

Lincoln Board of Trust Fund Commissioners
Minutes of January 26, 2022 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 5:02 pm.

Mr. Collins reviewed the agenda for the meeting.

Mr. Paul gave an overview of the portfolio performance for the quarter ending in December. There were no changes to the allocation. The TWR was 5.02% since inception with fiscal YTD of 2.35% net of fees. Mr. Fitzgerald inquired about the unrealized loss of 110K. Mr. Paul confirmed with the contributions declaring a realized gain that shows as a loss due to capital gains and to interest rate report as declared by the Feds. The portfolio for 2021 was up 11.06% with a benchmark of 6.93% for YTD.

Mr. Paul reviewed the Asset Allocation report which are all within range. General discussion followed. Mr. Paul discussed the Purchase and Sales for the quarter. American Beacon was a new holding in the Alternatives. Diamond Hill was initiated in March of 2020. It was a good security underpriced with a competitive yield. Selling Diamond Hill for American Beacon gave a total return of 3.93% thru the end of the year. Destra and Artisan were also purchased this quarter.

Domestic equity was up with the dividend reinvestment. Performance by Asset class had a YTD of 22.38% Domestic equity is usually 8-12% per year, but our history indicates a double increase every 5 years. US Large Cap growth underperformed. First Eagle is on the watch list. Domestic bond had just over 2% return in quarter four. Alternatives did well at 9.64% with a usual average of 4-6%. Mr. Collins inquired which part of the report was net/gross of fees. General discussion followed. With the projected rate increase by the Feds with a potential of 4-6 times, a change in Asset allocation will be closely monitored throughout the coming quarters.

Mr. Paul ran a current YTD status report for January with the current movement in the market, our portfolio is down 6.33%. General discussion followed.

The portfolio asset allocation for 12/31/2021 is as follows:

| | |
|----------------------|--------|
| Domestic Equity | 43.80% |
| International Equity | 19.80% |
| Domestic Bond | 24.80% |
| Alternatives | 6.00% |
| International Bond | 4.60% |
| Cash and Equivalents | 1.00% |

Minutes were approved and forwarded for signatures.

The meeting was adjourned at 5:55 pm.

Donald Collins, Chair _____

Douglas Harding _____

Paul Fitzgerald _____