

City of Laconia, NH
Trustees of the Trust Fund
January 22, 2018

Meeting called to order at 10:00 AM. Present were Peggy Selig and Jon Nivus, Trustees; Charlie Nason, and Laurie Leduc, Citizens Bank.

Investment Review

Charlie reviewed the performance of the account. This account has outperformed the index for 1 year, 3 years and 5 years and is a result of the performance and selection of the equities in the portfolio. Fixed income has underperformed because of the duration of our holdings and the change in the benchmark for the portfolio. This underperformance will close over time as the holdings are lengthen.

The changes in tax law and the continuing prospect of deregulation led to business optimism reaching its highest level since 1983. International stocks outperformed domestic stocks and finished the year firmly ahead. GDP is expected to exceed 4% this year. For equities there are some risks because market value is at an all-time high. Some corrections are expected this year.

The US Treasury yield curve continued to flatten, as spreads between long and short-term Treasuries declined to their lowest level in a decade. Expectations for the coming year point to an additional three to four rate hikes. In the portfolio will move money from agencies to mortgage backed securities to increase yield and match the index.

Future Meetings

The next meeting is April 17, 2018 at 2:00 PM. Thereafter the meetings will be the third Monday at 2:00 PM.

Charlie and Laurie left the meeting.

Minutes

Minutes of 11/15/2017 meeting was approved.

Miscellaneous

Adjournment

Meeting was adjourned at 10:45 PM

Respectfully submitted,

Jon Nivus