

Trustees of the Trust Funds

July 14, 2021

In attendance: Cindy Neily, Stella Butterfield, Steve Ward; Bryan Sanford, Senior investment Officer and Lynne Ford, Senior Wealth Manager, Charter Trust Company.

Canaan's Trust Funds Investment Policy, last revised in 2017, was reviewed, and it was affirmed that the asset allocations in the Common Trust, Capital Reserve and the Expendables and Scholarship Funds are in compliance with said policy.

Bryan observed that the current spike in inflation is of major concern, but that the financial markets appear to be taking the news in stride. He then reviewed the performance of the three investment funds since our last meeting in January 2020.

The **Common Fund** which primarily represents cemetery perpetual care funds valued at \$1,051,332 as of June 30, 2021 gained 16.09% in the 18-month period and 6.02% per annum since January 1, 2016. Our emphasis on higher yielding quality stocks has helped offset some of the impact of lower interest rates on fixed income securities. In contrast to the two funds below, principal must be preserved.

The **Capital Reserve Fund**, intended to finance the replacement of substantial, long-lived assets for the Town and the School Board, totaled \$1,686,031 on June 30. It grew 1.78% from January 1, 2020 and 1.45% per annum from January 1, 2016. Under State regulations, these funds must be invested conservatively in high quality, liquid securities. Except for modest holdings in money market funds, almost 90% is invested in shorter term US Treasury and Agency securities which accounts for the lower return. The mortgage securities afford a slightly higher return with similar security.

The \$44,577 **Expendables and Scholarship Fund** holds funds for the Meeting House, Williams Field and Fairgrounds as well as scholarships. Because the investments are similar to those in the Capital Reserve Fund, the returns were comparable; 2.34% for 18 months and 1.22% per annum since 2016.

After the departure of the Charter Trust individuals, the minutes from the meeting on January 31, 2020 were read and approved. A date for the next meeting has not been set.