

Public Record

Investment Committee

Monday September 28, 2015

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

Also: Bob McHatton ( Board of Selectmen), Bob Peabody (Town Manager)

Representing Norway Asset Management – Lisa Rideout , Kurt Garascia, Brian Bernier

The meeting was called to order at 9:05 AM. Bob Peabody reported that Audit figures for the June 30, 2015 FY are not yet available. Thus we can not compare Norway and Audit figures . They are expected to be very close and Bob does not expect future problems in having the figures in agreement.

The Norway Asset Management Group then joined the meeting . Kurt commented on the portfolios and reviewed the performance for the December 31, 2014-August31,2015 period. The Bridgton Trust Funds and the Moose Pond Land Fund Accounts were down about 2% (total return, net of fees), slightly below the composite index return. Equities were very close to the S & P 500 ( -- 2.8%) while Fixed income underperformed the Barclays Aggregate Bond Index by about 100 basis points. Treasuries were strong relative to Corporates in this 8 month period and Norway does not invest in Treasuries . This accounted for the underperformance.

The Park Forest Trust Fund, by far the smallest of the three funds, was down 3 ½ % for the period. Norway is more aggressive in the investment of this Account since no withdrawals are anticipated in the foreseeable future. The Equity weighting is higher (65% vs under 60% in the two larger funds) and the make-up of the equity portfolio is slightly more aggressive. The Committee agreed that a somewhat higher risk level could be assumed in this Account , although it continues to be governed by our Investment Policy Statement.

Norway's approach to investment continues to favor equities. Bonds are considered unattractive and ,as a matter of policy, they will hold only modest amounts of cash.

There was considerable time spent in a discussion of individual stocks vs. ETFs. Norway does utilize individual stocks for their big-cap exposure in many accounts. Primarily because of our previous emphasis on funds when the Accounts were with Vanguard and a desire not to be "out of the Market", only equity ETFs have been used in the Town's portfolios. Several members of the Committee did express their thought that initially we had been led to believe that individual names would be utilized. It was left that the Committee would be comfortable with the use of individual names but that investment of the accounts is totally in the hands of Norway Asset Management.

The next meeting was tentatively scheduled for the second week of January with a specific date to be set at a later time. It will be by conference call.

There being no further business, the Committee thanked Lisa, Kurt and Brian and the Meeting was adjourned at 10:25.

Recorder Norman C. Nicholson