



Town of Lowell Water Proceeds Investment Review

February 24th, 2025

Presented By:

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Investment Review

Understanding the Current & Future Needs for the Town of Lowell Water Funds

Factor	Risk Rating	Peoples Bank Wealth Management Analysis
Time Horizon	High	The Town of Lowell's Town Council is viewing these monies to last significantly into the future. A time horizon approximating an endowment should be considered for investment purposes.
Liquidity Needs	Medium / High	The Town of Lowell's Town Council has not indicated any significant purchases in the near future but have explained that may be subject to change at any point.
Income Needs	Medium	The Town of Lowell Town's Council is seeking to utilize a 5% of principal target for income to potentially utilize on an annual basis.
Risk Tolerance	Medium	From previous discussions with the Town of Lowell's Town Council, we can deduce that they have a practical risk tolerance for the Town's investments.
Desire for Growth	Medium/High	The main goal for The Town of Lowell's investments is to steadily grow above more conservative options.
Expected Returns	Medium	We believe our recommended investment strategy for The Town of Lowell will produce aggregate returns in the 4 - 7% range.
Tax Concerns	High	The Town of Lowell will not be subject to taxation.

***Risk Rating Scale:**

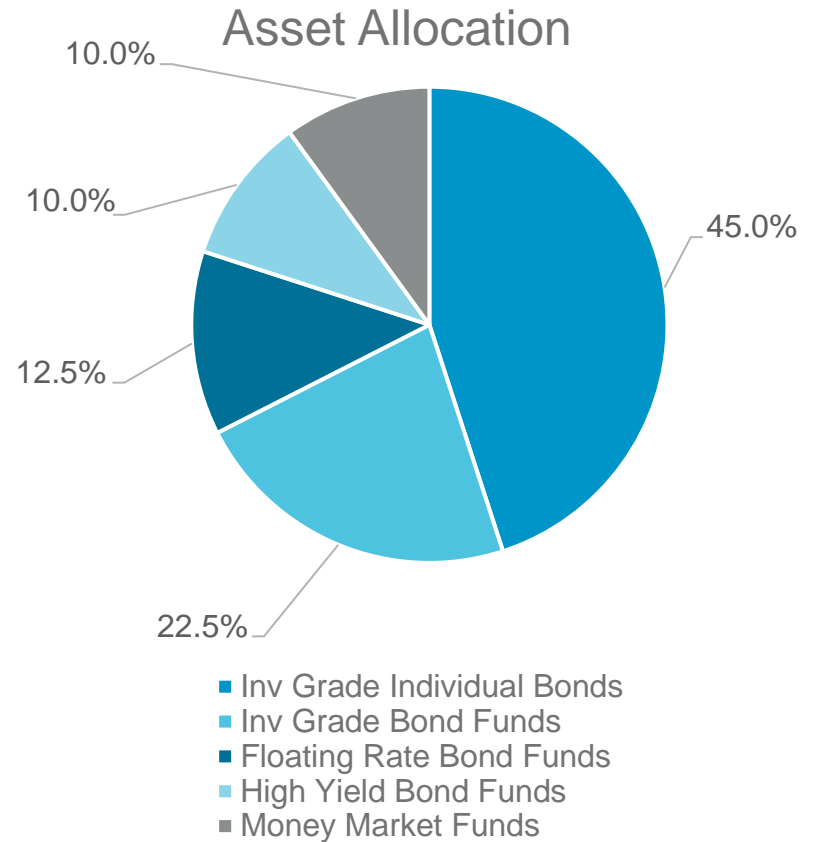
High: The factor's analysis allows for the client to consider an aggressive amount of risk

Medium: The factor's analysis calls for the client to consider a balanced amount of risk.

Low: The factor's analysis calls for the client to consider a conservative amount of risk.

Asset Allocation Targets – Water Funds

Fixed Income & Cash Only	
Fixed Income Sub Asset Class	Target %
Inv Grade Individual Bonds	45.0%
Inv Grade Bond Funds	22.5%
Floating Rate Bond Funds	12.5%
High Yield Bond Funds	10.0%
Money Market Funds	10.0%
Total Account	100%



Portfolio Construction as of 2/14/25 Water Funds

Asset Class / Investment Vehicle	Target %	Actual %	Approx Yield
Fixed Income	90.00%	82.86%	
Investment Grade Corporate Bonds	45.00%	41.21%	4.97%
Vanguard Short Term Bond Fund (VFSUX)	12.50%	12.59%	4.71%
FlexShares Credit-Scored US Corp Bond ETF (SKOR)	5.00%	1.58%	5.07%
Dodge & Cox Income Fund (DODIX)	5.00%	5.13%	4.51%
T Rowe Price Floating Rate Fund (TFAIX)	12.50%	12.58%	7.11%
Black Rock High Yield Bond Fund (BHYIX)	10.00%	9.77%	6.66%
Cash	10.00%	17.14%	
Federated Gov't Obligations Money Market	10.00%	17.14%	4.30%
Total Account	100.00%	100.00%	5.23%

Performance Review – Water Funds

Total Return Performance Review through 1/31/2025

	2023	2024	2025*
Year End Market Value	\$18,084,117	\$18,996,175	\$19,073,726
Town of Lowell Water Proceeds, Net of Fees	4.95%	5.04%	0.41%
Barclays Bloomberg U.S. Aggregate Bond Index	5.53%	1.25%	0.53%
3 Month US Treasury Bill Index	5.15%	5.29%	0.38%
Town of Lowell Blended Benchmark Return**	5.42%	2.46%	0.49%

* 2025 returns through 1/31/25

** Blended Benchmark is comprised of 70% Barclays Bloomberg U.S. Aggregate Bond Index & 30% 3-month U.S. Treasury Bill Index

Cash Flow Review – Park Funds

9/20/2024 through 2/14/2025	
Initial Investment	\$7,088,000
2024 Distributions	-\$563,571
2025 Distributions	-\$575,719
2024 Income	\$65,248
2025 Income	\$49,418
Total Distributions	-\$1,139,289
Total Income	\$114,666
Current Market Value	\$6,063,377

THANK YOU

