

Public Record

Investment committee

Wednesday June 16, 2021

Present: Norm Nicholson (Chair), Skip Sullivan, Tom Chandel, Ted Gibbons, Tim Creem, Roseana Richards; Also: Charisse Keach, Finance Officer, Town of Bridgton, and, representing Norway Asset Management, Kurt Garascia and Mary Leavitt.

The Meeting was called to order at 9:05AM.

Kurt reviewed the Town of Bridgton Trust Fund, the holdings, diversification and performance of which are similar to the Moose Pond Land Trust. Equity weightings remain relatively high at 69.4% vs a target of 60%. This does not reflect above average optimism toward equities by Norway but rather, a distinct preference vs the fixed income sector. In terms of equity diversification, information technology is the largest sector at 31.27% vs an S & P weight of 25.8%. Energy is also an overweight (6.75% vs 2.8% for the S & P) with Norway continuing to believe this is an undervalued group with well above average dividend return. International equities are modestly overweighted vs the benchmark with Emerging Markets a larger position than the All World ex US ETF. Norway still has some concerns on Europe.

Performance for the latest 12 months to May 30 has been good exceeding the Benchmark return (29.1% vs 22.2%) This has been due to several factors, most importantly the overweighting of equities in comparison with the Benchmark and secondly a broadening in market strength from the former dominance of a very small number of stocks including Apple, Microsoft, Netflix, and Facebook. Fixed income holdings also outperformed their Benchmark due to Norway's emphasis on corporate bonds.

Discussion then turned to the Park Forest Trust Fund. This is the smallest of the three Trusts (Market Value \$120,133 vs \$2,017,149 (Moose Pond) and \$1,567,139 (Bridgton Trust Fund). It is the only one of the three where there are no expectations of withdrawals over the next few years. As it has expressed in the past, the Committee feels it can be invested somewhat more aggressively. It was noted that it has a similar equity weighting to the other Trusts and performance has modestly lagged. It is an important distinction that, due to its small size, Park Forest is invested solely in ETF'S.

The Committee asked about Norway's thoughts on inflation, where investor concern has recently increased. Many observers, including Northern Trust, one of Norway's principal advisors, believe current inflationary pressures are transitory. Norway Asset Management does have some fears that inflation may be greater and longer lasting than currently forecast and is focusing on companies that will do relatively well in an inflationary environment.

At the recent Town Meeting the following withdrawal amounts were approved for FY 2022.

Moose Pond Land Fund	\$48,706
Bridgton Trust Funds	\$37,944

The next meeting of the Committee is scheduled for Tuesday, September 21. At that time, there will be a review of "The Charge, Mission and Authority of the Investment Committee" and the "Investment

Policy” of the Town. Copies of these two items were passed out to the Committee and Norway Asset Management (Investment Policy only) for review prior to the meeting. It is anticipated that Norway would provide an update of the Accounts by phone at that time.

There being no further business, the Committee thanked Kurt and Mary and the Meeting was adjourned at 10:40 AM.

Recorder: Norman Nicholson