

# **WINCHESTER COMMISSION OF TRUST FUNDS**

## **Meeting of July 29, 2020**

A meeting of the Winchester Board of Commissioners of Trust Funds was held on Wednesday, July 29, 2020, via video conference open to the public and recorded for subsequent viewing. Attending were Commissioners Hayes Miller (Chair), Bob MacIntosh, and David Risgin (Secretary), as well as Sheila Tracy, Town Treasurer / OPEB Trust Trustee, and Stacie Ward, Town Comptroller. The meeting commenced at 8:35 a.m.

The Commissioners made edits to and then accepted the *minutes* of the June 24, 2020 meeting.

Flows this period included receipts of \$4,800 for the Cemetery/Permanent Care account and \$1,795 for the Cemetery/Columbarium account, largely for Memorial Day flowers. The Asa Fletcher Fund distributed \$1,200 for rental assistance. The Library Trust Fund saw an outflow of \$19.36.

Turning to investments, the Commissioners discussed the suitability and availability of taxable municipal bonds and expressed a desire to increase Fund holdings where applicable and suitable. The Commission also noted that recent trades had reduced the Funds' cash levels; equity allocations remained near the lower end of the Funds' range. While Fund results have somewhat lagged the performance of a 60/40 stock/bond reference portfolio in the medium term, performance more recently has been much stronger on a relative basis; however, the Commissioners stressed that such a direct comparison ignores the broader diversification exemplified in the Funds' asset allocation strategy. For example, the Funds maintain positions in TIPS and commodities as a hedge against inflation, a serious concern given current financial conditions and Federal Reserve actions.

Because of recent performance, the Commissioners directed the Treasurer to reduce commodities exposure in the Funds to about 5%. Commissioner MacIntosh noted the availability of certain taxable municipal bonds and Commissioner Miller directed the purchase of an appropriate amount for the Funds. Commissioner MacIntosh will work with the Treasurer to locate and perhaps acquire suitable municipal bonds. Also, the Commission will continue to mull exposure to emerging-market equities.

The Commission has still yet to receive a response from the Select Board regarding the Commission's recommendations on spending guidelines and limits.

The meeting adjourned at 9:31 a.m., with the next meeting scheduled for 8:30 a.m. August 19, 2020.

All accounts are custodied with Fidelity. The market values of the Funds as of July 29, 2020 were:

<b>Main Account:</b>	<b>\$4,390,268</b>
<b>Retiree Health Care Trust (OPEB; MMDT account):</b>	<b>\$4,146,787</b>
<b>Library Endowment:</b>	<b>\$2,132,065</b>
<b>Library Trust Funds:</b>	<b>\$921,065</b>

Respectfully submitted,

*David A Risgin*

David Risgin, CFA, Secretary