	Russell 2000
	4.60	BofAML US High Yield Constrained
	3.80	MSCI Emerging Market (Net)
	2.40	Alerian MLP Index
	1.70	Dow USA Real Estate
2/1/2021 to 1/31/2022	42.50	Citigroup Treasury Bill-3 Month
	19.30	Barclays Capital Int Govt/Credit
	8.80	S&P 500
	6.20	MSCI EAFE (Net)
	5.90	S&P 400 Mid Cap
	4.80	Russell 2000
	4.60	BofAML US High Yield Constrained

	3.80	MSCI Emerging Market (Net)
	2.40	Alerian MLP Index
	1.70	Dow USA Real Estate Capped
2/1/2022 to Present	31.90	Citigroup Treasury Bill-3 Month
	24.40	Barclays Capital Int Govt/Credit
	10.70	S&P 500
	6.90	MSCI EAFE (Net)
	6.10	S&P 400 Mid Cap
	5.40	BofAML US High Yield Constrained
	4.50	Russell 2000
	4.20	MSCI Emerging Market (Net)
	3.60	Alerian MLP Index
	2.30	Dow USA Real Estate Capped

# 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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# 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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