

Minutes of the Trustees of the Trust Funds April 27, 2018 Meeting (Draft) Respectfully submitted by Chris McAleer

Attending: Linda Terry, Helene Matesky, Chris McAleer, Trustees:
Guests: Frank Anderson and Charles Mathews Representatives of the
Wealth Management Division of the Bank of New Hampshire.

Linda opened the meeting at 11:35 am. The minutes of the January 31, 2018 were approved as written.

Bank of New Hampshire Presentation

As has been customary, Charlie and Frank visit with the Trustees on a quarterly basis to review the two portfolios the B of NH manages for Jackson under the guidelines established by the Trustees as set forth in the Investment Policy Document.

Capital Reserves and Expendable Trust Funds

This is a fixed income only portfolio. Charlie has about 95% of the portfolio in bonds with the remaining 5% in cash and equivalents. Investment quality corporates make up $\frac{3}{4}$'s of the bond portfolio with the remainder in U. S. Government Agency Obligations. The cash plus upcoming maturities cover foreseeable liquidity needs as well as opportunities to invest in expected higher yields anticipating the Fed raising rates 2 to 3 or more times this year. The average maturity is just over 2 years.

Although the portfolio has had "paper" losses these should not be realized as each bond can be held to maturity, again, based on current liquidity needs. Current yield is around 2% with a yield to maturity around 3% or slightly ahead of their benchmark.

Trust Funds

The Trust Funds' current makeup is around 60% equities, 36% bonds and 4% cash and equivalents. This is a slight pullback from around 65% equities but not done as a defensive measure.

For the year ending March 31, 2018 the total portfolio is up 9.22% with the equity portion up 15.18%. The benchmark for this period is 14.07%. Inception to date the respective numbers are 8.06% and 15.69%. Year to date (March 31st) the total portfolio down 0.42%.

Charlie noted a strong economy despite recent volatility. Unknowns looking forward are how the tariffs (and politics) might play out and whether the tax cut might add to growth. Again, the market anticipates what the economy is going to do as opposed to current events Charlie noted.

Of interest, Charlie noted that the average business cycle lasts 47 months and the current one has gone on 110 months, the longest period since 1959.

In summary, Charlie expects to pick up yield in the Capital Reserve Funds as the Fed raises rates, noting that the Fed often over shoots, and keeping watch on the equity side to see if there comes a point where a more defensive posture makes sense.

Selectmen's Withdrawal Request

The Selectmen requested a withdrawal of \$2,146.50 from the Civil Defense Expendable Trust Fund (0025). This was accompanied by an invoice from Stonehearth Open Learning Opportunities, Inc. and involved wilderness training rescue services for the Town's police officers.

Election of Officers

The Trustees elected Linda Terry to continue her role as Chairperson, Helene was elected Secretary and Chris Treasurer.

Business completed, Linda closed the meeting at 12:30 pm.

