

Re: **Trustee Meeting Minutes**

Date: September 6, 2018

Time: 6:30 – 7:15 pm

Location: Rye Town Offices

Attended: Jeff Balboni, Chris Nee and Kerry Pope

Excused:

Meeting Minutes

- Jeff called the meeting to order
- The Trustees reviewed and approved the January 29, 2018 meeting minutes (Jeff motioned to approve the minutes and Kerry seconded the motion, all were in favor)
- The Trustees discussed the market and political environment:
 - Tightening global monetary continues and higher USD levels is translating into increased volatility and slowing growth levels
 - The Federal Reserve is forecasted to hike rates two more times in 2018 and three in 2019
 - While the markets are discounting the Federal Reserve's forecasted rate hike because of potential tariffs, emerging market weakness and tighter global monetary policies, inflation is expected to ratchet higher in the US
 - Equity markets continue to be driven to new highs while fixed income markets suffer under increased supply and higher inflation
- The Trustees reviewed and discussed the portfolios' allocations and cash positions:
 - The aggregate 12M performance for the Trust Funds was 10.65% relative to 3.87% for the Utility Sector and 19.6% for the broader S&P index.
 - The Trustees acknowledged the portfolios equity centric positioning and agreed that the holdings are prudent given the market environment and portfolios' objectives
 - The portfolios' cash positions are approximately 6-7%
 - The Trustees view the current levels as appropriate given market conditions and potential volatility
 - The Trustees reviewed concentration levels and underperforming holdings
 - The Trustees decided to make no portfolio changes at this time
- The Trustees discussed the feasibility of utilizing ETFs to promote portfolio diversity
 - ETFs will be further discussed in future meetings
- The Trustees voted to adjourn the meeting at 7:15 pm
 - Next meetings will be scheduled in November and December

Respectfully Submitted,

Kerry S. Pope, CFA

Rye Trustee of Trust Funds

September 16, 2018