

City of Concord Trustees of Trust Fund Meeting

Minutes of October 21, 2021 Meeting

Meeting was convened at 8:33 AM at City Hall, 41 Green Street, Concord.

In attendance: Trustees Jeff Schindler & Joseph Kwasnik; Charles Nason & Laurie Leduc of Citizens Bank Wealth Management Group; Dawn Enwright from the City of Concord.

Absent: Trustee Dodd Griffith; Christine Therrien of Citizens Bank.

Minutes from the July 15, 2021 meeting were distributed for review; a motion was made to approve the minutes by Jeff Schindler and 2nd by Joseph Kwasnik. Accepted 2-0-1.

Market update and portfolio review presented by Charles Nason:

- ❖ Feds reporting full employment with unemployment at 4.8% (down from 1 year ago of 9.8%)
- ❖ Extended unemployment benefits ended Labor Day.
- ❖ Economy is strong.
- ❖ 5.4% CPI-highest in 30 years; Goal is 2% for a low inflation.
- ❖ Balance sheet has doubled in 1.5 years from \$4.2 trillion to \$8.5 trillion.
- ❖ Could see a rise in interest rates in August and possibly in November as well-as interest rates normalize cash flows should improve due to better opportunities in price index yields.
- ❖ Concord Trust Funds (A, B & C) for third quarter returned 7.8% overall.
- ❖ Institutional performance Report for the last 12 months shows and overall increase of 14.3% (net of fees) or \$3.189K in gains.
- ❖ Funds “B” & “C” are slightly overweight in equities to take advantage of the more favorable return in equities.
- ❖ Fund “A” is 80% fixed income resulting in a 1.3% return for the third quarter. Fixed income is lower risk in nature; lower risk results in underperformance.
- ❖ Duration index is 4.2, A, B&C’s duration is 3.2 in anticipation of the interest increases to come in 2022.

Charles Nason from Clarfeld Citizens Private Wealth presented data on the ESG funds. ESG funds have a slightly higher return with an added expense. When comparing to the current large cap strategy currently held in A, B & C it was noted about 70% of the top twenty holdings in the ESG are also in the large cap. It was decided to not expand to the ESG funds at this time because it would not enhance our current portfolio. The Trustees will revisit the viability again at a future meeting.

The next meeting date was set for January 20, 2022 at 8:30am at Concord City Hall.

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

Meeting adjourned at 9:35am

Respectfully Submitted,

Dawn K. Enwright – Trustee Secretary