

Public Record

Investment Committee Meeting

Tuesday, June 13, 2023

Present: Norm Nicholson (Chair) Skip Sullivan, Tom Chandel, Roseana Richards, Tim Creem, Bridgette Fuller, Ted Gibbons, David Welbourn, Bob McHatton (liaison)

Also: Bob Peabody (Town Manager), Holly Heymann (Finance Director) and Kurt Garascia & Mary Leavitt, Norway Asset Management

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

The first order of business was to review the process of forwarding statements and other portfolio information from Norway to the Committee. Currently only Tim Creem receives paper statements. Norm and Holly receive an E-Mail, usually five business days after the end of the quarter or (in the case of meetings) the month end. For individual Committee members to receive notification, each would have to have their own log-in credentials. The Committee will discuss and inform Mary of the decision.

The meeting was then turned over to Kurt for review of the investment outlook and the Trust portfolios. Equities in the Moose Pond (Total Account 06/12/23- \$1,913,426) and Bridgton Trusts (Total Account 06/12/23- \$1,486,753) are now 66% of the portfolios, very close to the December 31, 2022 levels. Kurt indicated that he would anticipate equities to continue at this level or slightly higher over the near term. There has been an increase in activity recently. In part this has been an effort to balance risk by trimming holdings which have experienced significant recent gains, such as Apple, NVIDIA & Palo Alto Networks, with reinvestment in holdings which have not participated in the market strength but are believed to have long term attraction. Examples of the latter include Berkshire Hathaway, Mondelez, Danaher and Caterpillar. The energy sector weighting was reduced with cutbacks in Chevron and Exxon, partially offset by a new position in EOG Resources. Energy remains modestly overweighted in these portfolios. Other changes include additions to the Small Cap and Mid Cap ETF's and a move to an Emerging Market Fund excluding China from a Vanguard Emerging Markets Fund. Norway has concerns over the outlook for China (which comprises approximately 30% of the Vanguard and other such funds) in the areas of demographic trends and trade risks.

In the fixed income sector, Norway believes we are near the highs in interest rates. The Federal Reserve is expected to pause rate hikes at this Wednesday's meeting (which they did) though there is a chance of a further increase. They anticipate inflation continuing to trend down toward 3 ½ %. They have added some high quality intermediate term corporates. Cash remains an attractive area with the Government Money Market Fund now yielding 4.9%. Both accounts have more than sufficient funds in the Money Market Account and maturing Treasury Bills to meet anticipated distributions in July of \$42,574 for the Bridgton Trust Funds and \$54,938 for the Moose Pond Land Trust.

The Park Forest Fund has lagged the two larger portfolios in total return performance. As a smaller Account (\$115,959 - 06/12/23), it differs from the others, utilizing only ETF's and, recently, some Treasury Bills. There have been a number of recent changes by Norway.

While the performance of the Moose Pond and Bridgton Trusts has been below the Benchmark return in the most recent quarter due to market strength being limited to a small number of stocks, the results

for the Fiscal year to date (May 31, 2022- June 30,2023) has been favorable. Of more interest, the three year results on a total return basis of +8.14% (Moose Pond) and +8.28% (Bridgton Trusts) compare with a Benchmark return of 6.3%.

The next meeting is planned for mid- September. It was not possible to come up with a specific date due to the need to check schedules but it is expected that a time will be set in the next few weeks. After further discussion Kurt and Mary left the meeting with the thanks of the Committee.

Discussion then returned to the question of the transmission of statements from Norway to the Committee. It was agreed to continue with the same process with one addition. Tim will continue to receive paper copies while Holly and Norm will receive notification that they are ready. Holly will then E-Mail members to that effect and access will be enabled utilizing the existing procedure.

One item was brought up under Other Business. Specifically the question of whether the Park Forest Fund should be entirely in equities. It is not believed that this Fund will have any distribution requirements in the foreseeable future and there has been general agreement that it should be invested in a more aggressive manner than the other accounts. There are a number of questions in accomplishing this however, and it was agreed to delay further discussion to our next meeting.

There being no further business the meeting was adjourned at 10:50 AM.

Recorder: Norman Nicholson