

Feoffees of the Grammar School in the Town of Ipswich Trust  
Meeting Minutes of January 20, 2021  
Ipswich Town Hall, 25 Green Street

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Pursuant to the Open Meeting Law, M.G.L. Chapter 30 A, §§ 18-25, written notice posted by the Town Clerk delivered to all members, a meeting of the Feoffees of the Grammar School in the Town of Ipswich Trust was held on January 20, 2021 at 4:30 pm. Due to the COVID19 Virus pandemic, and restrictions concerning in-person gatherings ordered by the Governor, this meeting took place virtually on Zoom.

Life Feoffee appointment: Patti Beckwith (2023)

Finance Committee appointments: Mark Evans (2022); **Nathaniel Pulsifer, School Liaison (2021)**

Board of Selectmen appointments: Larry Seidler (2022); **Ellen Rose (2021)\***

School Committee appointments: Walter Zagrobski Investment Liaison (2023); **Richard Fates (2021)**

Terms expire in August; \*second, consecutive third-year term, no further extensions remaining.

- Call to Order - With a quorum present, Ms. Rose called the meeting to order at 4:30pm.

Feoffees present: E. Rose, Chair; R. Fates, Clerk; M. Evans; N. Pulsifer, P. Beckwith; W. Zagrobski, Not present:  
L. Seidler  
Also present: Catherine Tinsley Recording Secretary

- **Citizen Queries - There was no public comment.**
- Approval of minutes - Vote: The meeting minutes of October 21, 2020 were unanimously approved by roll call vote.
- Treasurer's Report - In the absence of the Treasurer, the Treasurer's Report in March will include the December 31 report.

Dick Fates was recognized for updating the Feoffee's web site and posting important documents.

### **Aureus presentation**

Present for Aureus Management: David Scudder, Co-Founder of Aureus; Thad Davis, President, Co-portfolio Manager of the Equity Portfolio; Carlos Shigueta, Partner, Director of External Managers

Mr. Kellogg gave a brief introduction on the agenda to review current status, performance summary, asset allocation, aureus internal equity, alternative aureus funds.

Mr. Scudder reviewed the current market and identified two key contenders being the pandemic and economy. He observed there was a net loss of 9 million jobs in 2020, compared to 5 million jobs in 2009, and it will take a while to reinstate the economy. He briefly commented on the impact of low interest rates for a long time. Policy changes may happen with economic growth with possible consequences in financial markets. At these low levels of interest rates, debt is manageable but when rates start to rise, whether rapidly or slowly, adjustments may be made. The US debt is going to be important with huge debt added this year with higher taxes and interest rate hikes.

Mr. Kellogg referenced the Summary Report and reviewed the performance of the portfolio now at \$37.9 million. Mr. Kellogg's update included Global Equity, Fixed Income, Non-traditional Assets, the overall Aureus managed Equities and Asset Allocations. The overall performance was in line with the Feoffees global, international, and domestic investment policies. Aureus did not recommend any asset allocation changes at this time but if will contact the Feoffees if they want to rebalance or operate at a higher range; this is done as needed. The cash allocation was a little below the policy range but cash will be managed to provide the payment to the school. Ms. Rose noted the estimated distribution to the school this year was \$870,000.

Mr. Davis spoke on the equity performance in the fourth quarter which included the time period of the presidential election results. This included an overview of stocks. Extraordinary results were in part due to vaccine and possible interest rate increase.

Mr. Shigueta reviewed the Aureus Funds absolute return strategy and referenced the fact sheets to show the offset equity volatility. The fourth quarter was impacted by merger deals. Mr. Shigueta spoke on the Directional

Final - RJF

Funds and recommended no changes at this time. He further explained how these funds complement each other, strategy used, and the choice of managers.

Environmental, Social, and Governance (ESG) and Socially Responsible Investing (SRI) is becoming more popular and there are a number of ways to implement this into the portfolio. Aureus will work with the Feoffees if they feel strongly that they want to support or avoid certain funds. Certain themes or integrations should be noted in the investment policy statement to manage to the matrix. This would impact the investment portfolio. It was noted that this should be discussed in detail at a future meeting. Aureus purposely tends to focus on durable business practices and is high on the SRI index matrix.

Typically, environmental is important to clients followed by social and governance matters with hard restrictions against specific investments.

**Review Investment Policy** - Annual review

Mr. Evans observed that the custom bench marks, although within the ranges, are appropriate for the way the portfolio is being handled at this time. Mr. Scudder participated in this discussion and noted ranges are a decision that can change. He noted the ranges are fine but advised the Feoffees to keep in mind when changes come in the fundamental outlook of economic measures, there may be recommend changes.

Aureus will break down the bench marks and prepare comparisons for the next meeting April 28.

Aureus left the meeting.

**Calendar:** The Feoffees will meet April 28.

**Adjourn** - The Feoffees unanimously adjourned by roll call at 5:47 pm

Respectfully Submitted By  
Catherine Tinsley  
1.22.2021