



TRUSTEES OF TRUST FUNDS

January 13, 2026     3:00 p.m.

Quarterly Meeting

Selectmen Meeting Room

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

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

PUBLIC:     None

The meeting was called to order at 3:14 p.m. by Chairman Mackensen.

The Pledge of Allegiance was recited.

A moment of silence was conducted in honor of the passing of John M. Sovich on January 8, 2026. John was a former trustee of trust funds for six years (2012-2017) and an Air Force veteran.

---

**Quorum Determination**

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

### **Approval of Minutes**

The October meeting minutes were approved by email shortly after the meeting.

---

### **MS-9 Report Approval**

The Trustees reviewed the MS-9.

**MOVED** by Mr. Nevins to approve the MS-9 Report.

**SECONDED** by Mr. O'Neil.

**VOTE: 5-0-0**

**Motion passed**

---

### **MS-10 Report**

The Investment Advisor will electronically upload the five year-end Fidelity investment statements to the Charitable Trusts Units. The data to be submitted is shown on the MS-9, page 6 of 6, which ties out to the investment totals.

---

### **Charitable Trusts Unit Portal**

After the MS-9 and MS-10 annual reports are uploaded online by Three Bearings to the Charitable Trusts Unit, Chairman Mackensen will be notified by email. He will then log in to the Charitable Trusts Unit Portal to submit the reports.

---

### **Town Report Narrative and Spreadsheet**

The 2025 Town Report narrative and spreadsheet were reviewed.

**MOVED** by Ms. Skaperdas to approve the 2025 Town Report and the associated summary spreadsheet.

**SECONDED** by Mr. Dearden.

**VOTE: 5-0-0**

**Motion passed**

### **Income Distribution from Trust Funds**

**MOVED** by Mr. Nevins to approve the following distributions of income:

- Poor Funds: \$28.23 (Town of Hampton)
- Library Trust Funds: \$519.80 (Lane Library)
- Perpetual Care Trust Funds: \$1,091.78 (Town of Hampton)
- Cemetery Maintenance Expendable Trust Fund: \$22,541.19 (Town of Hampton)

**SECONDED** by Mr. O'Neil.

**VOTE: 5-0-0**

**Motion passed**

---

### **Distribution from Firefighters Turn Out Gear Capital Reserve Fund**

- Motion to disburse \$9,251.03 from the
  - Invoices reviewed
  - Request approved by the Selectmen

**MOVED** by Ms. Skaperdas to approve the disbursement.

**SECONDED** by Mr. Dearden.

**VOTE: 5-0-0**

**Motion passed**

---

### **Distribution from Municipal Buildings Capital Reserve Fund**

- Motion to disburse \$9,449.08 from the
  - Invoices reviewed
  - Request approved by the Selectmen

**MOVED** by Mr. O'Neil to approve the disbursement.

**SECONDED** by Mr. Nevins.

**VOTE: 5-0-0**

**Motion passed**

### **Hampton Real Estate Trust Fund Investment Policy**

Chairman Mackensen opened the floor for discussion on the Real Estate Trust Fund Investment Policy. There were minor questions for the investment advisor.

**MOVED** by Ms. Skaperdas to reaffirm the Real Estate Trust Fund Investment Policy without change.

**SECONDED** by Mr. Nevins.

**VOTE: 5-0-0**

**Motion passed**

The document will be uploaded to the Charitable Trusts Unit with the MS-10.

---

### **Small Trust Funds and Capital Reserves Investment Policies**

Chairman Mackensen opened the floor for discussion of the investment policy for the Common Trust Fund, the Common Capital Reserve Fund, the Winnacunnet School District Common Capital Reserve Fund, and the Cemetery Maintenance Expendable Trust Fund.

The document was reorganized to improve consistency and readability. Percentages were not changed.

**MOVED** by Mr. Mackensen to approve the smaller trust funds and capital reserve funds investment policies (one document).

**SECONDED** by Mr. O'Neil.

**VOTE: 5-0-0**

**Motion passed**

The document will be uploaded to the Charitable Trusts Unit with the MS-10.

---

### **Internal Controls Policy**

Chairman Mackensen opened the floor for discussion on the Internal Controls Policy.

**MOVED** by Mr. Mackensen to approve the Internal Controls Policy.

**SECONDED** by Mr. Nevins.

**VOTE: 5-0-0**

**Motion passed**

The document will be uploaded to the Charitable Trusts Unit with the MS-10.

---

### **Trust Funds and Capital Reserve Funds Audit**

Trustees were apprised of the need to answer the town auditor's questionnaire if they are approached by the town auditors, Plodzick & Sanderson.

---

### **Certificate of Compliance**

Reference: HRETF Investment Policy, Page 16, Item 9

The Trustees acknowledged receipt of a Certificate of Compliance signed by David T. Mayes, principal at Three Bearings Fiduciary Advisors.

---

### **Investment Advisor Evaluation**

Reference: HRETF Investment Policy, Page 16. Trustees reviewed the investment advisor's performance.

**MOVED** by Mr. Dearden to retain Three Bearings Fiduciary Advisors.

**SECONDED** by Mr. Nevins.

**VOTE: 5-0-0**

**Motion passed**

---

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

The Trustees reviewed the Cemetery Maintenance Expendable Trust Fund related to the Town's discussion of building a columbarium.

The Cemetery Maintenance Expendable Trust Fund was approved by voters in 1986 under Warrant Article 26, which stated:

"To see if the Town will vote to establish a burial ground trust fund under the provisions of RSA 31:19-a to be administered by the Trustees of Trust Funds, the interest from which shall be withdrawn annually and used for the maintenance of cemeteries."

The Trustees considered the wording of the 1986 warrant article. They agreed that the use of funds from the Cemetery Maintenance Expendable Trust Fund for the

construction of a columbarium would need a new warrant article because of the narrow distribution purpose of the Fund, i.e., "...the interest from which shall be withdrawn annually and used for the maintenance of cemeteries." New construction is generally not considered to be maintenance.

The year-end balance of the Cemetery Maintenance Expendable Trust Fund was \$1,089,239.90

---

#### **4th Quarter 2025 Market Trends as of 12/31/2025**

Three Bearings was given the floor to present the economic environment.

- Moderate domestic performance in Q4 between large and small caps & strong performance in International equities:
  - S&P 500 2.66%
  - Russell 2000 2.08%
  - MSCI EAFE Index 4.72%
  - Real Estate (Vanguard REIT ETF) -2.33%
  - S&P High-Yield Corporate Bond Index 1.23%
  - S&P Investment Grade Corporate Bond Index 2.16%
- Divergence between Growth and Value, Value slightly outperformed Growth, reversal from Q3:
  - iShares S&P Growth (IUSG) 2.23%
  - iShares S&P Value (IUSV) 3.15%
- Money flowed into short and intermediate term. Long term Treasuries saw some selling pressure:
  - 30-year Treasury: Increased from 4.73% to 4.84%
  - 10-year Treasury: Increased from 4.16% to 4.18%
  - 5-year Treasury: Decreased from 3.74% to 3.73%
  - 2-year Treasury: Decreased from 3.60% to 3.47%

The sector results for the last quarter were:

Health Care	Technology	Financial Services	Materials
XLV 11.70%	XLK 2.31%	XLF 2.02%	XLB 1.72%
Energy	Industrial	Consumer Discretionary	Consumer Staples
XLE 0.93%	XLI 0.92%	XLY -0.15%	XLP -0.08%
Utilities	Communication Services	Real Estate	
XLU -1.37%	XLC -0.23%	XLRE -3.19%	

## **Real Estate Trust Fund**

The Month-End Market Value graphs were reviewed.

The market value of this Fund increased in 2025. The year-end market value was \$24,024,503. The portfolio's time-weighted rate of return was 1.6% for the quarter. The time-weighted rate of return for 2025 was 11%.

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 0.3% Cash, 26.7% US Stocks, 10.5% Non-US Stocks, 57.4% Bonds, and 5.1% Other.

The Trustees thoroughly reviewed the Real Estate Trust Fund portfolio, including its composition, the related income-oriented investment policy, asset allocation, and the benchmarks in use. The projected 2026 annual income is about \$1,000,000, net of fees, to be distributed monthly as received to offset taxes.

---

## **Common Trust Fund**

This Fund ended the year with a total market value of \$52,964. The portfolio's time-weighted rate of return was 1.6% for the quarter. The time-weighted rate of return for 2025 was 10.6%.

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

The allocation in this common Fund is 5% Cash, 24% US Stocks, 7% Non-US Stocks, 59% Bonds, and 5% Other.

---

## **Town Common Capital Reserve Fund**

This Fund ended the year with a total market value of \$6,147,568. The portfolio's time-weighted rate of return was 1.4% for the quarter. The time-weighted rate of return for the year was 7.5%.

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

The allocation in this Fund is 2% Cash, 16% US Stocks, 0% Non-US Stocks, and 82% Bonds.

---

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

This Fund ended the year with a total market value of \$749,242. He said this Fund is similar to the Town's Common Capital Reserve Fund. The portfolio's time-weighted rate of return was 1.3% for the quarter. The time-weighted rate of return for the year was 7.8%.

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

The allocation in this Fund is 2% Cash, 15% US Stocks, 0% Non-US Stocks, and 83% Bonds.

---

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

This Fund ended the year with a total market value of \$1,089,240. The portfolio's time-weighted rate of return was 2% for the quarter. The time-weighted rate of return for the year was 12.9%.

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

The allocation in this Fund is 1% Cash, 59% US Stocks, 0% Non-US Stocks, and 40% Bonds.

---

### **Combined Transactions Listing**

The Combined Transactions Listing for all of the funds was reviewed.

---

### **Trustee Elections in March 2026**

In calendar year 2026, two Trustee seats are open for election. Ms. Skaperdas indicated she will run for re-election on March 10, 2026. Mr. Nevins and Mr. O'Neil will not run for re-election. The Trustees thanked them for their service on the Board.

---

### **Public Comment Period**

There were no members of the public in attendance.

---

### **Next Meeting**

The next meeting will be Tuesday, April 21, 2026, at 3:00 p.m. in the Selectmen's Meeting Room.

---

### **Adjournment**

**MOVED** by Mr. Dearden to adjourn the meeting at 4:15 p.m.

**SECONDED** by Ms. Skaperdas.

**VOTE: 5-0-0**

**Motion passed**

---

Respectfully submitted,

Warren J. Mackensen, Chairman