

Trustees of Trust Funds 2019

The Trustees of Trust Funds retained Bank of New Hampshire as investment manager of the Town's Funds for the 2019 fiscal year. Funds were invested in accordance with guidelines set out in the Investment Policy established and reviewed annually by the Trustees. The Investment Policy is available on the Town's web site for review.

Bank of New Hampshire's commentary on 2019 investment performance is set forth below.

"The assets under the oversight of the Town of Jackson Trustees continued to be invested in a manner that was consistent with both the short and long term objectives of the respective accounts in a productive environment for both stock and bond investments over the course of the year.

The Capital Reserve [Expendable Trust] Fund emphasizes safety of principal in order to provide ongoing liquidity for various needs with a secondary goal of enhancing yield. As such, the Fund was invested in high quality U. S. government and corporate obligations with maturities laddered between three months and five years. This has been a prudent approach that has insulated the Fund from the volatility seen in riskier assets and ensures that sufficient liquidity will be available as needed by the Town. We are pleased to report that the Capital Reserve [Expendable Trust] Fund increased +3.82% during 2019 as low inflation and foreign demand for U. S. bonds pushed the value of the investments held modestly higher. A breakdown of the results indicates that an increase in value of \$54,813.70 occurred during the year of which \$33,542.95 was derived from investment income and \$21,270.75 from appreciation of the investments.

The Trust Fund accounts are invested with a longer time horizon due to their perpetual nature in a well diversified portfolio of equity and fixed income investments. By employing a more growth oriented investment strategy consistent with the portfolio time horizon, the Trust Fund rose +20.09% in 2019 and [has] posted an annualized return of +9.48% over the last three years. Patience in implementing the investment strategy was rewarded as markets recovered in dramatic fashion from the correction that occurred during the fourth quarter of the prior year 2018 as returns for both the stock and bond components exceeded their respective benchmarks."