TRUSTEES OF TRUST FUNDS

October 20, 2026 3:00 p.m.

Quarterly Meeting

TRUSTEES: Warren Mackensen
Joyce Skaperdas
James Dearden
Karen Souney
Bruce Theriault

MINUTES: Julie Poplawski (Alternate Trustee)

PUBLIC: None

ADVISOR: 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 five trustees were present. There was a quorum.

Approval of Minutes

The trustees approved the July meeting minutes by email shortly after the meeting.

3rd Quarter 2026

Mr. Zwick provided the Market Trends as of September 30:

- Moderate/flat performance in Q3 from domestic large cap with a big reversal in small cap. Neutral performance in International equities and strong negative performance in real estate as well:
  - S&P 500 2.38%
  - Russell 2000 -7.27%
  - MSCI EAFE Index 0.01%
  - Real Estate (Vanguard REIT ETF) -6.23%
  - S&P High-Yield Corporate Bond Index -1.77%
  - S&P Investment Grade Corporate Bond Index -3.73%
- Divergence between Growth and Value, Growth slightly outperformed Value, same as Q2:
  - iShares S&P Growth (IUSG) 3.14%
  - iShares S&P Value (IUSV) 0.55%
- Treasuries across the board saw selling pressure, oil crisis, inflation fears, and Fed raising rates:
  - 30-year Treasury: Increased from 4.91% to 5.64%
  - 10-year Treasury: Increased from 4.44% to 5.29%
  - 5-year Treasury: Increased from 4.19% to 5.09%
  - 2-year Treasury: Increased from 4.14% to 4.88%
  - 1-year Treasury: Increased from 3.98% to 4.54%

Mr. Zwick provided the Sector Results as of September 30:

Energy XLE 16.50%	Health Care XLV 6.55%	Communication Services XLC 3.91%	Technology XLK 2.86%
Financial Services XLF -0.04%	Consumer Staples XLP -2.33%	Materials XLB -3.75%	Real Estate XLRE -6.31%
Consumer Discretionary XLY -6.99%	Industrial XLI -9.61%	Utilities XLU -12.37%	

Real Estate Trust Fund

The Fund decreased by 2.6% 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 $23,969,910.52.

The Real Estate Trust Fund returned 4.6% over the last 12 months. The Conservative Benchmark performance was 5.2%.

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

This Fund's allocation is 1.6% Cash, 26.9% US Stocks, 10.3% Non-US Stocks, 55.8% Bonds, and 5.4% 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 showed the Real Estate Trust Fund projected portfolio income for the next 12 months as $1,119,406, before fees of approximately $28,000. The trustees unanimously concurred that a reasonable income for planning purposes in calendar year 2027 is $1,000,000, net after fees.

Common Trust Fund

The Fund decreased by 2.4% during the third quarter. The Fund ended the quarter with a total market value of $52,032.87.

The Common Trust Fund returned 3.3% over the last 12 months. The Income Benchmark performance was 2.6%.

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

The Fund's allocation is 7.5% Cash, 24.5% US Stocks, 7.6% Non-US Stocks, 53% Bonds, and 7.4% Other.

Common Capital Reserve Fund

The Fund decreased by 0.3% during the third quarter. The Fund ended the quarter with a total market value of $7,132,298.32.

The Common Capital Reserve Fund returned 3.1% over the last 12 months. The CRF Diversified Benchmark was 3.8%.

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

The Fund's allocation is 3.1% Cash, 15.7% US Stocks, 0.1% Non-US Stocks, 81.1% Bonds, and 0% Other.

Winnacunnet School District Common Capital Reserve Fund

The Fund decreased by 0.4% during the third quarter. The Fund ended the quarter with a total market value of $835,700.48. This Fund is similar to the Common Capital Reserve Fund.

The WSD Common Capital Reserve Fund returned 2.9% over the last 12 months. The CRF Diversified Benchmark was 3.8%.

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

This fund's allocation is 1.1% Cash, 14.9% US Stocks, 0.1% Non-US Stocks, 83.9% Bonds, and 0% Other.

Cemetery Maintenance Expendable Trust Fund

The fund gained 1% during the third quarter. This fund ended the quarter with a total market value of $1,178,011.82.

The Cemetery Maintenance Trust Fund returned 9.5% over the last 12 months. The CRF Diversified Benchmark – Balanced was 8.7%.

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

This Fund's allocation is 0.4% Cash, 61.7% US Stocks, 0.3% Non-US Stocks, 37.6% Bonds, and 0% Other.

MS-9 Report

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

Combined Transactions Listing

The TrustTrak Combined Transactions Listing was reviewed.

Upcoming Capital Reserves Activity

The Trustees reviewed the imminent activity:

- Town Roads CRF: 2026 Exeter Road culvert. Town approved $624,500 expenditure. Engineering is complete, but permitting inhibited the planned work. Work is now scheduled for early spring 2027.

- Municipal Buildings CRF: Town-wide Capital Assessment Project ($18,900.92) [all Town buildings]

Recent Activity

The Trustees reviewed the recent transactions:

- 2026 Town Warrant Funding Completed
  - Road Improvement CRF $750,000
  - Municipal Buildings CRF $100,000
  - Firefighters CRF $ 40,000
- 2026 SAU21 CRF deposits in September
  - Special Education Expendable Trust Fund $50,000
  - Health Care Expendable Trust $25,000
- 2026 Warrant Article 30 Municipal Transportation Improvement CRF
  September Deposit: $25,105

Trustees Meeting Schedule for 2027

The Trustees reviewed the proposed meeting schedule.

MOVED by Ms. Skaperdas to approve the 2027 Trustees Meeting Schedule.

SECONDED by Mr. Dearden.

VOTE: 5-0-0 **Motion Passed**

Capital Reserve Fund Disbursements

- **Motion**: Move to disburse $6,868.80 from Firefighters Turnout Gear.
    - Moved by: Mr. Theriault
    - 2nd by: Mrs. Souney
    - Vote: 5-0-0 Motion Passed.
- **Motion**: Move to disburse $29,500 from Municipal Buildings (PD fire panel)
    - Moved by: Mr. Dearden
    - 2nd by: Mr. Theriault
    - Vote: 5-0-0 Motion Passed.
- **Motion**: Move to disburse $96,254.23 from Town Roads CRF for the Exeter Road Culvert Project (engineering and design)
    - Moved by: Ms. Skaperdas
    - 2nd by: Mrs. Souney
    - Vote: 5-0-0 Motion Passed.
- **Motion**: Move to disburse $300 from Cemetery Maintenance Expendable Trust Fund (relocate monument)
    - Moved by: Ms. Skaperdas
    - 2nd by: Mr. Theriault
    - Vote: 5-0-0 Motion Passed.
- **Motion**: Move to disburse $251.00 from Cemetery Maintenance Expendable Trust Fund (plot buy back)
    - Moved by: Mrs. Souney
    - 2nd by: Ms. Skaperdas
    - Vote: 5-0-0 Motion Passed.

Trustee Records Digitization

- Records were removed from the Town vault and systematically scanned, saved by year, and returned.
- Thanks to Trustee Karen Souney for scanning help.
- Thanks to Town Clerk Cheryl Hildreth (and staff) for supporting and assisting with the digitization.
- Thanks to Three Bearings Fiduciary Advisors for providing data.
- Thanks to citizen Christopher Norton for scanning 11" x 17" MS-10 records.
- The Town now has thumb drives containing digital copies of Trustee records for Hampton's main server for future access.

Real Estate Trust Fund Investment Policy - Proposed Change

Semi-annual prospectuses for two securities were provided to the Trustees and the Investment Advisor before the meeting (collectively, the "Affected Securities"):

DEM WisdomTree Emerging Markets High Dividend ETF:
21.4% invested in China as of 8/31/2026 (8/31/26 LTCG of $27,167)

DGS WisdomTree Emerging Markets Small Cap Dividend ETF:
9.5% invested in China as of 8/31/2026 (8/31/26 LTCG of $76,860)

MOVED by Chair Mackensen to restrict emerging market investments in countries inimical to the interests of the U.S. to reduce the geographic investment risks and the geopolitical risks cited in the August 1, 2026, semi-annual summary prospectuses from WisdomTree for the Affected Securities.

If the motion passes, instruct the Investment Advisor to implement trades that remove Affected Securities by 12/31/2026. Further, amend the RETF investment policy during the annual investment policy review in January 2027 to reflect this investment policy change.

SECONDED by Mr. Theriault

Mr. Mackensen explained that he opposes investments in China and Russia.

The Trustees discussed the motion and its possible income effects on the portfolio.

VOTE: 1 in favor / **4** opposed **Motion Failed**

Public Comment

No members of the public attended the meeting.

Next Meeting

The next meeting will be Tuesday, January 19, 2027, at 3:00 p.m. in the Select Board Meeting Room.

Adjournment

The meeting adjourned without objection at 4:36 p.m.

Respectfully submitted,

Warren J. Mackensen, Chair

Julie Poplawski, Minutes