

## Trustees of the Trust Funds Minutes of November 2, 2017 Meeting:

Attendees; Helene Matesky, Linda Terry, Chris McAleer, Trustees; Frank Anderson and Charles Mathews, Guests from The Bank of New Hampshire

### **Call to Order**

Linda called the meeting to order at 11:07 am.

### **Portfolio Review**

Frank and Charlie came to the Trustee's meeting to update the Trustees on the investment results of the two portfolios the B of NH runs for the Town of Jackson. These are the Capital Reserve Fund/Expendable Trust Funds (Public Funds) and the Trust Funds (Private Funds) each with its own investment objective and investment policy.

This review is done at least on a quarterly basis since the B of NH started managing the Funds as of August 31, 2016.

For the Cap Reserve/Expendable portfolio the year to date return through September 30<sup>th</sup> was 1.74% and since inception 0.80%. The better results for the YTD number reflects both the repositioning of the investments in the latter half of 2016 as well as interest rate increases by the Fed. It is important to remember that this portfolio is restricted to securities with fixed maturity dates as preservation of principal is paramount and the reserve may need to provide liquidity to the Town periodically.

The Trust Funds results, based on a revised investment policy put in place last year by the Trustees, allows investment in equities and currently has about 60% in equity securities.

The return for the entire portfolio (including the fixed income/cash component) was 9.67% YTD and 8.79% from inception. The equity component by itself was 14.93% YTD and 17.38% since inception. All these numbers are through September 30<sup>th</sup> so do not reflect October where the Dow was up 4.35%.

The returns reflect both the change in investment policy by the Trustees and the B of NH's performance as the combined return of both portfolios for the year leading up to the changes made on August 31, 2016 was 0.38%.

Charlie pointed out that this was, nevertheless, a conservative approach, as was directed by the Trustees, with approximately 77% of the equity portion invested in well recognized large cap stocks.

Going forward on the fixed income side and with a new Fed Chairman Charlie felt more of the same, that is, a gradual increase in the Fed rate. With short term maturities in the portfolio, Charlie felt they were in a good position to reinvest at higher returns, anticipating an increase in December that coincides with some maturities in the portfolio. Charlie expects 2% or slightly higher returns for this part of the portfolio for 2018.

On the equity side Charlie pointed out how unusual it is that the market has gone so long without a correction of some magnitude as it usually corrects on average every five years. Charlie said he does not see one coming but nevertheless felt well positioned should/when the inevitable happens.

### **Withdrawal Requests from Board of Selectmen**

There were five withdrawal requests from the BOS. All requests had the required documentation in the form of invoices. The requests were as follows:

\$2,864.5 from the Bridge Repair Expendable Trust Fund (0034)

\$19,634.92 from the Road Reconstruction Capital Reserve Fund (0064)

\$201.00 from the Dry Hydrant Expendable Trust Fund (0049)

\$125.28 from the Dry Hydrant Expendable Trust Fund (0049)

\$30,525.60 from the State Aid Reconstruction Expendable Trust Fund (0058)

All requests were individually assessed and unanimously approved.

### **Minutes of September 21, 20017 Trustees Meeting**

The minutes were unanimously approved with no changes.

With no further business Linda adjourned the meeting at 12:07 pm.