

Lincoln Board of Trust Fund Commissioners
Minutes of July 25, 2018 Meeting

Donald Collins, Chairman
Douglas Harding, Commissioner
Paul Fitzgerald, Commissioner
Krystal Elder, Treasurer/Collector
Joshua Paul, Bartholomew & Co.

The meeting was called to order at 5:01 pm.

Mr. Collins reviewed the agenda for the meeting.

Mr. Paul distributed and reviewed the Morningstar report that was requested at the last meeting. General discussion followed. Mr. Collins continued the discussion from the previous meeting regarding the proposed investment policy. Mr. Paul gave an overview of the layout and addendum which included the parameters for investments. Revisions were discussed to reflect the Town's parameters and views.

Mr. Paul gave an overview of the portfolio performance through June 30th and discussed the new performance by asset class (TWR) report. There was discussion on the individual holdings by asset class. The domestic and international equities were level and steady. Mr. Fitzgerald inquired about the bond market maturity and discussion followed on the short term maturities. The international bond slightly under performed for the 3-5 year and did not do well for the second and third quarter of 2016 due to the election. There was discussion on the underperformance of alternatives. Mr. Paul referred to the Morningstar report and discussed the I and Z Shares being purchased as low as possible to keep fees low.

Mr. Paul gave an overview on the purchase and sales for the quarter and pointed out that the Catalyst Hedged Futures Strategy Fund had been partially sold and should be completely sold by the next month. Discussion followed on the purchase of Brandywineglobal-Alternative Credit Fund. Vivaldi Merger Arbitrage Fund was not as productive as hoped and was sold. Mr. Paul commented on other smaller purchases that received better returns.

The portfolio asset allocation is as follows:

Domestic Equity	39.27%
Domestic Bond	23.46%
International Equity	21.27%
Alternatives	9.24%
International Bond	5.76%
Cash and Equivalents	1.00%

The fiscal year time-weighted rate of return was 5.84%

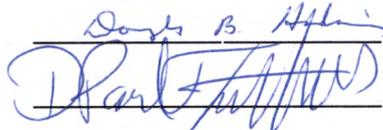
Minutes were reviewed and approved from the previous meeting.

The meeting adjourned at 5:57 pm.

Donald Collins, Chair



Douglas Harding



Paul Fitzgerald

