

Minutes of Trustees of the Trust Funds Meeting
October 27, 2023

Wheelwright Room, Exeter Town Offices, Exeter, NH, 8:00 - 9:30 am

Attendees: Peter Lennon, Leone Atsalis, Pat Curtis, Trustees; Clerk for the Meeting, Mr. Lennon

Agenda:

I. Prepare for Interviews with Respondents to the Trustees Request for Statement of Qualifications (RFQ) as Investment Advisor.

The Trustees discussed which questions were the most important to ask the investment advisor candidates, and how each Trustee would participate in the interviews.

It was determined that Ms. Atsalis would lead the discussion and questions regarding fee specifics and various fee components, including:

1. Is your fee assessed against the entire portfolio? Are there separate fees for certain asset classes you might recommend in addition to the baseline Investment Advisory fee?
2. How can we estimate the fees from separately managed accounts, mutual funds, and ETFs that carry their own expense ratios? Can you quote an average fee for each category of separately managed funds and based on a typical allocation of assets for a Town or city similar in size and portfolio amount to Exeter?
3. How are annual and other bonuses incorporated into the fee structure?
4. Under what conditions might you be willing to negotiate a lower investment advisory or investment management fee?

It was determined that Mr. Curtis would lead the discussion and questions regarding each candidate's financial mechanisms, online and other reporting content, formats, and regularity, client responsiveness, and specific New Hampshire knowledge and experience. His questions would include:

1. Would the Trustees be able to maintain visibility over each separate trust fund, including cemetery perpetual care funds, for assessing performance and for monthly, quarterly, and annual reporting purposes?
2. What will be the differences between the monthly, quarterly, and annual reports that you provide and those provided to us by your broker-dealers/custodians? What sort of reports do you provide for the towns and how frequently?
3. How can you help the Trustees prepare and submit the state-mandated MS-9/MS-10 annual reports?

4. How would we work with you to deposit checks or make withdrawals from our accounts? Which bank would facilitate electronic fund (ACH) transfers between investments and the town?
5. What kind of liquidity will we have to be able to write reimbursement checks on a timeline responsive to the needs of the Town and two School Boards?
6. Who will be the Trustees' local point of contact?
7. What is your firm's experience working with New Hampshire towns? Which town do you work with the most? Which towns are your oldest and newest clients, and have your services been terminated by any town?
8. Can you provide us with a customizable investment portal?

It was determined that Mr. Lennon would lead the discussion of the candidate evaluation process and highlight key dates, such as when the Trustees would make a selection and how and when the Trustees would appear before the Select Board, Exeter Region Cooperative School Board, and Exeter (Elementary) School Board to seek their approval of warrant articles asking the voters to approve paying investment advisor fees from the income of the publicly funded trust funds. He would state further that the Trustees did not need voter permission to pay investment advisor fees from the privately funded trust funds.

Mr. Lennon would tell the representatives of the candidate investment advisor firms that the warrant article process would extend from December 2023 through the March 12, 2024, elections.

Mr. Lennon would say that, if the warrant articles passed, the Trustees would be able to sign a contract shortly after the elections.

He was to further state that the Trustees would be briefing the Library and Cemetery Trustees or their staff about the Trust Fund Trustees' new Investment Policy, the proposed hiring of an investment advisor, and how their funds might be tapped. He was to state that if there is major pushback from the Library and Cemetery trustees, the Trust Fund Trustees must consider it.

It was determined further that Mr. Lennon would ask questions about how each candidate assessed, managed, and minimized various investment risks what were the average rates of investment return each firm achieved over the past one, five, and ten year periods, how often and on what basis and metrics the candidate firm evaluated the performance of an individual investment advisor, and whether each firm would be acting in a fiduciary capacity with the Trust Fund Trustees.

II. Adjournment. The meeting adjourned at about 9:40 am.