



# Trustees of Trust Funds Minutes November 19, 2021



Present: B. Wilkes, P. Heinrich, and C. Christensen

Also Present: T. Boland, Town Finance Director

Judith Noel, Eric Jussaume and Lindsey Donovan; Cambridge Trust

C. Christensen called the meeting to order at 9 AM and asked everyone to introduce themselves.

P. Heinrich asked to defer approval of the minutes until after later in the meeting.

## **Cambridge Trust Portfolio Review**

E. Jussaume gave a presentation (attached) about current U.S. economy and the financial status of the Merrimack Trust Funds. The following issues were discussed:

- Inflation
- Whether the Fed will raise interest rates
- Capital gains on common income fund
- Credit market
- Year-to-Date Portfolio performance
  - Bond returns vs. Benchmarks
- Which sectors should and should not be purchased for the Merrimack portfolios
  - "The Top 10 Holdings"
  - REIT (Real Estate Investment Trust)
  - Preferred Market
- Investment ladders on Capital Reserve Funds
  - Could the Capital Improvement Plan be used as a planning tool?

E. Jussaume said he would send C. Christensen a list of stocks Cambridge Trust proposes to buy to increase income in the Common Income Fund portfolio.

C. Christensen told the Trustees that the Transfer of Assets forms for the Bear Christensen Trust were completed and an additional check for \$10,000 had had been donated to be added to the Bear Christensen Trust Fund. He indicated that the donor has requested that this donation be divided equally between the principal and Income common funds. He gave Judith Noel the forms and a check for processing.

## **Correspondence**

### **1. Scholarships**

C. Christensen said he anticipated that requests for scholarship payments will arrive before the next meeting in January. H asked for a motion and approval to pay them upon receipt. He said the pending amounts are Greenleaf - \$400, Gibson - \$3,500, and Watson 5 @ \$1000 each.

B. Wilkes made a MOTION to pay these bills upon receipt. Second: P. Heinrich. MOTION PASSED unanimously.

C. Christensen also said the Watson Fund gives \$5,000 yearly to be added to the Watson scholarship fund. He said there is a lot of income in this fund and he suggested the Trustees might consider increasing the award amount.

### **2. Other**

C. Christensen told the Trustees that letters had been received from the American Tree Farm System certifying that the Watkins Town Forests have completed re-inspection as part of the management program. P. Heinrich noted that the reports do not indicate which report is for which parcel.

T. Boland told the Trustees that the deposits for Town Capital Reserve Funds have been delayed due to a delay in setting the tax rate and sending tax bills. He expected the deposit would be made in late December or early January.

## **Approval of Minutes**

C. Christensen asked for a motion to approve the minutes of October 29, 2021. He said that he had made a correction to the minutes to clarify the names and location of the different parcels in the Watkins Town Forests.

B. Wilkes made a MOTION to approve the minutes as corrected.

P. Heinrich said she also wanted the minutes to provide further details regarding Bear Christensen Trust. C. Christensen said he felt sufficient detail was provided in the Town Council minutes of October 28, 2021.

B. Wilkes AMENDED his MOTION to approve the minutes as corrected and to include the minutes of the October 28, 2021 Town Council meeting regarding the Bear Christensen Trust as an attachment. Second: P. Heinrich. MOTION PASSED unanimously.

### **Other**

C. Christensen told the Trustees that the Town Council has received a legal opinion that the Town Charter does not allow for Alternate Trustees of the Trust Fund. He said he asked the Council to pursue an amendment to the charter to allow for appointment of up to two alternates for a one-year term.

P. Heinrich told the Trustees that she had spent some time reviewing the Trust Fund files. She asked that the Trustees review the statutes about retention of public records and create a policy to include schedules for record retention and record disposition because there are significant accumulated records that can be destroyed.

### **Next Meeting**

C. Christensen said the next meeting would be held on January 21, 2022

B. Wilkes made a MOTION to adjourn. Second: P. Heinrich. MOTION PASSED unanimously and the meeting adjourned at 10:15 AM.

Respectfully submitted,  
Pat Heinrich, Trustee



PRIVATE BANKING WEALTH MANAGEMENT

# Investment Presentation for Town of Merrimack

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# Executive Summary

- The third quarter was basically unchanged for the US stock and bond markets but was negative and nervous underneath the surface. The mega market capitalization stocks held their ground and saved indexes while many individual stocks fell, especially in areas such as small cap, value and international. Bond market yields were mostly unchanged, but volatility increased following Powell's comments in September that tapering may begin by year-end depending upon economic conditions.
- Yield curve as measured by yield difference between 2- year US Treasury and 10-year US Treasury ended Q3 at 121 basis points. Has now declined to 109 basis points.
- Delta variant spread has stabilized.
- Fed views recent spike in inflation as transitory. Among the culprits for higher inflation were supply chain issues and higher commodity prices.
- Numerous political risks dominated the headlines, including tax policy, spending bills and infrastructure deals. The contentious Congressional negotiations around raising the debt ceiling were the most impactful for the markets. A stop-gap solution has been reached, but it is very short term and will likely resurface as an issue again during Q4.
- Market focus is now shifting to Q4 watching for further clarification from the Federal Reserve on its stance on inflation and their upcoming tapering of bond purchases.
- Bank of Canada and England becoming more restrictive with monetary policy.
- Q3 GDP was weaker than expected. Consumer consumption remains strong.
- Jobs growth has slowed. Abundant jobs opening. Expiring of benefits may bring back only a fraction of unemployed.

# Portfolio Summary

Overall portfolio yields have increased over the past 12 months.

Overall Portfolio Yield						
Scholarship		1/1/2020	11/1/2020	3/15/2021	5/12/2021	10/31/2021
	Bond Yield	3.49%	2.97%	2.40%	2.30%	1.91%
	Equity Yield	2.25%	2.23%	2.96%	2.93%	3.01%
	Overall Yield	2.48%	2.21%	2.69%	2.77%	2.72%
Common-Principal						
	Bond Yield	2.53%	2.49%	2.62%	2.51%	2.69%
	Equity Yield	2.36%	2.24%	2.96%	2.96%	3.01%
	Overall Yield	2.37%	2.20%	2.82%	2.76%	2.86%
Common-Income						
	Bond Yield	3.20%	2.43%	2.53%	2.55%	2.66%
	Equity Yield	2.34%	2.20%	2.95%	2.95%	3.02%
	Overall Yield	2.63%	2.07%	2.77%	2.77%	2.80%

# Portfolio Performance

- With the directive for more current income, the portfolios (Common Income, Principal and Scholarship) have an overweight allocation to dividend-paying equities, which currently have higher yields than bonds. Underweight allocations to fixed income and cash.
- Equity returns have been positive through October 31<sup>st</sup> with the NASDAQ Broad US Dividend Achievers up 18.46%. Year-to-date equity performance lagging the benchmark due to repositioning during the first quarter.
- Last 3 months equity performance slightly ahead of the benchmark (3.65% versus 3.57%). Yield premium of 2.95% versus 2.23%. Portfolios are underweight technology, healthcare, industrials and consumer staples. Overweight finance, energy, utilities, REITS and communication services.
- Bond returns ahead of benchmarks due to overweight corporate bonds and underweight duration.
- Water, Municipal, and School portfolios delivered flat returns through October 31st. Portfolios are positioned for liquidity needs and the safety of principal. Portfolios have been laddered using 1-3 year maturities. Portfolio durations are approximately 1 year with yields between 0.19% to 1.12%

# Agenda Items – based on prior questions

Why benchmark to the NASDAQ US Dividend Achievers Index instead of the S&P 500?

- The Nasdaq US Broad Dividend Achievers Index is a “modified market capitalization weighted index...comprised of US accepted securities with at least ten consecutive years of increasing annual regular dividend payments.” (source: NASDAQ)
- As the market capitalization of non-dividend paying companies has grown, the Merrimack portfolios have struggled to replicate or approximate the performance of the S&P portion of the benchmark, while also seeking to increase overall portfolio yield.
- The fact that the market has changed to such a degree that we cannot own important constituents of the S&P 500 presents an important disconnect between the portfolios and the benchmark. Sectors in which this disparity is most striking are information technology and communication services which comprise 25% and 11%, respectively, of the S&P 500.
- Due to the changing S&P 500 composition creating further divergence from the portfolio's income goals, its appropriateness as a primary benchmark has declined. This shift to the Dividend Achievers Index will also more closely align the with the income-emphasis of the Merrimack portfolios.
- Importantly, the Merrimack portfolios will still be further customized and strive to earn more yield than the benchmark with a lesser emphasis on growth.



# Agenda Items – based on prior questions *(continued)*

## Use of preferred stocks?

- We have researched and recently approved a preferred mutual fund. Nuveen Preferred Securities and Income Fund has a yield of 5%. Addition to portfolios upcoming.

## Emerging market debt usage?

- Portfolios have an allocation to the MFS Emerging Market Debt Fund. We continue to like this area of the globe for investing. Allocations are currently under 4% of fixed income. Fund yield is 4%.
- The fund is predominately US dollar based.
- Underweight China versus their benchmark (5% versus 8%). No exposure to Evergrande.
- Positioning is weighted towards fundamentally sound BB sovereigns (and some relatively stable and/or improving single B sovereigns) as well as IG and high yield (HY) corporate bond opportunities. The focus is on a portfolio that can absorb rising Treasury rates and also side-step downside potholes.
- Income Portfolio- should this portfolio be migrated over to a total return approach with more growth than income paying stocks?

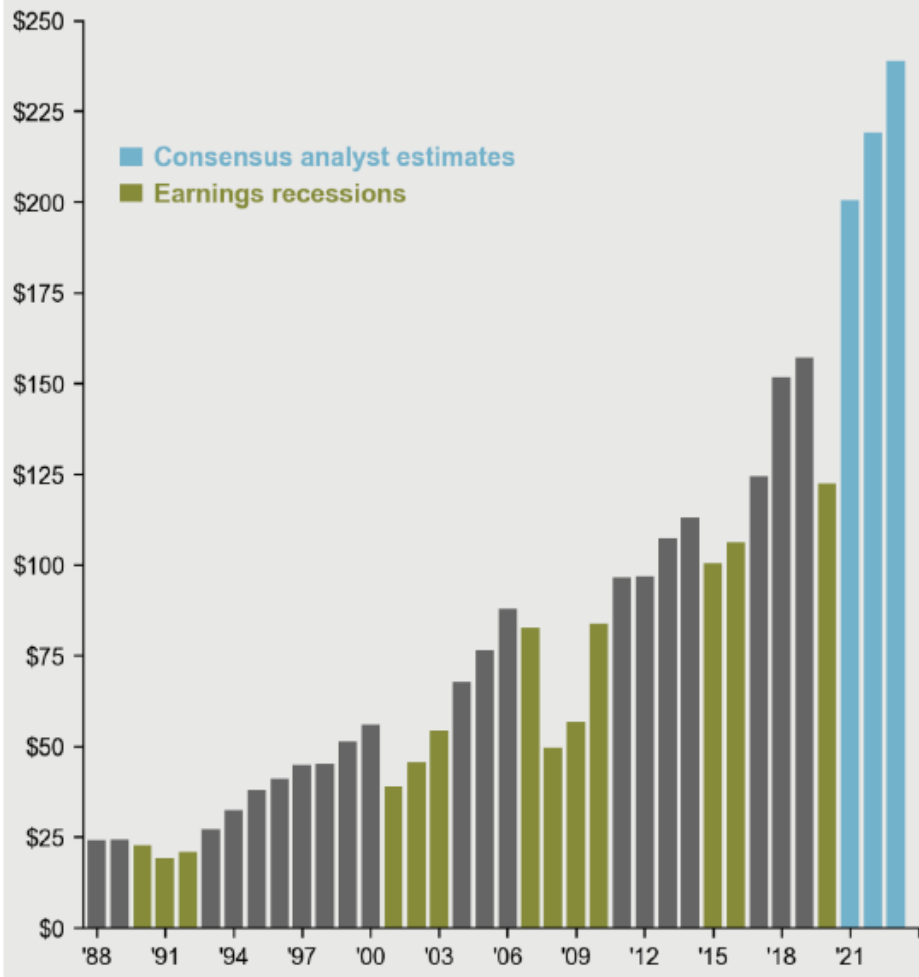


# Appendix

# Earnings Have Caught Up and Even Compressed P/E Multiples

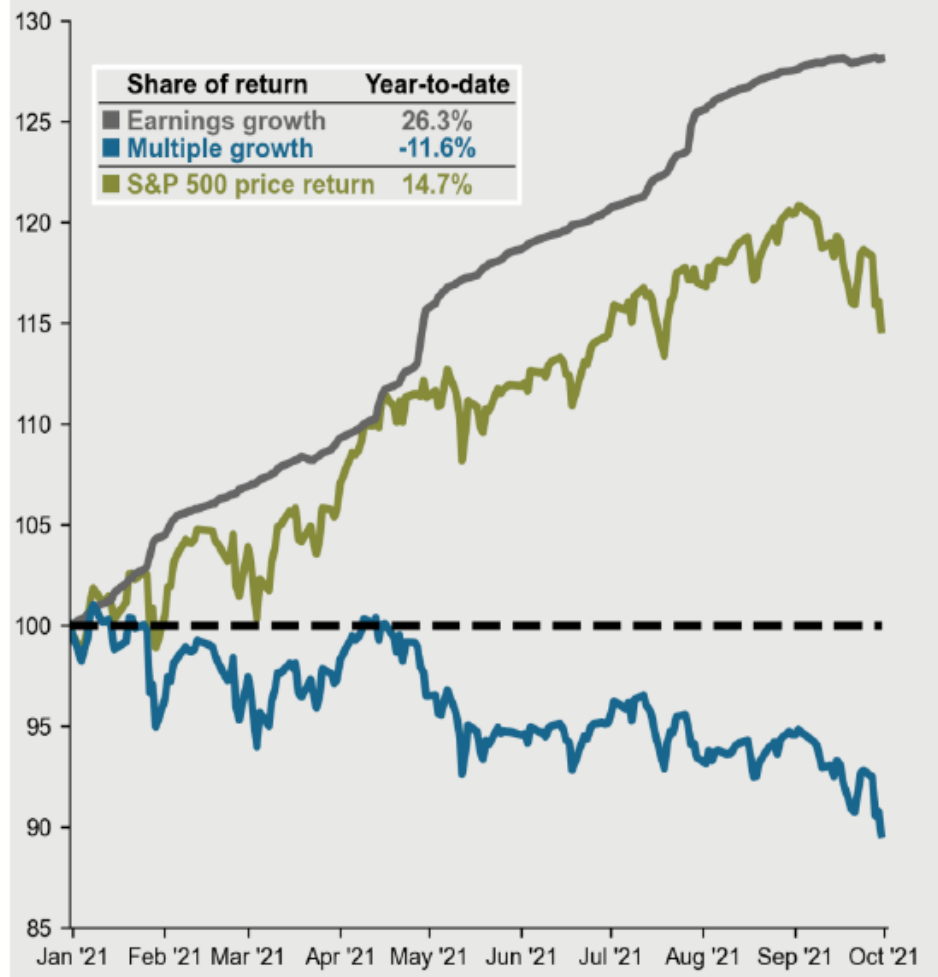
## S&P 500 earnings per share

Index annual operating earnings



## Percent change in S&P 500, earnings and valuations

Year-to-date, indexed to 100

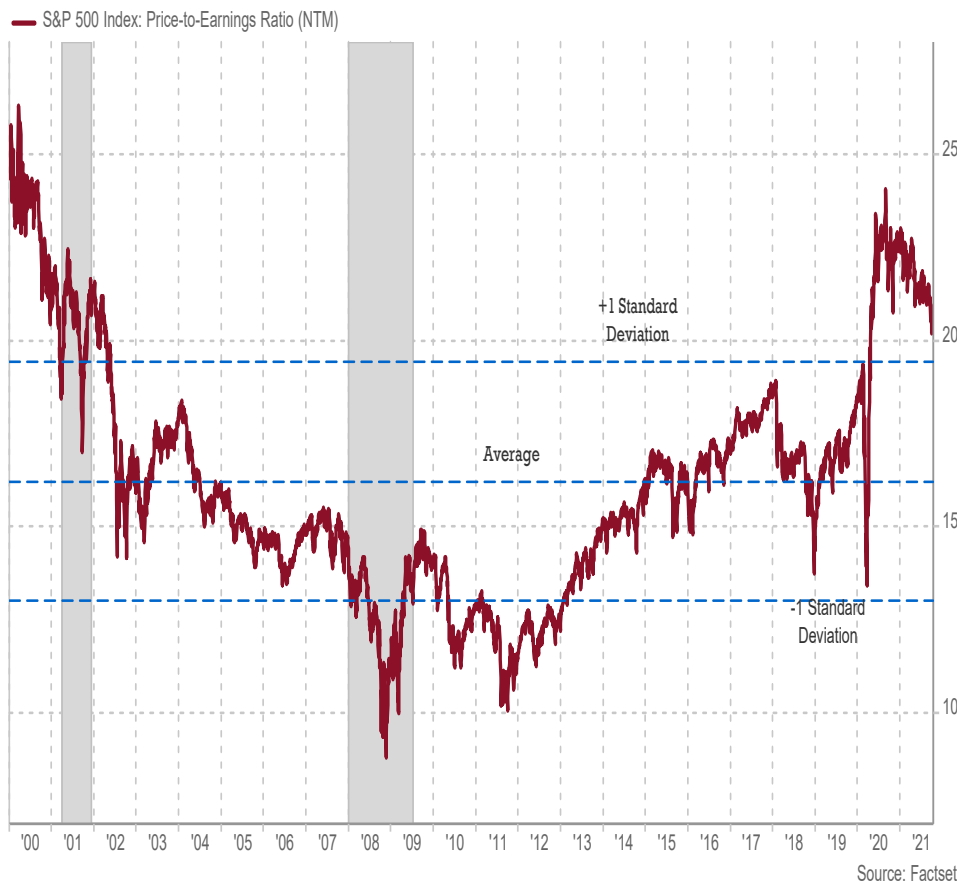


Source: FactSet, Compustat, Standard & Poor's, J.P. Morgan Asset Management.

Historical EPS levels are based on annual operating earnings per share. Earnings estimates are based on estimates from Standard & Poor's and FactSet Market Aggregates. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of September 30, 2021.

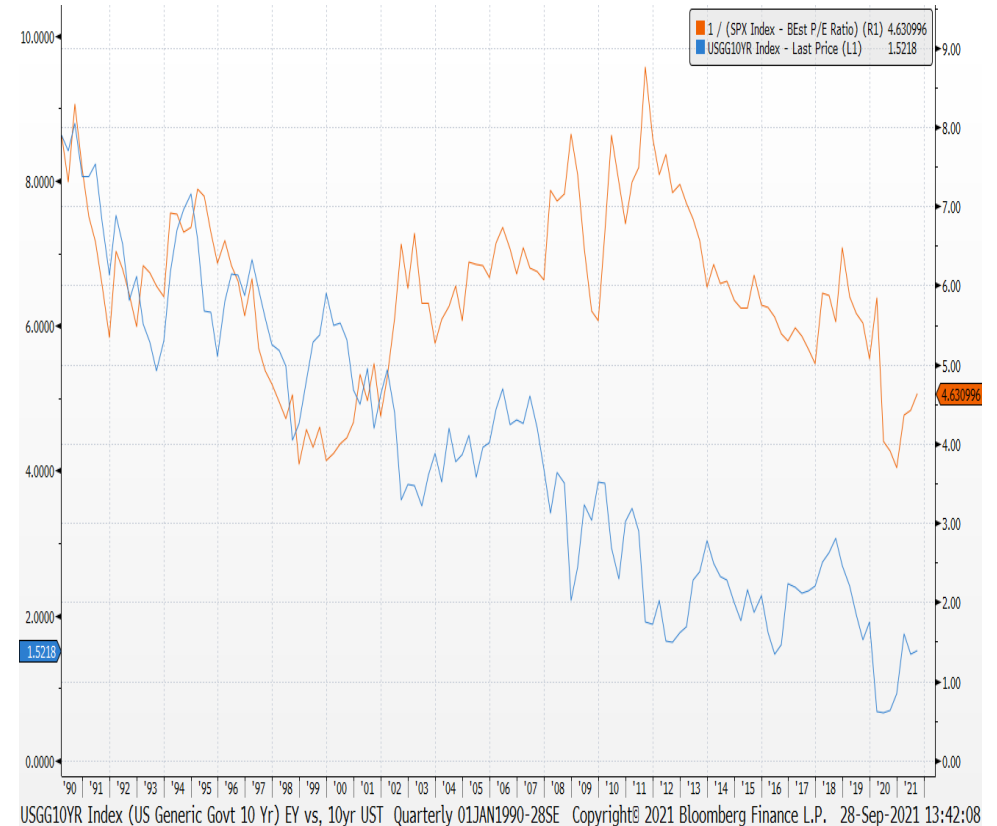
# US Equities: Expensive vs. History, Cheap vs. Bonds



Source: FactSet Research Systems  
Data as of 9/30/21

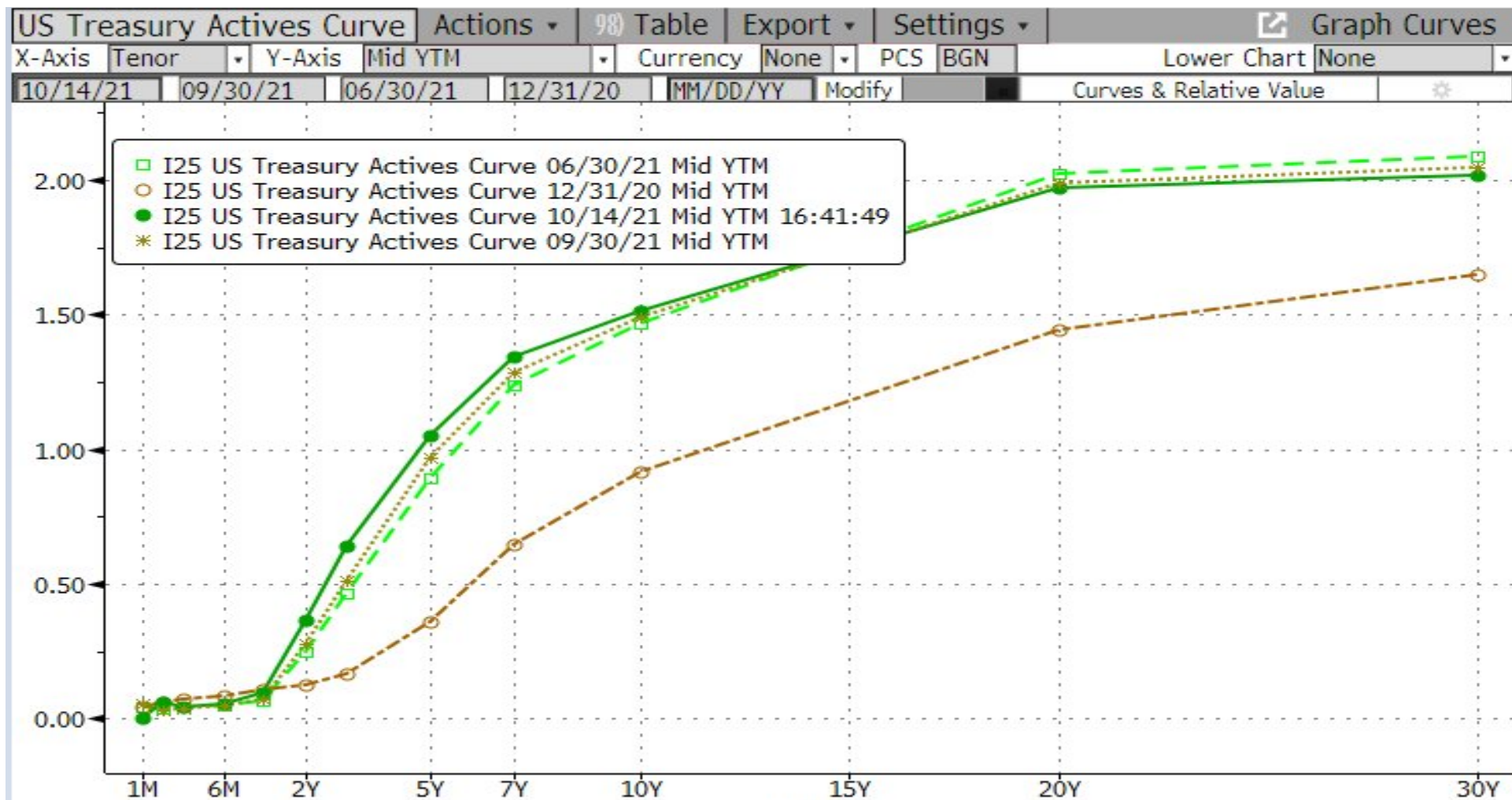
The stock market valuation multiples (P/E, price-to-earnings) have moderate some, but remain at expensive levels not seen since the “dot com” bubble...

S&P 500 Earnings Yield (orange) & US 10-year Treasury Bond Yield (blue)



...However, stocks still are relatively more compelling than bonds (above), and the leading stocks of today are much more profitable and viable than the “dot com” era.

# Yield Curve: Steepening



Source: Bloomberg

Steepening of the yield curve is pricing in more sustained inflation and likely tapering.

# Fixed Income Comparison Analysis

Maturity	Treasury Rate	CD Level	Gov't Agency Rate
3-Months	0.04%	0.10%	-
6-Months	0.05%	0.10%	-
1 - Year	0.13%	0.20%	0.15%
2 - Years	0.42%	0.50%	0.50%
3 - Years	0.67%	0.75%	0.84%
4 - Years	0.92%	0.90%	1.00%
5 - Years	1.08%	1.10%	1.25%

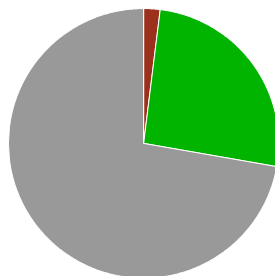
1 The bond issues listed are based on availability. Rates as of 11/8/21

2 Agencies use estimated blended rate

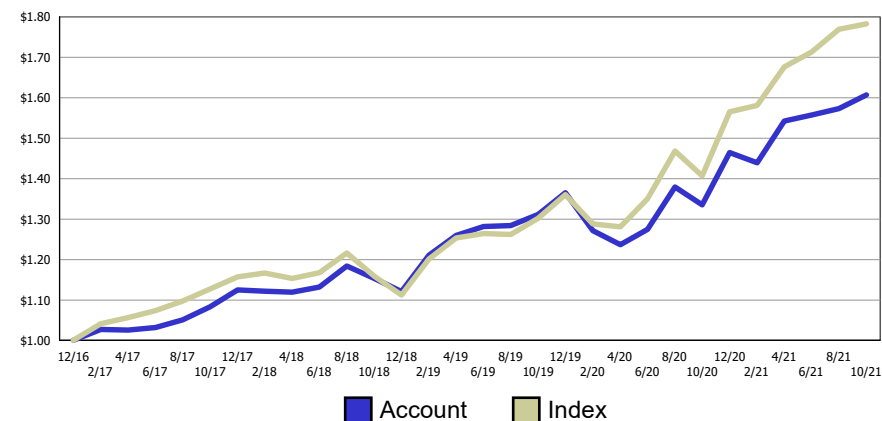
# Merrimack Principal Portfolio Performance Summary as of 10/31/2021

## Allocation

	Market Value	% Total
Cash & Enhanced Cash	113,976.36	2.1
Fixed Income	1,426,193.45	25.7
Equity	4,007,665.05	72.2
<b>Total</b>	<b>\$5,547,834.86</b>	<b>100.0%</b>



## Growth of \$1



## Performance

	Market Value	% Total Account	3 Month	YTD	1 Year	3 Year	Since Inception	Inception Date
Total Return	5,547,835	100.00	2.41	9.76	20.38	11.70	10.31	12/31/2016
Cash & Enhanced Cash	113,976	2.05	0.00	0.00	0.00	0.78	0.94	12/31/2016
<a href="#">Lipper Money Market</a>			0.00	0.01	0.02	0.91	0.96	12/31/2016
Fixed Income	1,426,193	25.71	-0.80	-0.85	-0.20	2.60	1.83	03/31/2017
<a href="#">Barclays Intermediate U.S. Government/Credit</a>			-1.29	-1.43	-0.74	4.48	3.01	03/31/2017
Equity	4,007,665	72.24	3.65	14.45	30.51	16.20	13.89	12/31/2016
<a href="#">NASDAQ US Broad DVD Ach</a>			3.57	18.46	32.39	16.45	-	12/31/2016
<a href="#">Global Equity Benchmark</a>			4.32	20.88	40.34	19.81	16.80	12/31/2016
<a href="#">S&amp;P 500</a>			5.13	24.04	42.91	21.48	18.26	12/31/2016
<a href="#">MSCI ACWI Ex-U.S.</a>			0.99	8.43	29.66	12.00	10.08	12/31/2016

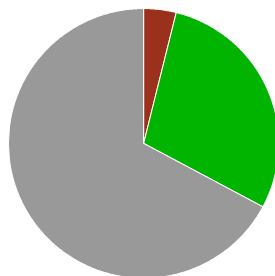
Market values include accruals; Index account for Growth of \$1 is Taxable Growth Benchmark; Performance class for Growth of \$1 is Total Return.

# Merrimack Income

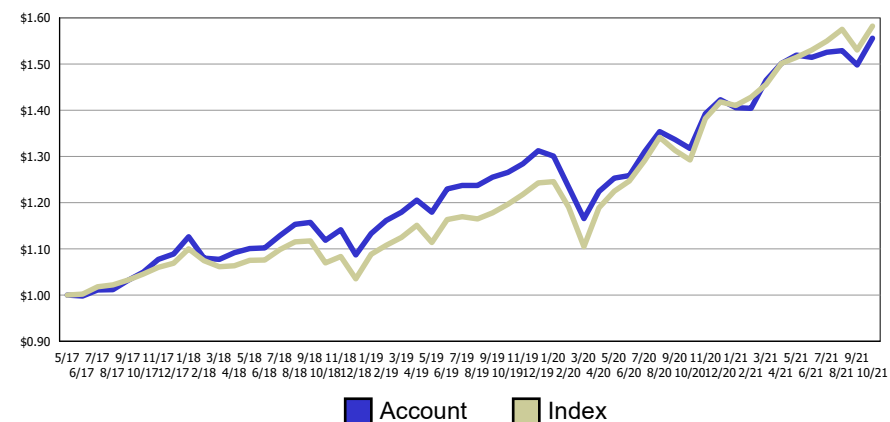
## Portfolio Performance Summary as of 10/31/2021

### Allocation

	Market Value	% Total
Cash & Enhanced Cash	143,963.37	3.9
Fixed Income	1,055,628.55	28.9
Equity	2,457,658.15	67.2
<b>Total</b>	<b>\$3,657,250.07</b>	<b>100.0%</b>



### Growth of \$1



### Performance

	Market Value	% Total Account	3 Month	YTD	1 Year	3 Year	Since Inception	Inception Date
Total Return	3,657,250	100.00	2.00	9.37	18.12	11.61	10.52	05/31/2017
Cash & Enhanced Cash	143,963	3.94	0.00	0.00	0.00	0.82	0.92	05/31/2017
Fixed Income	1,055,629	28.86	-0.85	-0.63	0.07	3.44	2.45	06/30/2017
Barclays Intermediate U.S. Government/Credit			-1.29	-1.43	-0.74	4.48	2.96	06/30/2017
Equity	2,457,658	67.20	3.40	14.61	29.40	16.58	15.66	06/30/2017
NASDAQ US Broad DVD Ach			3.57	18.46	32.39	16.45	-	06/30/2017
Global Equity Benchmark			4.32	20.88	40.34	19.81	16.25	06/30/2017
S&P 500			5.13	24.04	42.91	21.48	18.11	06/30/2017
MSCI ACWI Ex-U.S.			0.99	8.43	29.66	12.00	7.98	06/30/2017

Market values include accruals; Index account for Growth of \$1 is Taxable Moderate Growth Benchmark; Performance class for Growth of \$1 is Total Return.

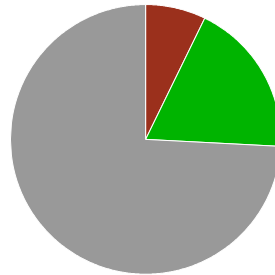


# Merrimack Scholarship

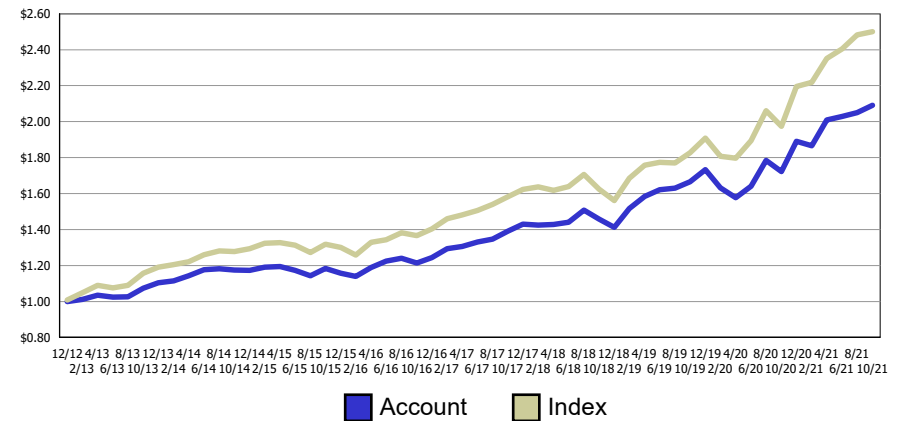
## Portfolio Performance Summary as of 10/31/2021

### Allocation

	Market Value	% Total
Cash & Enhanced Cash	22,703.84	7.2
Fixed Income	59,052.60	18.6
Equity	235,755.40	74.3
<b>Total</b>	<b>\$317,511.84</b>	<b>100.0%</b>



### Growth of \$1



### Performance

	Market Value	% Total Account	3 Month	YTD	1 Year	3 Year	Since Inception	Inception Date
Total Return	317,512	100.00	2.16	10.50	21.32	12.77	8.62	11/30/2012
Cash & Enhanced Cash	22,704	7.15	0.00	0.00	0.00	0.86	0.52	11/30/2012
Fixed Income	59,053	18.60	-1.03	-0.73	0.83	5.17	3.14	11/30/2012
Barclays Intermediate U.S. Government/Credit			-1.29	-1.43	-0.74	4.48	2.22	11/30/2012
Equity	235,755	74.25	3.18	14.63	30.56	16.89	13.11	11/30/2012
NASDAQ US Broad DVD Ach			3.57	18.46	32.39	16.45	-	11/30/2012
Global Equity Benchmark			4.32	20.88	40.34	19.81	14.63	11/30/2012
S&P 500			5.13	24.04	42.91	21.48	16.42	11/30/2012
MSCI ACWI Ex-U.S.			0.99	8.43	29.66	12.00	6.80	11/30/2012

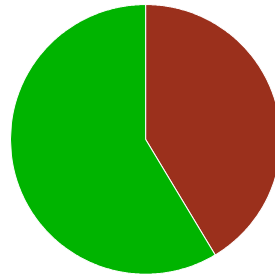
Market values include accruals; Index account for Growth of \$1 is Taxable Growth Benchmark; Performance class for Growth of \$1 is Total Return.

# Merrimack Water

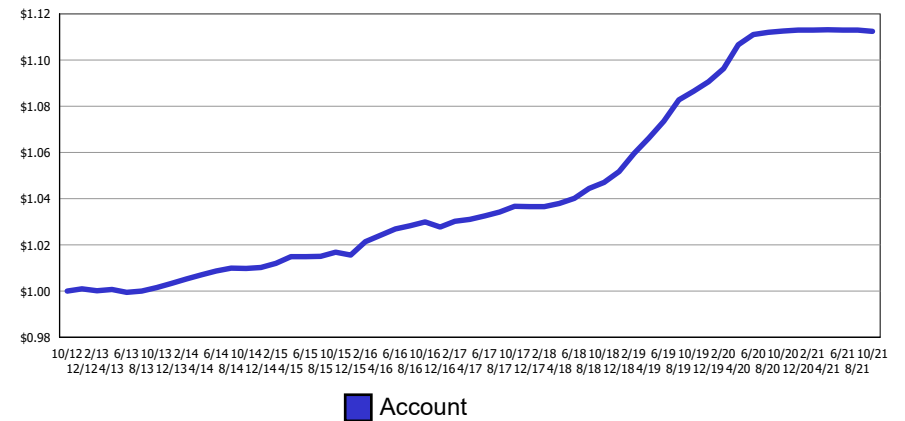
## Portfolio Performance Summary as of 10/31/2021

### Allocation

	Market Value	% Total
Cash & Enhanced Cash	2,286,078.07	41.3
Fixed Income	3,250,675.40	58.7
<b>Total</b>	<b>\$5,536,753.47</b>	<b>100.0%</b>



### Growth of \$1



### Performance

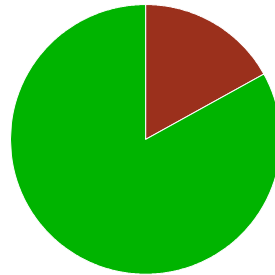
	Market Value	% Total Account	3 Month	YTD	1 Year	3 Year	Since Inception	Inception Date
Total Return	5,536,753	100.00	-0.06	-0.05	-0.01	2.04	1.19	10/31/2012
Cash & Enhanced Cash	2,286,078	41.29	0.00	0.01	0.02	0.96	0.70	11/30/2012
Fixed Income	3,250,675	58.71	-0.08	-0.09	-0.04	2.39	---	11/30/2012
Barclays Intermediate U.S. Government/Credit			-1.29	-1.43	-0.74	4.48	---	11/30/2012
Bloomberg US Government 1-3 Yr USD			-0.43	-0.35	-0.26	2.51	---	11/30/2012

Market values include accruals; Index account for Growth of \$1 is Allocation Benchmark for 5205398; Performance class for Growth of \$1 is Total Return.

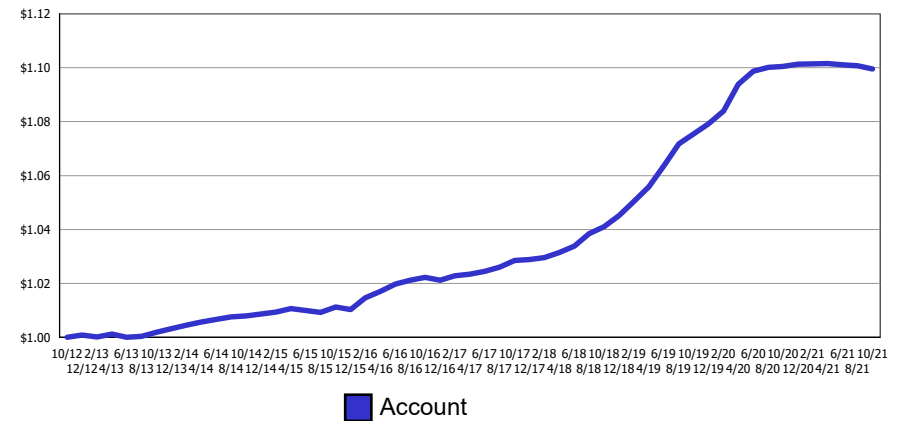
# Merrimack Municipal Portfolio Performance Summary as of 10/31/2021

## Allocation

	Market Value	% Total
Cash & Enhanced Cash	934,541.57	17.0
Fixed Income	4,577,269.87	83.0
<b>Total</b>	<b>\$5,511,811.44</b>	<b>100.0%</b>



## Growth of \$1



## Performance

	% Total Account	3 Month	YTD	1 Year	3 Year	Since Inception	Inception Date
Total Return	100.00	-0.12	-0.16	-0.09	1.84	1.06	10/31/2012
Cash & Enhanced Cash	16.96	-0.01	-0.01	-0.01	1.01	0.69	11/30/2012
Fixed Income	83.04	-0.14	-0.21	-0.11	2.38	---	11/30/2012
Barclays Intermediate U.S. Government/Credit		-1.29	-1.43	-0.74	4.48	---	11/30/2012
Bloomberg US Government 1-3 Yr USD		-0.43	-0.35	-0.26	2.51	---	11/30/2012

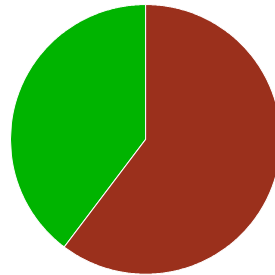
Market values include accruals; Index account for Growth of \$1 is Allocation Benchmark for 5205364; Performance class for Growth of \$1 is Total Return.

# Merrimack School

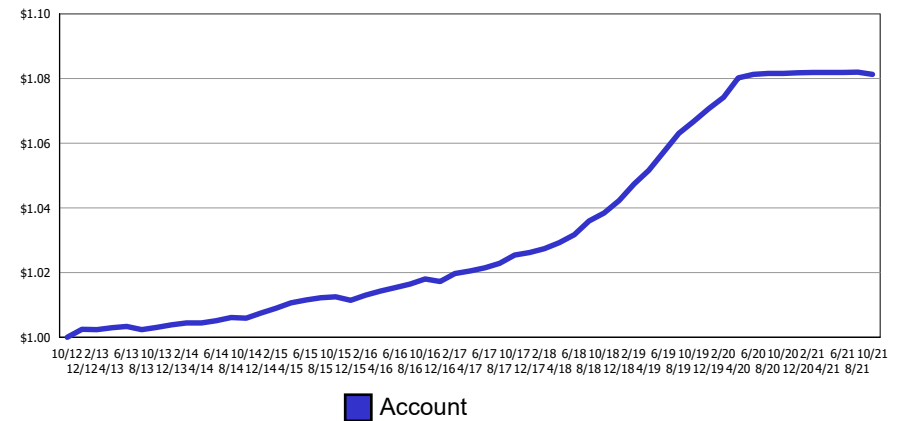
## Portfolio Performance Summary as of 10/31/2021

### Allocation

	Market Value	% Total
Cash & Enhanced Cash	682,632.99	60.3
Fixed Income	448,832.62	39.7
<b>Total</b>	<b>\$1,131,465.61</b>	<b>100.0%</b>



### Growth of \$1



### Performance

	Market Value	% Total Account	3 Month	YTD	1 Year	3 Year	Since Inception	Inception Date
Total Return	1,131,466	100.00	-0.07	-0.05	-0.04	1.35	0.87	10/31/2012
Cash & Enhanced Cash	682,633	60.33	-0.01	0.01	0.02	0.97	0.65	11/30/2012
Fixed Income	448,833	39.67	-0.18	-0.16	-0.14	1.80	---	11/30/2012
Barclays Intermediate U.S. Government/Credit			-1.29	-1.43	-0.74	4.48	---	11/30/2012
Bloomberg US Government 1-3 Yr USD			-0.43	-0.35	-0.26	2.51	---	11/30/2012

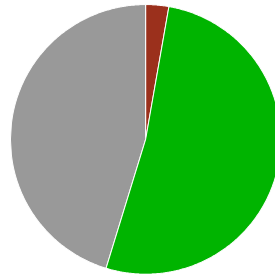
Market values include accruals; Index account for Growth of \$1 is Allocation Benchmark for 5205380; Performance class for Growth of \$1 is Total Return.

# Merrimack Quimby

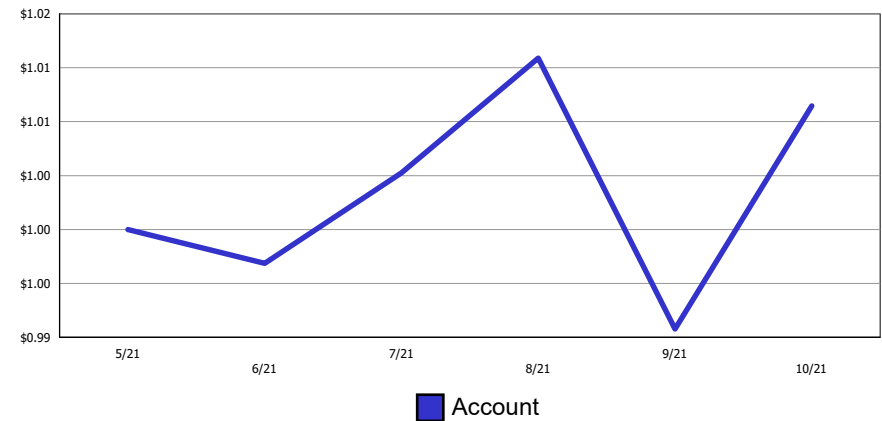
## Portfolio Performance Summary as of 10/31/2021

### Allocation

	Market Value	% Total
Cash & Enhanced Cash	1,089.22	2.7
Fixed Income	21,387.62	52.2
Equity	18,524.89	45.2
<b>Total</b>	<b>\$41,001.73</b>	<b>100.0%</b>



### Growth of \$1



### Performance

	Market Value	% Total Account	3 Month	Since Inception	Inception Date
Total Return	41,002	100.00	0.49	0.92	05/31/2021
Cash & Enhanced Cash	1,089	2.66	0.00	0.00	05/31/2021
Fixed Income	21,388	52.16	-1.26	-0.35	05/31/2021
Barclays Intermediate U.S. Government/Credit			-1.29	-0.45	05/31/2021
Equity	18,525	45.18	2.62	2.34	05/31/2021
NASDAQ US Broad DVD Ach			3.57	---	05/31/2021
Global Equity Benchmark			4.32	7.79	05/31/2021
S&P 500			5.13	10.14	05/31/2021
MSCI ACWI Ex-U.S.			0.99	-1.32	05/31/2021

Market values include accruals; Performance class for Growth of \$1 is Total Return.

## Benchmark Details as of 10/31/2021

### MERRIMACK CM INC - Global Equity Benchmark

Index	From	To	Weight
S&P 500	12/29/2000	10/31/2021	80.00%
MSCI ACWI Ex-U.S.			20.00%

### Taxable Moderate Growth Benchmark

Index	From	To	Weight
S&P 500	4/1/2018	10/31/2021	48.00%
Barclays Intermediate U.S. Government/Credit			37.50%
MSCI ACWI Ex-U.S.			12.00%
Lipper Money Market			2.50%

S&P 500	1/1/2015	3/31/2018	46.00%
Barclays Intermediate U.S. Government/Credit			37.50%
MSCI ACWI Ex-U.S.			11.50%
Lipper Money Market			5.00%

S&P 500	12/29/2000	12/31/2014	46.00%
Barclays Gov't/Credit Index			37.50%
MSCI AC WORLD U\$			11.50%
Lipper Money Market			5.00%

### MERRIMACK CM PRN - Global Equity Benchmark

Index	From	To	Weight
S&P 500	12/29/2000	10/31/2021	80.00%
MSCI ACWI Ex-U.S.			20.00%

### Taxable Growth Benchmark

# Benchmark Details as of 10/31/2021

## Taxable Growth Benchmark

Index	From	To	Weight
S&P 500	4/1/2018	10/31/2021	56.00%
Barclays Intermediate U.S. Government/Credit			27.50%
MSCI ACWI Ex-U.S.			14.00%
Lipper Money Market			2.50%
S&P 500	1/1/2015	3/31/2018	54.00%
Barclays Intermediate U.S. Government/Credit			27.50%
MSCI ACWI Ex-U.S.			13.50%
Lipper Money Market			5.00%
S&P 500	12/29/2000	12/31/2014	54.00%
Barclays Gov't/Credit Index			27.50%
MSCI AC WORLD U\$			13.50%
Lipper Money Market			5.00%

## MERRIMACK,MUNI - Global Equity Benchmark

Index	From	To	Weight
S&P 500	12/29/2000	10/31/2021	80.00%
MSCI ACWI Ex-U.S.			20.00%

## MERRIMACK,SCHOLA - Global Equity Benchmark

Index	From	To	Weight
S&P 500	12/29/2000	10/31/2021	80.00%
MSCI ACWI Ex-U.S.			20.00%

## Taxable Growth Benchmark

Index	From	To	Weight
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## Benchmark Details as of 10/31/2021

### Taxable Growth Benchmark

Index	From	To	Weight
S&P 500	4/1/2018	10/31/2021	56.00%
Barclays Intermediate U.S. Government/Credit			27.50%
MSCI ACWI Ex-U.S.			14.00%
Lipper Money Market			2.50%
S&P 500	1/1/2015	3/31/2018	54.00%
Barclays Intermediate U.S. Government/Credit			27.50%
MSCI ACWI Ex-U.S.			13.50%
Lipper Money Market			5.00%
S&P 500	12/29/2000	12/31/2014	54.00%
Barclays Gov't/Credit Index			27.50%
MSCI AC WORLD U\$			13.50%
Lipper Money Market			5.00%

### MERRIMACK,SCHOOL - Global Equity Benchmark

Index	From	To	Weight
S&P 500	12/29/2000	10/31/2021	80.00%
MSCI ACWI Ex-U.S.			20.00%

### MERRIMACK,WATER - Global Equity Benchmark

Index	From	To	Weight
S&P 500	12/29/2000	10/31/2021	80.00%
MSCI ACWI Ex-U.S.			20.00%



# Performance Disclosure

Performance presented in this review was calculated by InvestEdge, Inc. using data from our official portfolio accounting system. This statement reports realized and unrealized capital gains/losses on a trade date basis. Capital gains/losses and income figures are believed to be reliable but are not guaranteed, nor should they be used for tax preparation purposes. Market prices should have been obtained from pricing services which we believe are reliable; however, we cannot guarantee their accuracy or that securities can be bought or sold for these prices.

Cambridge Trust Company Securities and other investment products are:

- Not FDIC Insured
- May Lose Value
- Not Bank Guaranteed
- Not a Deposit
- Not insured by any Government Agency



# Cambridge Trust

## About Us

Cambridge Trust is wholly-owned by Cambridge Bancorp (NASDAQ: CATC)

\$4 Billion in Wealth Management Assets

Highly Experienced Wealth Management Staff of More Than 60 Professionals

Recognized by the *Boston Business Journal* as one of the largest independent advisors in Massachusetts

## Company News

### COVID-19 Relief for Clients, Communities and Employees

In addition to the 269 organizations the Bank supports through its annual charitable giving, Cambridge Trust is donating an additional \$250,000 to organizations supporting those most impacted by COVID-19. Please visit [www.cambridgetrust.com/covid19](http://www.cambridgetrust.com/covid19) for current information and to sign up to receive updates via email.

### Cambridge Trust Commits \$110 million to Affordable Housing Construction

Cambridge Trust will work with the Massachusetts Housing Partnership to finance the construction of rental apartments which will provide access to housing for low and moderate income families. The \$110 million contribution represents the largest voluntary commitment of any bank to the Massachusetts Housing Partnership.

### Merger with Wellesley Bank is Complete

The merger with Wellesley Bank and its subsidiary, Wellesley Investment Partners LLC, is now complete. This merger provides additional services and banking locations to the clients of both firms.

### Visit Our Website at [www.cambridgetrust.com](http://www.cambridgetrust.com) and Follow Us on LinkedIn and Twitter

Our website, LinkedIn, and Twitter pages provide access to timely insights about investing and the economy published by our experienced team. Please ask your Relationship Manager how you can sign up to receive our investment related publications.

# Full Suite of Integrated Banking Services

## Private Banking

- Integrated suite of services tailored to meet your needs
  - Deposit Services
  - Commercial Loans
  - Lines of Credit
- Seamless integration with investment portfolio, including outside business interests
- Online and mobile banking
- Worldwide access to ATMs

## Residential Lending

- Jumbo mortgages
- Portfolio lending
- Interest only loans
- Home equity lines of credit
- First time homebuyer loans

## Commercial Banking

- Deposit accounts and treasury management
- Online and mobile banking
- Commercial & industrial lending
- Commercial real estate lending
- Innovation banking

# Wealth Management – Summary of Strategies

## Internal Equity Strategies

### Core Equity

Growth and preservation of capital by investing in global equity securities

### Equity Income

Prioritizes dividend sustainability, growth potential, and yield among global equities

### Sustainable & Responsible Investing (SRI)

Long-term growth of capital by investing in high quality businesses with sustainable and responsible practices

## Internal ETF-Based Strategies

### Global Asset Allocation

Diversified global exposure across 10-15 ETFs covering all major asset classes and sectors

### Other Mutual Fund/ETF Strategies

Standard portfolios often appropriate for smaller portfolios or other special circumstances

## Internal Fixed Income Strategies

### Core Fixed Income

Preservation and gradual growth of capital focusing on intermediate-term bonds

### Core Plus Fixed Income

Moderate growth of capital and greater income generation by adding higher yielding securities to complement core holdings

### Sustainable & Responsible Investing (SRI) Fixed Income

Preservation and gradual growth of capital by investing in stable, high quality taxable and/or tax-exempt bonds that also meet ESG criteria