



TRUSTEES OF TRUST FUNDS

October 17, 2023 3:00 p.m.

Quarterly Meeting

TRUSTEES: Christopher Koutalidis (absent)
Warren Mackensen
Christopher Nevins
Corey O'Neil
Joyce Skaperdas

PUBLIC: None

ADVISOR: David T. Mayes, Three Bearings Fiduciary Advisors
Zachary Zwick, Three Bearings Fiduciary Advisors

The meeting was called to order at 3:00 p.m. by Chairman Mackensen.

The Pledge of Allegiance was recited.

Quorum Determination

Chairman Mackensen noted that four trustees were present. There was a quorum.

Approval of Minutes

July meeting minutes were approved by email in July.

3rd Quarter 2023

Mr. Zwick provided the Market Trends:

- Losses across the board in Q3, especially Real Estate & Small Cap equities:
 - S&P 500 -3.27%
 - Russell 2000 -5.17%
 - MSCI EAFE Index -4.94%
 - Real Estate (Vanguard REIT ETF) -8.58%
 - S&P High-Yield Corporate Bond Index 0.04%
 - S&P Investment Grade Corporate Bond Index -2.89%
- Growth stocks slightly outperformed Value stocks, but both fell in Q3:
 - iShares S&P Growth (IUSG) -2.52%
 - iShares S&P Value (IUSV) -4.08%
- Money flowed out of Treasuries across the board. Rates rose again for short, intermediate, and long-term US Treasury securities:
 - 30-year Treasury: Increased from 3.85% to 4.73%
 - 10-year Treasury: Increased from 3.81% to 4.59%
 - 5-year Treasury: Increased from 4.13% to 4.60%
 - 2-year Treasury: Increased from 4.87% to 5.03%

Mr. Zwick provided the sector results as of September 30, 2023.

Energy XLE 12.17%	Communication Services XLC 1.00%	Financial Services XLF -1.16%	Health Care XLV -2.61%
Materials XLB -4.75%	Consumer Discretionary XLY -5.03%	Industrial XLI -5.15%	Technology XLK -5.51%
Consumer Staples XLP -6.60%	Real Estate XLRE -8.88%	Utilities XLU -9.22%	

Real Estate Trust Fund

The Fund lost 1.7% during the third quarter. The Month-end Market Values bar graph and line graph were reviewed.

The Fund ended the quarter with a total market value of \$20,616,341.

The Real Estate Trust Fund performance was 7.4% during the last 12 months. The Conservative Benchmark performance was 8.3%.

The Fidelity Account Custody Statement, Quarterly Performance Report, the Morningstar Portfolio X-Ray and TrustTrak Fund Snapshot Report were reviewed.

The allocation in this Fund is 0.4% Cash, 27.5% US Stocks, 9.3% Non-US Stocks, 58.6% Bonds, and 4.2% Other.

The Fund Snapshot showing all transactions year-to-date for the Real Estate Trust Fund was reviewed.

Real Estate Trust Fund Projected Income

The investment report dated September 30, 2023, showed Real Estate Trust Fund projected portfolio income for the next 12 months as \$988,970, before fees of approximately \$25,000. The trustees unanimously concurred that a reasonable income for planning purposes in calendar year 2024 is \$900,000, net after fees.

Common Trust Fund

The Fund lost 2.4% during the third quarter. The Fund ended the quarter with a total market value of \$44,589.

The Common Trust Fund performance was 4.9% during the last 12 months. The Income Benchmark performance was 5.3%.

The Fidelity Account Custody Statement, Quarterly Performance Report Package, and Morningstar Portfolio X-Ray were reviewed.

The allocation in this Fund is 5.2% Cash, 23.4% US Stocks, 5.3% Non-US Stocks, 59.4% Bonds, and 6.7% Other.

Common Capital Reserve Fund

The Fund lost 0.3% during the third quarter. The Fund ended the quarter with a total market value of \$4,188,121.

The Common Capital Reserve Fund performance was 5.2% during the last 12 months. The CRF Diversified Benchmark was 5.2%.

The Fidelity Account Custody Statement, Quarterly Performance Report Package, and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this Fund is 9.4% Cash, 14.7% US Stocks, 0.1% Non-US Stocks, 75.8% Bonds, and 0% Other.

Winnacunnet School District Common Capital Reserve Fund

The Fund lost 0.4% during the third quarter. The Fund ended the quarter with a total market value of \$914,381. This Fund is similar to the Common Capital Reserve Fund.

The WSD Common Capital Reserve Fund performance was 5% during the last 12 months. The CRF Diversified Benchmark was 5.2%.

The Fidelity Account Custody Statement, Quarterly Performance Report Package, and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this Fund is 1.9% Cash, 16.2% US Stocks, 0.1% Non-US Stocks, 81.8% Bonds, and 0% Other.

Cemetery Maintenance Trust Fund (Expendable)

The fund lost 1.7% during the third quarter. This fund ended the quarter with a total market value of \$719,674.

The Cemetery Maintenance Trust Fund performance was 13.7% during the last 12 months. The CRF Diversified Benchmark – Balanced was 13.1%.

The Fidelity Account Custody Statement, Quarterly Performance Report Package, and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this Fund is 2.8% Cash, 56% US Stocks, 0.3% Non-US Stocks, 40.8% Bonds, and 0.1% Other.

MS-9 Report

The TrustTrak MS-9 Report for the third quarter was reviewed.

It was noted that the market value of the Town Roads Capital Reserve Fund on September 30, 2023, was \$2,911,725. A distribution to the Town of \$500,000 will likely be made in early 2024 for the High Street refurbishment project.

Combined Transactions Listing

The TrustTrak Combined Transactions Listing was reviewed.

Trustees Meeting Schedule for 2024

The Trustees reviewed the proposed meeting schedule.

MOVED by Mr. Nevins to approve the 2024 Trustees Meeting Schedule.

SECONDED by Ms. Skaperdas

VOTE: 4-0-0

Motion Passed

Cemetery Maintenance Trust Fund Disbursements

MOVED by Mr. Mackensen to disburse \$9,870 from the principal of the Cemetery Maintenance Trust Fund to reimburse the Town for repairs to gravestones in the Ring Swamp Cemetery and the Pine Grove Cemetery. Documentation has been received. 2022 Warrant Article 30 (up to \$50,000 non-lapsing to 3/31/2027)

1st distribution 7/18/2023: \$12,693.44; 2nd distribution 10/17/2023: \$9,870.00

Remaining amount available under warrant article: \$27,436.56

SECONDED by Mr. O'Neil

VOTE: 4-0-0

Motion Passed

Public Comment

There were no members of the public attending the meeting.

Next Meeting

The next meeting will be Tuesday, January 16, 2024, at 3:00 p.m. in the Selectmen's Meeting Room.

Adjournment

The meeting adjourned without objection at 3:50 p.m.

Respectfully submitted,

Warren J. Mackensen, Chairman