

The New Hampshire Trust Company

Asset Management & Trust Services

Welcome to our first company newsletter. We hope this will be helpful in sharing information about The New Hampshire Trust Company and our endeavors.

The Employee Managers of NHTC



Greg McConahey, Rhonda Stephens, Mike Rafferty

For more information about The New Hampshire Trust Company, please visit our website:



www.nhtrustco.com

Highlights

After sixteen months in business, the future for the NHTC is looking bright. The company just surpassed \$36 million in assets under management and continues to have a firm commitment to the clients we serve by providing local estate and financial planning expertise as well as professional asset management. The local owners feel that the company is well on its way to becoming a significant player in the Monadnock Region.

The original business plan was to gradually build up our base of clients and to establish solid, working relationships with local attorneys and accountants. In addition, we wanted to continue our support for this community through ongoing volunteer efforts and financial contributions. All aspects of the original vision are now in place and our firm will continue to refine our approach with our clients' needs in mind.

In the early days, there were certainly some feelings of uncertainty on many fronts. As with any new venture, things don't always go as you originally predicted. Fortunately, the vast majority of those uncertainties are now well behind us, and our strategic partners are very pleased with our current results as well as our outlook for the future.

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The consolidation within the trust and investment management business has continued at a rapid pace. We have seen two very recent examples of this trend right here in Keene, and the general consensus is that these mergers will only continue. This bodes well for our overall strategy because we feel very strongly that many folks really do value a long-

term relationship that is based upon local service, professional expertise and a true commitment to meeting our client's objectives.

"long-term relationships based upon local service, professional expertise and a true commitment to meeting our client's objectives."

Since beginning operations just sixteen months ago, The New Hampshire Trust Company now has over \$36 million in client assets under management.



Our Approach to Investing

So far it has been a good year for stocks, with the broadest measure of the market, the Wilshire 5000, up almost 20%. Growth investors continue to benefit from the improving earnings cycle, with sectors such as Technology and classes such as Small-Caps generating the strongest year to date returns. Looking ahead for the balance of the year we continue to expect stocks to hold on to double digit gains. The third and fourth quarter earnings periods are expected to show increasingly stronger earnings per share growth. We look for bond yields to drift higher, based on trends of government spending, which is widening the deficit, and the dollar, which is falling and likely to stir



Greg McConahey

inflationary fears. The New Hampshire Trust Company's approach to investing begins with a belief that a top down, sector weighted approach provides the best risk adjusted long-term performance results. Our investment philosophy is driven by an analysis of the broad economic environment coupled with a fundamental approach to managing economic sector allocation. Monitoring industry allocation is a key strategy. The Trust Company selects individual stocks that tend to represent good value, relative to others in their

industry when considering company earnings, dividends or assets. Year to date, the market has favored non-dividend paying stocks to those that pay dividends. We feel that with the passage of the new tax law, taxing dividends and capital gains at a maximum rate of 15%, dividends will make up a larger portion of an investor's overall equity return. Our equity portfolios emphasize dividend paying stocks with the financial capability to increase the payout going forward.

The New Hampshire Trust Company's investment portfolios are shaped by individual client investment requirements. Portfolios are managed in accordance with individual risk tolerances, income needs, tax consequences (if any), grantor created trust restrictions and specific social criteria, if desired. The Trust Company takes a long-term approach to investing, with low turnover. We seek to add value and enhance the risk-adjusted returns of our client assets by constructing portfolios within prudent guidelines developed by the consensus of our Trust Investment Committee. The Investment Committee determines economic projections, sector weightings and asset allocations, as well as the approved list of holdings. The final decision for portfolio purchases and sales is done locally.



Mike Rafferty

The New Hampshire Trust Company is a locally owned trust and investment management firm solely focused on serving individual investors and non profit organizations.

We are owned by a unique combination of strategic partners: the Connecticut River Bank, N.A., the Trust Company of Vermont and The New Hampshire Trust Company Managers.

If you would like to discuss your situation, and how our services might benefit you, please feel free to contact us for an appointment.

Our services include:

- ◆ **Wealth Management**
- ◆ **Asset Allocation**
- ◆ **Retirement Planning**
- ◆ **Estate Planning Coordination**
- ◆ **Trust Planning**
- ◆ **Tax Planning**

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**Proud Supporter of the
Monadnock United Way**