



## TRUSTEES OF TRUST FUNDS

July 16, 2024 3:00 p.m.

Quarterly Meeting

TRUSTEES: Jim Dearden  
Warren Mackensen, Chair  
Christopher Nevins  
Corey O'Neil  
Joyce Skaperdas (excused absence)

PUBLIC: None

ADVISORS: David T. Mayes, MA, EA, CFP, Three Bearings Fiduciary Advisors, Inc.  
Zachary R. Zwick, CFP Three Bearings Fiduciary Advisors, Inc.

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

The Pledge of Allegiance was recited.

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### **Quorum Determination**

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

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## **Approval of Minutes**

Minutes of April 17, 2023, were unanimously approved by email shortly after the meeting.

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## **Quarterly Investment Review, 2<sup>nd</sup> Quarter 2024**

Three Bearings provided the Market Trends as of June 30, 2024.

- Broad weak performance in Q2, except US Large Cap equities:
  - S&P 500 4.28%
  - Russell 2000 -3.25%
  - MSCI EAFE Index -0.18%
  - Real Estate (Vanguard REIT ETF) -1.95%
  - S&P High-Yield Corporate Bond Index 1.21%
  - S&P Investment Grade Corporate Bond Index 0.0%
- Big divergence between Growth and Value, Growth outperformed led by Tech:
  - iShares S&P Growth (IUSG) 8.89%
  - iShares S&P Value (IUSV) -2.09%
- Money flowed out of Treasuries across the board. Rates rose for short, intermediate, and long-term US Treasury securities:
  - 30-year Treasury: Increased from 4.34% to 4.51%
  - 10-year Treasury: Increased from 4.20% to 4.36%
  - 5-year Treasury: Increased from 4.21% to 4.33%
  - 2-year Treasury: Increased from 4.59% to 4.71%

Three Bearings provided the sector results as of June 30, 2024.

Technology XLK 8.82%	Communication Services XLC 5.18%	Utilities XLU 4.62%	Consumer Staples XLP 1.04%
Consumer Discretionary XLY -0.60%	Health Care XLV -0.96%	Real Estate XLRE -1.85%	Financial Services XLF -2.02%
Energy XLE -2.70%	Industrial XLI -2.92%	Materials XLB -4.48%	

### **Real Estate Trust Fund**

The Fund lagged its benchmark for the quarter at 0.16% versus 1.1% for the Conservative benchmark. The Month-end Market Values bar graph was reviewed. The line graph showed that the market value was in line with similar results this year. The Fund ended the quarter with a total market value of \$22,138,328.

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

The allocation in this Fund is 0.2% Cash, 26.7% US Stocks, 9.8% Non-US Stocks, 57.4% Bonds, and 5.9% Other.

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### **Common Trust Fund**

The Fund lagged its benchmark for the quarter at -0.1% versus 0.51% for the Income benchmark. The Fund ended the quarter with a total market value of \$47,745.

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

The allocation in this Fund is 3.5% Cash, 24.8% US Stocks, 5.5% Non-US Stocks, 59.8% Bonds, and 6.4% Other.

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### **Common Capital Reserve Fund**

The Fund matched its benchmark for the quarter at 1.4% versus 1.4% for the CRF Diversified benchmark. This Fund ended the quarter with a total market value of \$4,508,527.

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

The allocation in this fund is 1.4% Cash, 17.5% US Stocks, 0.1% Non-US Stocks, and 81% Bonds.

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### **Winnacunnet School District Common Capital Reserve Fund**

The Fund slightly outperformed its benchmark for the quarter at 1.42% versus 1.41% for the CRF Diversified benchmark. The Fund ended the quarter with a total market value of \$986,383. This Fund is similar to the Common Capital Reserve Fund.

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

The allocation in this fund is 1.4% Cash, 16.8% US Stocks, 0.1% Non-US Stocks, and 81.7% Bonds.

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### **Cemetery Maintenance Trust Fund (Expendable)**

The Fund outperformed its benchmark for the quarter at 2.95% versus 2.36% for the CRF Diversified - Balanced benchmark. The Fund ended the quarter with a total market value of \$878,936.

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, 61.8% US Stocks, 0.4% Non-US Stocks, and 35.9% Bonds.

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### **MS-9 Report**

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

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### **Combined Transactions Listing**

The TrustTrak Combined Transactions Listing was reviewed.

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### **Trustee Documents Archiving**

Mr. Mayes previously reported to the Chairman that the 2023 trustee records were transcribed onto a thumb drive and delivered to the Town Clerk for safekeeping in the Town Vault. This fulfills the requirements of NH RSA 33-A:3-a.

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### **Review of 2024 Town Warrant Ballot Results**

The trustees were apprised that the Town Finance Director funded the two 2024 Town Meeting CRF articles on July 12, 2024:

- Hampton Article 19 – Added \$500,000 to the Town Roads CRF
- Hampton Article 26 – Added \$27,500 to the Firefighters Turn Out Gear/Personal Protective Equipment CRF

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**Campbell Sports Scholarship Trust Fund**

Income for the period 7/1/2023 through 6/30/2024 was \$327.14

**MOVED** by Mr. Mackensen to:

- Distribute \$163.57 from the Campbell Sports Scholarship Trust income to the Town for recreational purposes.
- Journal \$163.57 from income to Principal, per the Trust indenture.

**SECONDED** by Mr. Dearden

**VOTE: 4-0-0**

**Motion Passed**

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**Distributions from CRFs**

**MOVED** by Mr. Mackensen to make one disbursement requested by the Town Finance Director, as follows:

- Firefighter Turn Out Gear CRF: \$12,801

Invoices were reviewed and verified by the Chairman as paid.

**SECONDED** by Mr. O'Neil

**VOTE: 4-0-0**

**Motion Passed**

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**Reimburse Three Bearings for Trustees Website SSL Certificate**

**MOVED** by Mr. Mackensen for the Town to reimburse Three Bearings Fiduciary Advisors \$399.98 for the **HamptonTrustFunds.org** Secure Sockets Layer (SSL) Certificate for two years to support modern website security standards.

**SECONDED** by Mr. Dearden

**VOTE: 4-0-0**

**Motion Passed**

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**Public Comment**

None

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**Next Meeting**

The next meeting will be Tuesday, October 22, 2024, at 3:00 p.m. in the Selectmen's Meeting Room.

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**Adjournment**

The meeting adjourned without objection at 3:37 p.m.

Respectfully submitted,

Warren J. Mackensen, Chair