**Present:** Frederick MacMillan, Christopher Flynn, Charles Champagne, Mary Loftis (Scholarship Committee)

**Charter Trust:** Bryan Sanford, Marcie McKenzie

* **Call to Order:** Mr. MacMillan called the meeting to order at 10:10 a.m.
* **Review of meeting minutes of April 21,2020 for approval.**

Motion to Approve as amended (date of Next Meeting should have read July 14, not July 21): **C J. Flynn; 2nd C. Champagne: approved unanimously**

* **Review of Educational/Scholarship Funds**

**Balance 6/30/2020**

**Principal Income Total**

* **1817 Public School Fund 188,754 7,504 196,258**
* **1852 Appleton Public School Fund 44,287 11,869 56,156**
* **1900 Dublin Scholarship Fund 0 0 0**
* **1964 Willard/ Lysett 5,228 1,562 6,790**
* **1965 Sterling 2,454 541 2,995**
* **1975 Ruth Brening 10,435 4,467 14,902**
* Discussion as to whether the Public School Fund is restricted to use of income only or whether principal can be used. Trust established in 1817 by Rev. Edward Sprague. While the Trust letter is silent on restrictions for School Fund, the same Trust document does place a restriction on portion of estate to be used to support the Community Church (C. Champagne). Recommendation to seek guidance from the Attorney General’s office.
* Further discussion on characterization of 1975 Ruth Brening Trust Fund. Trust document indicates use of funds to be used for benefit of children of Dublin Consolidated School, administered by Fire Company. Charter Trust reports denote beneficiary to be Fire/Police. F. MacMillan to research further.
* Discussion as to number and amount of scholarship monies to be made available to Scholarship Committee (Mary Loftis, Balmeet Lasky, Erin Moore). Five applications this year.
* M. Loftis indicated not all applications would be approved; previous awards have been $1,000 each. **Motion to approve $4,000 to be made available for withdrawal by Scholarship Committee (C. Flynn, 2nd C. Champagne, approved unanimously)**
* **Review of Trust Funds Performance (Bryan Sanford, Charter Trust)**

Economic Environment

• **US economy showing early signs of recovery.**

· Still a long way to go to repair damage in labor market.

· Americans are saving a record chunk of their incomes.

· Expect increased volatility leading up to election.

• **The global economy remains sluggish.**

· Many countries are re-opening, but some are still in the

midst of battling the virus.

· Global oil prices have rebounded from multi-decade

lows.

• **The Fed is acting forcefully.**

· The Fed's policy rate was slashed to 0.0% in March and

should remain there for the foreseeable future.

· The Fed has established a variety of credit facilities to

help repair bond-market illiquidity.

Market Conditions

• **US stocks evidencing renewed strength.**

· The S&P 500 has recovered most of its loss since February; now at pre-covid levels

* Disconnect between valuations and unemployment

· The rebound has demonstrated broad participation, a

nascent sign of market health.

· Pre-crisis leadership remains intact: large over small,

growth over value, and US over rest of world.

• **Global bond yields remain persistently low.**

· Inflation expectations have plummeted on a global basis,

intensified by low oil prices and COVID-19 impact.

· The US Treasury yield curve is steepening, but suggesting

stronger economic activity ahead rather than rising

inflation expectations.

• **The US dollar should remain strong.**

· Relative economic strength supports the US dollar.

**Cautious stance: expect to increase cash holdings from 8% to ~10%**

* **Common Funds**
	+ Total fund return (loss) for 1Half 2020 = (.66)% vs. a balanced 50/50 return of (1.92)%
	+ Equity return (loss)= (2.24)% vs. S&P = (3.08)%; Fixed income return(loss) = 4.35% vs. Bloomberg/Barclay’s Bond Index = 6.14%
* **Capital Reserve Funds**
	+ Total Fund return for 1Half, 2020 = 4.08%
	+ Fixed Income Return = 5.31 % vs. BB US Aggregate Bond Index = 6.14%

 **Common funds** **Equities** **Fixed Income/Cash total Funds**

. Asset Allocation: 50.0 % 50.0%

 5 year Total Funds Performance

* + Beginning Market Value:` $1,162,170
	+ Ending Market Value (6/30/2020): $1,399,290
	+ Total Return: 5.66%
* Review of specific investments

-Roper Technologies new to portfolio (automated toll booth provider)

-Fluor 3.5% corporate bond not investment grade (BBB-)noted by C. Champagne

**Review of Capital Reserve Funds**

 **Balance 6/30/2020 : $1,150,438**

* Allocation: **6/30 3/31/**  **12/31**
	+ Fixed Income 73.5 75.8 69.9%
	+ Cash 26.5 24.2 30.1%
* 4 year Performance
	+ Beginning Balance $0
	+ Ending Balance $1,150,438
	+ Total Return 2.78
* Review of specific investments
	+ Tough market to buy in now; no mortgage bonds, only Agency bonds
	+ C. Champagne: request call dates be displayed in Charter report.

**Other Business**

* Review of allocation policy: affirmation to remain as is; annual letter Investment Policy Statement can be affirmed by voice vote, as long as no changes are made. **Motion to approve: C. Flynn, 2nd C. Champagne; approved unanimously**
* C. Champagne noted that approval to withdraw funds for various requests should be approved by Trustees, not perfunctorily by Chair as previously done. Noted and acceded to.
* Recently drafted request form for withdrawals reviewed and accepted.

**Next Meeting: October 13, 2020** (B. Sanford may not be available, but will send out quarterly packet)

**Respectfully Submitted,**

**F.W MacMillan- Chairman**

**F.W. MacMillan Christopher Flynn Charles Champagne**