Finance Committee Minutes
December 13, 2022

In Attendance: Alan Stroshine, Justin Somma, Jane Pitts, Judy Putnam, Susan Bloom

Topic: Alan's review of our investing strategy

PORTFOLIO ANALYSIS
- Adjust international exposure to align with threat of recession in int'l markets
- Currently performing slightly above benchmark (-12.61% vs -13.26%)
- Bond markets are down as well so typical bonds vs stocks approach doesn't work
- Planning for next 12-24 months based on valuations in US equities at a good price and continued trouble overseas, smart strategy would be to move equities into US and reduce oversea exposure to recover quicker than market - utilize a mutual fund portfolio to realize this strategy

PROPOSED PORTFOLIO ANALYSIS
- drop int'l 3% move into growth and growth/income categories domestically
- proposal is just investment account, "Portfolio Analysis" is BOTH trustee accounts
- pg 8 & 9 of proposal shows adjustments suggested
- Fed may reduce pace of interest increases eventually pausing around 5%, especially if inflation increases continue a downward trajectory
- Important to filter the emotional impact of the news from the bits of news that actually impact investments - acceleration of war in Europe would have more impact than, say, midterm elections
- Board must approve rebalancing of finances, usually based on Finance Committee recommendations
- Re: adding more ABNDX - Alan: this is the basis for a portfolio of mutual funds, in a rising rate environment we should reduce duration on bond funds, but with rate increases slowing we can add to funds like this to balance out
- we want to reposition ahead of performance to maximize gains
- Increasing small and mid cap exposure to capitalize on low valuations in that space (SMCWX)

Updates from Judy
- restricted account: Cash not reinvested so cash is building. Has been receiving about $7300 annually in dividends. Judy: strategy is to spend that down
- Judy: holding on conversation of whether to spend earnings or spend down balance on (that) the non restricted (investment) account

Alan's general economic overview:
- US has experienced many recessions since 1910, most lasting under 2 years, recent pandemic recession lasted under 1 year and took a 10.1% GDP hit.
- if we enter a recession next year it will likely not be deep or last very long, jobs are still available despite recent layoffs
- different sectors may rise and fall but it's not the economy as a whole. So while tech may be shedding jobs, manufacturing is growing

- market drops every year to some degree but usually rebounds. Market ended down only 9 times since 1980. Most annual lows are well below final market numbers for the year. For every down year there are 5 up years (from S&P)
- Bloomberg aggregates show similar results though this year is extraordinarily down
- Consumer Confidence shows that low points in confidence correlation with rises in market performance while high confidence usually precedes eventual poorer performance

December/January for rebalancing
- no tax implications
- we would get our dividends if we did it in December
- possible opportunity cost to wait but no other negative input

Edward Jones fees
- $7 was a trade commision
- the rest is the management fees for the mutual funds ($1352.39)

Finance Committee Update:
$25 donation received from Aaron Lipsky for the Lipsky Book Fund.