

Public Record

Investment Committee

Thursday, October 15, 2020

Present Norm Nicholson (Chair), Ted Gibbons, Tom Chandel, Tim Creem

Also: Bob Peabody, Town Manager and, representing Norway Asset Management, Kurt Garascia

The meeting was called to order at 9:00AM

Kurt commented on various investment themes and possible future activity in the portfolios as outlined in the Norway Asset Management Agenda which is attached as a part of these minutes.

The Accounts underperformed the Benchmark in the first quarter of FY 2021 and the 12 months to September 30. This is in part due to the continued dominance of a relatively small number of big-cap stocks which have shown very large gains. This is reflected in the significant difference between the S&P 500 (up 15.1% in the year ending September 30) and the S&P 500 (unweighted) which was basically unchanged over the 12 months.

Kurt reviewed some changes they will be making in the Park Forest portfolio, which is invested solely in Exchange Traded Funds. Norway's objective is to reduce the number of holdings while bringing them more in line with the Benchmark (54% S&P 500; 6% EAFE and 40% Barclays Aggregate Bond Index). In the equity sector Norway will not be utilizing "value", in spite of their long underperformance, due to the high weightings of financial and energy. In fixed income they are looking at multiple asset classes. In Park Forest one addition is a mortgage backed bond ETF. This is felt to be an attractive asset class. The mortgages are issued or guaranteed by U S Government Agencies. A second addition is a Preferred and Income securities ETF. The latter would be a relatively small (3%) holding in the portfolio. The approach in Park Forest would also be utilized in the Moose Pond and Bridgton Trusts portfolios for the ETF sectors. There followed further discussion after which the Committee thanked Kurt for his presentation.

The next regular meeting is scheduled for May although a meeting can be called at any time should the situation dictate. There being no further business, the meeting was adjourned at 10:15 AM.

Recorder: Norman Nicholson