

TRUSTEES OF THE TRUST FUNDS
CITY OF PORTSMOUTH, NEW HAMPSHIRE
MEETING SUMMARY OF DECEMBER 5, 2017 MEETING

A regular meeting of the Trustees of the Trust Funds for the City of Portsmouth, New Hampshire was held on December 5, 2017 in The Finance Conference Room in the Seybolt Bldg. at Portsmouth City Hall. The meeting was called to order at 7:30 a.m.

Present were Trustees Dana S. Levenson, Phyllis Z. Eldridge and Thomas R. Watson. Also present were Judith Renaud, Peter Robbins and David Hines.

The minutes of the October 19, 2017 meeting were reviewed. Upon motion duly made and seconded, the minutes were approved.

Mr. Robbins and Mr. Hines appeared on behalf of H.M. Payson. They began their presentation by providing an overview of the trust funds' performance through November 30, 2017. The year to date combined ending value of the funds is over \$16.5 million which the Trustees believe may be the highest it has ever been.

Mr. Hines and Mr. Robbins thereafter shared their observations and opinions with respect to the financial markets and the political climate to date. They stated that high yield equities continue to be expensive and the dividends are risky. Dividend growth has outpaced earnings growth by a wide margin but they believe this will likely slow in the coming year. Rising interest rates will pose a risk to elevated high yield equity valuations.

H.M Payson is recommending that the Trustees continue to reduce exposure in high yield equities. After some discussion regarding the Trust portfolio, the Trustees unanimously approved and seconded the recommendations made by H.M. Payson to sell some of the portfolio's high yield equities and re-invest the funds into more moderate developed and emerging markets.

There being no further business, upon motion duly made and seconded, the meeting was adjourned at 9:00 a.m.



Judith Renaud

Controller