

Trustees of the Trust Funds  
Brookfield, NH

October 10th, 2013 Meeting

Present: Richard Nordin, Tom Giguere, Tom Lavender

1. The meeting was called to order at 6:43 PM.
2. Public Comment: None
3. Minutes: Tom L. moved to approve the July 11th, 2013 minutes as written, Tom G. seconded and the motion passed.
4. Mail: None.
5. Old Business:
  - A. As discussed at the July meeting, Rich forwarded a second copy of our letter changing to Prudent Investor policy and our Investment Policy to the Charitable Trust Unit at the state.
6. New Business:
  - A. The requested 2014 Trustee budget was discussed. All agreed to keep the same numbers as the current budget: \$450 salaries, \$100 training, \$50 expenses. Rich will send to the town administrative assistant.
  - B. A letter to the Selectmen drafted by Tom G. outlining fund transfers required by town meeting was reviewed. Rich signed and forwarded the letter to the Selectmen with a copy to the Treasurer.
  - C. Asset Allocation. Rich gave a summary of feedback received from Charter's Investment Manager, Bryan Sanford, responding to our concerns with the bond allocation in the Cemetery and Common Funds. Bryan felt our investments were correct. He did not think our accounts were large enough to buy individual bonds as we suggested to avoid losses bond funds experience with rising interest rates. His best guess is that the Federal Reserve will continue the existing Quantitative Easing policy through the end of the year which will benefit our bond holdings. Tom G. asked about the wisdom of switching to shorter term bonds. Rich gave an overview of the idea including the difference between the terms "maturity" and "duration", and also the reduction of yield with shorter maturities. Given the uncertainty of interest rates through the end of the year, he suggested we stay the course and monitor. Tom G. suggested a new bond instrument termed a "fixed maturity bond ETF". These ETFs hold a basket of bonds which all mature in the same year after which the principal is returned. If held to maturity, these ETFs should be immune to rising interest rates much like individual bonds. Tom G. will research further. Rich moved on to the Capital Reserve Fund and advocated for a bond ladder as discussed last meeting (100K in bond ladder, 75K in one-year CDs, and the remainder in cash.) All agreed. Rich will contact Charter asking for bond quotes and for their advice on fixed maturity bond ETFs.

7. Other Business: Rich to confirm there are no fees for withdrawals from Charter and ask if we will receive a hard copy annual report for our files.

8. Next Meeting. 6:30 PM, January 9<sup>th</sup>, 2014.

The meeting was concluded at 7:52 PM.

Minutes approved \_\_\_\_\_.

Respectfully submitted: \_\_\_\_\_  
Thomas Giguere