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Investment Committee

Monday, December 17, 2018

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

Also: Lee Eastman (Selectman), Bob Peabody (Town Manager) and representing Norway Asset Management, Kurt Garascia and Mary Leavitt

The Meeting was called to order at 9:00 AM.

Lee Eastman reported that the Selectmen have discussed and approved the recommendation of the Committee to lower the withdrawal rate from the Moose Pond Land Fund and The Bridgton Trust Fund from 4% to 3%. This will become effective with the recommendations for withdrawals in Fiscal 2020.

Ken Garascia then reviewed the Portfolios. Performance in the five months since the end of the Fiscal year (July 1- November 30, 2018) was modestly positive for the Moose Pond Land Fund and the Town of Bridgton Trust Fund with the Park Forest Trust down slightly (-.61%). Equity weightings continue modestly above target (60%) with Moose Pond at 65%, Town of Bridgton Trust Fund at 62% with the Park Forest Trust at 72%. Park Forest has consistently had a higher equity weighting due to the absence of any payout requirements in the foreseeable future. There was discussion of the sector weightings in the Bridgton Trust (similar to the other two portfolios) relative to the S & P 500. There are overweights in Energy (10.5% vs 5.4%), Healthcare (22.7% vs 15.8%), and Financials (15.6% vs 13.7%). Kurt indicated they did anticipate lowering the Healthcare overweight.

Market sentiment has turned negative and there are headwinds on the political front, and trade. However Norway Asset Management does not believe this is a time to reduce equity exposure. They believe there could well be another rate increase by the Fed in two days (They were correct) but this is expected and will probably be accompanied by language indicating close attention to economic developments in making further increases next year. They anticipate a market recovery looking into 2019.

In answer to a question, Kurt indicated that only high quality corporate bonds are purchased (A or better) although some holdings have seen their ratings reduced. They do pay close attention to quality.

It was requested that it would be helpful if performance data include figures for equity and fixed income individually. These could be reported separately at the meetings.

The exact date of the next meeting was not set but will be in late May or early June (after the 10th).

There being no further business, Kurt and Mary were thanked, and all wished a Merry Christmas. The meeting adjourned at 10:40 AM.

Recorder: Norman Nicholson