

Minutes of Trustees of the Trust Funds January 31, 2018 Meeting (Draft); Attendees Linda Terry, Chris McAleer, Trustees; Guests Frank Anderson and Charles Mathews CFA, Representing Bank of New Hampshire Wealth Management Services

Call to Order

Chair Linda Terry opened the meeting at 11:07 am.

The Minutes of the Trustee's December Meeting were approved.

Review of 2017 and Preview of 2018

Mr. Anderson and Mr. Mathews visited the Trustees as they do at least quarterly to review the performance of the two Funds the Bank of New Hampshire manages for the Town of Jackson under the direction of the Trustees. These are the Capital Reserve/Expendable Trust Funds (public) and the Trust Funds (private). They provided the Trustees with written reports on the Funds holdings and performance and copies of the report are available at Town Offices.

The Capital Reserve/Expendable Trust Funds returned 1.40% for the calendar year 2017. That is a net return after all expenses and a management fee of .30%. This compares favorably to a net annualized return of approximately .38% prior to B of NH assuming management in August of 2016.

As interest rates have gone up Charlie has been able to reinvest maturing assets at higher rates. Accordingly, the current yield is 2.20% and if, as expected, the Fed continues to raise rates as is anticipated in March we may anticipate higher yields.

Part of the planning looking forward into 2018 involves the amount of maturing assets available to reinvest which is approximately \$200,000. In addition Charlie looks to the Trustees for guidance regarding the dollar amount of inflows and

expenditures and the timing thereof to be sure adequate liquidity is available so it will not be necessary to sell a bond prior to maturity if rates continue to rise.

The Trust Funds returned a net of 12.68% after a .90% management fee for 2017. Again, prior to August 2016 the annualized return for the Trust Funds was the same as the Capital Reserve/Expendable Trust Funds or approximately .38%.

Low interest rates, low energy costs and the tax cut were well received by the market as it continued on a ten year run.

Charlie is optimistic looking forward at least six to eight months into 2018 but, nevertheless, intends to back off slightly on the equity side without going so far as to take defensive positions. What could adversely affect the market are the unknowns. Charlie mentioned singular events such as 9/11 or North Korea for which there is really no way to prepare; or a longer term event such as a trade war where he should have some time to mitigate the downside.

At 12:10 pm Linda adjourned the meeting.

Respectively submitted, Chris McAleer