

City of Concord

Trustees of Trust Fund Meeting

Minutes of April 11, 2024 Meeting

Meeting was convened at 8:37 AM at City Hall, 41 Green Street, Concord; in addition to a WebEx connection.

In attendance: Trustees Jeff Schindler, Susan Dunton (WebEx) & Joseph Kwasnik; Bob Hannon of Clarfeld/Citizens Wealth Management Group & Laurie Leduc of Citizens Bank Wealth Management Group (WebEx); Dawn Enwright from the City of Concord.

Minutes from the January 11, 2024 meeting were distributed for review; a motion was made to approve the minutes by Joseph Kwasnik and 2nd by Jeff Schindler. Accepted 3-0-0.

Market update and portfolio review presented by Bob Hannon:

- **Trust Fund A: 2.7% (net of fees) vs. 1.8% (benchmark)**
 - Relative outperformance was driven by the portfolio's slightly shorter duration posture. Treasury yields rose across most of the curve since the end of the year, such as the US 5-year Treasury, which ended 2023 at 3.93% and ended 1Q24 yielding 4.21%. The increase was due to the Fed walking back some of the language used in December regarding the timing of potential Fed Fund rate cuts. Inflation for the quarter was also trending higher and not cooperating with their desire to progress towards its 2% target. Despite the higher inflation, unemployment remained below 4% and economic growth remained strong.
 - Performance was driven by strong US and Developed International equity markets, which gained ~10% and ~6% respectively. Relative outperformance was driven by security selection (active management) in the US (+40 bps vs S&P500) and GQG, our international developed manager, (+480 bps vs EAFE index).
- **Trust Fund B: 6.1% (net of fees) vs. 4.7% (benchmark)**
 - Relative outperformance was driven by the portfolio's slightly shorter duration posture. Treasury yields rose across most of the curve since the end of the year, such as the US 5-year Treasury, which ended 2023 at 3.93% and ended 1Q24 yielding 4.21%. The increase was due to the Fed walking back some of the language used in December regarding the timing of potential Fed Fund rate cuts. Inflation for the quarter was also trending higher and not cooperating with their desire to progress towards its 2% target. Despite the higher inflation, unemployment remained below 4% and economic growth remained strong.
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- **Trust Fund C: 7.0% (net of fees) vs. 5.7% (benchmark)**
 - Relative outperformance was driven by the portfolio's slightly shorter duration posture. Treasury yields rose across most of the curve since the end of the year, such as the US 5-year Treasury, which ended 2023 at 3.93% and ended 1Q24 yielding 4.21%. The increase was due to the Fed walking back some of the language used in December regarding the timing of potential Fed Fund rate cuts. Inflation for the quarter was also trending higher and not cooperating with their desire to progress towards its 2% target. Despite the higher inflation, unemployment remained below 4% and economic growth remained strong.
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The 2024 Investment Policy was present with no changes, for final review. A motion was made by Joe Kwasnik to accept the policy as presented and seconded by Jeff Schindler. No further discussion, it was approved 3-0-0. The policy is to be submitted to the Department of Justice as passed for the FY2024 fiscal year.

The next meeting date was set for July 18, 2024 at 8:30am, Concord City Hall.

Motion was made to adjourn meeting by Joe Kwasnik and 2nd by Jeff Schindler. Approved 3-0-0.

Meeting adjourned at 9:45am

Respectfully Submitted,

Dawn K. Enwright – Trustee Secretary