DRAFT Public Record

Investment Committee

Friday September 22, 2017

Present: Norm Nicholson (Chair), Skip Sullivan, Stan Cohen, Ted Gibbons, Tim Creem

Also: Bob Peabody (Town Manager), Charisse Keach (Finance Manager) and representing Norway Asset Management (by phone) Kurt Garascia.

The Meeting was called to order at 9:02 AM.

Kurt reviewed the three portfolios. Performance for the Fiscal Year ended June 30,2017 was excellent with the Bridgton Trust Funds, Moose Pond and the Park Forest Trust Fund realizing total returns of 10.3%, 10.5% and 11.6% respectively. These figures are net of fees. All three Accounts exceeded their composite index returns for the Year. The Park Forest Trust, with a higher equity allocation ( 67.6% vs 55.8% for Bridgton Trust Funds and 57.8% for Moose Pond as of 6/30/17) did particularly well due to the strength in equities in this 12 month period.

For the three year period (6/30/14 – 6/30/17) annualized returns were less favorable in absolute terms and relative to their benchmarks. Bridgton Trust Funds realized 5.13%, Moose Pond 5.07% and the Park Forest Trust 4.91%. In commenting on future performance from diversified portfolios such as these, Kurt indicated he believed it would be much closer to the three year return than the double digit performance of FY 2017.

Turning to the individual portfolios, Kurt indicated that Norway is overweight in Energy and Finance with no near term change anticipated. Moose Pond and the Bridgton Trust Funds equity ratios remain slightly below the mid- point target of 60%. Norway believes stocks are on the high side and has difficulty in expecting valuations to move higher. They are comfortable with a modest equity underweight. Park Forest Trust, with no withdrawals anticipated for the foreseeable future will continue at a higher 65% + equity ratio.

The next meeting was tentatively scheduled for the third week of December. Norway would be present. The Committee requested that Norway send out meeting material three or four days in advance. It was also indicated that it would be helpful if a comparison of S & P and portfolio sector diversification were included with that material. Kurt then left the Meeting with the thanks of the Committee.

As a result of the last meeting, a Memo (1/18/17 )was sent to the Selectmen to let them know of the possibility that the Committee may recommend a lowering in the withdrawal rate (now 4%) for the 2019 FY. After some discussion it was apparent that there was no unity of opinion as to whether such action should be recommended. It was agreed to take no action at this time but to review the question again at the December Meeting. A decision at that time would still allow the Selectmen to change the withdrawal rate for FY 2019 if they so desired. There being no further business the Meeting was adjourned at 10:47 AM

Recorder: Norman C. Nicholson