

DRAFT MINUTES - NOT CONSIDERED FINAL UNTIL APPROVED

Trustees of Trust Funds - Meeting of 10/29/2018

Trustees Present: Linda Terry, Chris McAleer

Guests: Bank of New Hampshire Representatives Frank Anderson and Charlie Mathews

The meeting was called to order at 11:30 am.

Minutes from the previous meeting were approved unanimously.

Charlie Mathews reported on the markets and portfolio performance as of 9/30/2018, as follows:

In mid-term election years, the market tends to be choppy. The approximate 10% correction in October raises concerns: financial conditions are tighter as a result of the Federal Reserve increasing rates, both Federal and foreign central banks will normalize balance sheets next year, and the Fed will sell more Treasuries, all likely leading to more challenging market conditions but not to speculative investments. However, the economy is performing well, and a bear market is not likely. On average, stocks did not outperform the S&P 500 in October. The effect of trade policy is another unknown. If the economy slows in the next 1-2 years, interest rates may level or slow.

As of 9/30/2018, our expendable trust and capital reserve accounts (public funds) had a 3.21% yield to maturity. The private trust funds had a one-year total return of 8.83%.

If the market is struggling, we may need to take a more defensive approach in investing, choosing fewer equities (decreasing technology shares, shifting to healthcare, energy and consumer staples) and buying more bonds. Some external catalyst will likely be needed for the market to go higher. A slightly more cautious approach will be taken now while the environment is a bit fragile.

The Trustees present unanimously approved the following withdrawals presented by the Board of Selectmen:

\$13,170.00 from the Bridge Repair Expendable Trust Fund (0034);

\$7,062.00 from the Civil Defense Expendable Trust Fund (0025);

\$1,077.18 from the Police Department Equipment Expendable Trust Fund (0051);

\$65,000.00 from the Road Reconstruction Capital Reserve Fund (0064);
and

\$30,000.00 from the State Aid Reconstruction Expendable Trust Fund (0058).

The meeting was adjourned at 12:35 pm.