

**TOWN OF HANOVER
TRUSTEES OF TRUST FUNDS**

**Meeting Minutes
Tuesday, August 14, 2007 at 7:30 a.m.**

In attendance: B. Doyle (Trustee), P. Gardent (Trustee), J. Pierson (Trustee), B. McClain (Town Administration)

Invited guests: T. Abbate (Bank of America)

Transaction Authorization

Trustees approved the following transaction:

- Withdrawal of \$75,000.00 from the Hanover School District Reserve Fund for Education of Persons with Disabilities

Other Business

Trustees signed annual reporting letters to those entities whose funds they oversee (the Hanover School District, the Dresden School District, the Etna Town Library, and the Conservation Commission).

There was brief discussion of the June 26, 2007 letter from the Attorney General's Office to Trustees of Trust Funds outlining updates to legislation governing investments under the Trustees of Trust Funds. The Trustees believe they are in compliance with the new legislation and asked that Mr. Wrenn from the Bank of America provide an explanation of the impact of the amendment to RSA 31:25 "permitting Trustees to invest in 'any open-end or closed-end management-type investment company or investment trust' provided the principal and interest is fully collateralized [guaranteed] by United States Government obligations." Ms. McClain agreed to direct this question to Mr. Wrenn and suggest that he share his comments to the Trustees via e-mail.

Trustees asked Ms. McClain for a brief summary of the annual State Trust Fund Reports: MS-9, Report of Trust Funds, and MS-10, Report of Common Trust Investments. These reports for the fiscal year ended June 30, 2007 were accepted by the Trustees of Trust Funds for filing with the state by the September 1, 2007 deadline. However, the Trustees requested that Ms. McClain prepare a brief presentation at a future Trustees meeting of what comprises each of the columns on these reports.

Trustee Pierson moved to approve the minutes from the meeting of the Trustees of Trust Funds held on June 22, 2007. Trustee Doyle seconded the motion, and the motion passed unanimously.

Investment Performance

Mr. Abbate presented a review of the investment performance of the Trustees' holdings for the period ending June 30, 2007. The June 30, 2007 Performance Summaries for both of the Trustees' accounts have been attached to the minutes for the record.

Mr. Abbate asked the Trustees whether the Investment Policy allows him to invest in high yield bonds. Provided that high yield bond investments are within the scope of legal acceptable Trustee investments, Trustees had no objections and deferred to Mr. Abbate's expertise. The Trustees confirmed that their expectation is that he as the Investment Manager will seek to achieve the benchmarks outlined in the Investment Policy within the stated risk constraints.

The Trustees noted that they appreciate the asset class allocation summary to be able to clearly see where things are. Mr. Abbate agreed to include the Bank of America standard asset class allocations to compare against the fund's holdings.

Trustee Doyle inquired whether the Trustees' holdings are ultimately underweighted in international investments. There was some general discussion regarding the merits of sticking with the S&P index, a more standard index, vs. moving to a global index.

The Trustees accepted the investment performance review for the period ended June 30, 2007.

Other Business

Trustees asked Ms. McClain to schedule the next Trustees meeting in mid-October. In advance of this meeting, Ms. McClain will prepare a draft Request for Proposal for investment management services; she will also work to coordinate with Mr. Wrenn to provide Trustees with more information on the MS-9 and MS-10 reporting conventions.

HANOVER TOWN OF TRUSTEES

Selected Period Performance

June 30, 2007

Sector	Market Value	3 Months	Year to Date (6 Months)	12 Months	24 Months	Inception to Date (123 Months)
Cash and Cash Equivalent	8,150	1.18	2.38	5.11	4.63	4.05
Merrill Lynch 91 Day TBill (Actua		1.27	2.54	5.21	4.59	3.84
Equity-Mgd	195,733	6.42	8.49	21.49	17.03	
S&P 500		6.28	6.97	20.60	14.46	
Fixed Income Mgd	98,835	-.47	.87	5.80	2.49	
Lehman Govt/Credit Int		-.14	1.45	5.76	2.74	
Total Account-All Assets	302,717	3.79	5.36	15.13	11.31	5.30

Roa Date: 08/13/07
 Account: 71102078505410
 Account Inception: 04/01/1997
 Fiscal Year ending June



HANOVER TOWN OF BRIDGMAN FUND

Selected Period Performance

June 30, 2007

Sector	Market Value	3 Months	Year to Date (6 Months)	12 Months	36 Months	60 Months	Inception to Date (116 Months)
Cash and Cash Equivalent	58,676	1.18	2.39	5.06	3.62	2.59	3.74
Merrill Lynch 91 Day TBill (Actua		1.27	2.54	5.21	3.77	2.76	3.74
Equity-Mgd	823,237	6.57	7.59	21.37	14.26	11.38	8.15
S&P 500		6.28	6.97	20.60	11.66	10.71	6.96
Fixed Income Mgd	417,060	.52	2.14	5.24	3.29	4.15	5.46
Lehman Govt/Credit Int		-.14	1.45	5.76	3.41	4.14	5.45
Total Account-All Assets	1,298,972	4.22	5.12	14.51	9.59	8.05	7.23

Roa Date: 08/13/07
 Account: 71102078505426
 Account Inception: 11/01/1997
 Fiscal Year ending June

