



## TRUSTEES OF TRUST FUNDS

October 22, 2024 3:00 p.m.

### Quarterly Meeting

TRUSTEES: Warren Mackensen  
Christopher Nevins  
Corey O'Neil  
Joyce Skaperdas  
James Dearden

PUBLIC:

ADVISOR: Zachary Zwick, Three Bearings Fiduciary Advisors

The meeting was called to order at 3:01 p.m. by Chairman Mackensen.

The Pledge of Allegiance was recited.

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### **Quorum Determination**

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

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### **Approval of Minutes**

July meeting minutes were approved by email in July.

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### 3<sup>rd</sup> Quarter 2024

Mr. Zwick provided the Market Trends:

- Broad strong performance in Q3, especially Real Estate:
  - S&P 500 5.75%
  - Russell 2000 9.25%
  - MSCI EAFE Index 6.77%
  - Real Estate (Vanguard REIT ETF) 17.29%
  - S&P High-Yield Corporate Bond Index 5.17%
  - S&P Investment Grade Corporate Bond Index 5.61%
- Big divergence between Growth and Value, Value outperformed Growth:
  - iShares S&P Growth (IUSG) 3.67%
  - iShares S&P Value (IUSV) 9.02%
- Money flowed into Treasuries across the board. Rates fell for short, intermediate, and long-term US Treasury securities:
  - 30-year Treasury: Decreased from 4.51% to 4.14%
  - 10-year Treasury: Decreased from 4.36% to 3.81%
  - 5-year Treasury: Decreased from 4.33% to 3.58%
  - 2-year Treasury: Decreased from 4.71% to 3.66%

Mr. Zwick provided the sector results as of September 30, 2024.

Utilities XLU 19.35%	Real Estate XLRE 17.11%	Industrial XLI 11.49%	Financial Services XLF 10.64%
Consumer Discretionary XLY 10.08%	Materials XLB 9.62%	Consumer Staples XLP 8.96%	Health Care XLV 6.07%
Communication Services XLC 5.85%	Technology XLK -0.03%	Energy XLE -2.89%	

### **Real Estate Trust Fund**

The Fund gained 6.85% 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 \$23,363,768.

The Real Estate Trust Fund performance was 18.4% during the last 12 months. The Conservative Benchmark performance was 20.1%.

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 1.7% Cash, 27.8% US Stocks, 9.9% Non-US Stocks, 54.6% Bonds, and 6% Other.

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

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### **Real Estate Trust Fund Projected Income**

The investment report dated September 30, 2024, showed Real Estate Trust Fund projected portfolio income for the next 12 months as \$1,015,008, before fees of approximately \$28,000. The trustees unanimously concurred that a reasonable income for planning purposes in calendar year 2025 is \$900,000, net after fees.

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### **Common Trust Fund**

The Fund gained 6.5% during the third quarter. The Fund ended the quarter with a total market value of \$50,697.

The Common Trust Fund performance was 17.7% during the last 12 months. The Income Benchmark performance was 16.5%.

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, 25.7% US Stocks, 5.7% Non-US Stocks, 57.6% Bonds, and 5.8% Other.

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### **Common Capital Reserve Fund**

The Fund gained 3.7% during the third quarter. The Fund ended the quarter with a total market value of \$5,201,153.

The Common Capital Reserve Fund performance was 11.9% during the last 12 months. The CRF Diversified Benchmark was 10.9%.

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

The allocation in this Fund is 9.7% Cash, 16% US Stocks, 0.1% Non-US Stocks, 74.2% Bonds, and 0% Other.

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

The Fund gained 3.8% during the third quarter. The Fund ended the quarter with a total market value of \$1,024,023. This Fund is similar to the Common Capital Reserve Fund.

The WSD Common Capital Reserve Fund performance was 12% during the last 12 months. The CRF Diversified Benchmark was 10.9%.

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

The allocation in this Fund is 2.1% Cash, 17.1% US Stocks, 0.1% Non-US Stocks, 80.7% Bonds, and 0% Other.

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### **Cemetery Maintenance Expendable Trust Fund**

The fund gained 4.9% during the third quarter. This fund ended the quarter with a total market value of \$930,681.

The Cemetery Maintenance Trust Fund performance was 24.3% during the last 12 months. The CRF Diversified Benchmark – Balanced was 25.5%.

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

The allocation in this Fund is 1.1% Cash, 59.5% US Stocks, 0.4% Non-US Stocks, 39% Bonds, and 0% Other.

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**MS-9 Report**

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

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**Combined Transactions Listing**

The TrustTrak Combined Transactions Listing was reviewed.

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**Trustees Meeting Schedule for 2025**

The Trustees reviewed the proposed meeting schedule.

**MOVED** by Ms. Skaperdas to approve the 2025 Trustees Meeting Schedule.

**SECONDED** by Mr. Dearden

**VOTE: 5-0-0**

**Motion Passed**

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**Firefighters Turn Out Gear CRF Disbursement**

**MOVED** by Mr. Nevins to reimburse the Town for \$51,808.59.

**SECONDED** by Mr. O'Neil

**VOTE: 5-0-0**

**Motion Passed**

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**Cemetery Maintenance Expendable Trust Fund Disbursement**

**MOVED** by Mr. O'Neil to reimburse the Town for the remaining \$9,400 of High Street fence costs.

**SECONDED** by Mr. Nevins

**VOTE: 5-0-0**

**Motion Passed**

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**Cemetery Maintenance Expendable Trust Fund Disbursement**

**MOVED** by Mr. Dearden to reimburse the Town for grave lot buybacks in the amount of \$2,604.

**SECONDED** by Mr. Nevins

**VOTE: 5-0-0**

**Motion Passed**

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**Winnacunnet School District Special Education Expendable Trust Fund**

**MOVED** by Mr. Mackensen to disburse \$113,357.10 from the Winnacunnet School District Special Education Expendable Trust Fund to reimburse SAU 21 for unanticipated special education costs.

A spreadsheet summarizing the school audit documents was distributed to the Trustees.

**SECONDED** by Mr. Nevins

**VOTE: 5-0-0**

**Motion Passed**

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**Public Comment**

There were no members of the public attending the meeting.

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**Next Meeting**

The next meeting will be Tuesday, January 21, 2025, at 3:00 p.m. in the Selectmen's Meeting Room.

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**Adjournment**

The meeting adjourned without objection at 4:05 p.m.

Respectfully submitted,

Warren J. Mackensen, Chairman