

Phippsburg Investment Committee
Meeting Notes – 4 January 2022

Attendees: Ed Toombs, Roy Clark, Doug Bates, Lisa Wallace, Dan Lay (HM Payson)

Meeting called to order at 9:00 AM at Phippsburg Town Hall.

Dan Lay of HM Payson presented the Payson report on the year end status of the Phippsburg investment account a copy of which is attached. 2021 was been another good year for the fund – up a little less than 17% over the year. The fund is up substantially since inception. In spite of distributions amounting to \$82,000 since the fund's inception in 2015, the fund value is currently about \$738,000 (excluding the \$14,000 for the 250 Birthday Fund), which is about \$308,000 above the starting \$430,000 deposit.

The investment committee considered the following resolution:

Resolved: That the Financial Investment Committee recommend to the Town of Phippsburg that the Town take a \$21,000 distribution from the Investment Account for the fiscal year beginning on July 1, 2022.

A motion was made, properly seconded, and passed by unanimous vote to accept the above resolution. The recommended distribution is comfortably within the percentage guidelines in the Town's Investment Policy and given the strong performance of the fund since inception, increasing the distribution from last year's \$20,000 is reasonable.

Lisa reported that bank Certificate of Deposit rates are still not high enough to make the effort to utilize them worthwhile but she is monitoring them and is prepared to shift longer term Town cash to CDs when appropriate.

The next meeting is scheduled for Tuesday, January 10, 2023 at 9:00 AM at the Phippsburg Town Hall.

Meeting adjourned at 9:35 AM.

Respectfully submitted,

A handwritten signature in blue ink that reads "Ed Toombs". The signature is written in a cursive, flowing style.

Ed Toombs
Secretary, Town of Phippsburg Investment Committee

HMPayson

Investment Review

JANUARY 2022

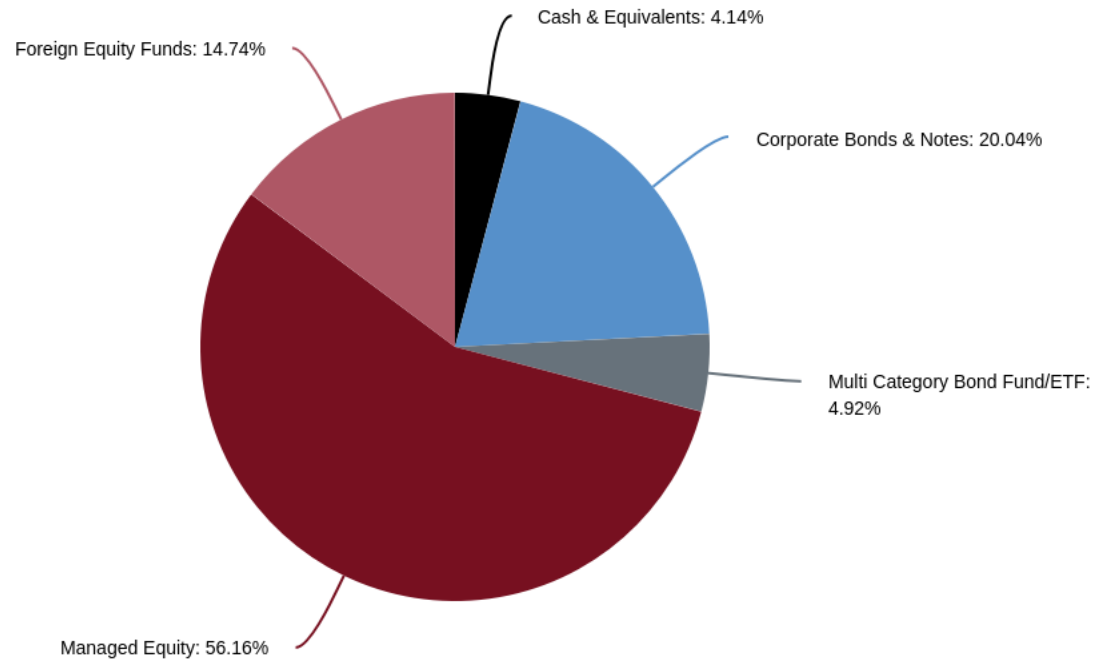
PREPARED FOR

Town of Phippsburg

Daniel M. Lay, Esq.
MANAGING DIRECTOR

Jenny Lynd Robinson
RELATIONSHIP ADMINISTRATOR

Asset Allocation by Account TOWN OF PHIPPSBURG



Style Class	Current Value	Current Percent
 Cash & Equivalents	\$31,207	4.14%
 Corporate Bonds & Notes	\$150,938	20.04%
 Multi Category Bond Fund/ETF	\$37,028	4.92%
 Managed Equity	\$423,009	56.16%
 Foreign Equity Funds	\$110,990	14.74%
Total	\$753,172	100.00%

As of December 31, 2021

Individual Account Gross Performance

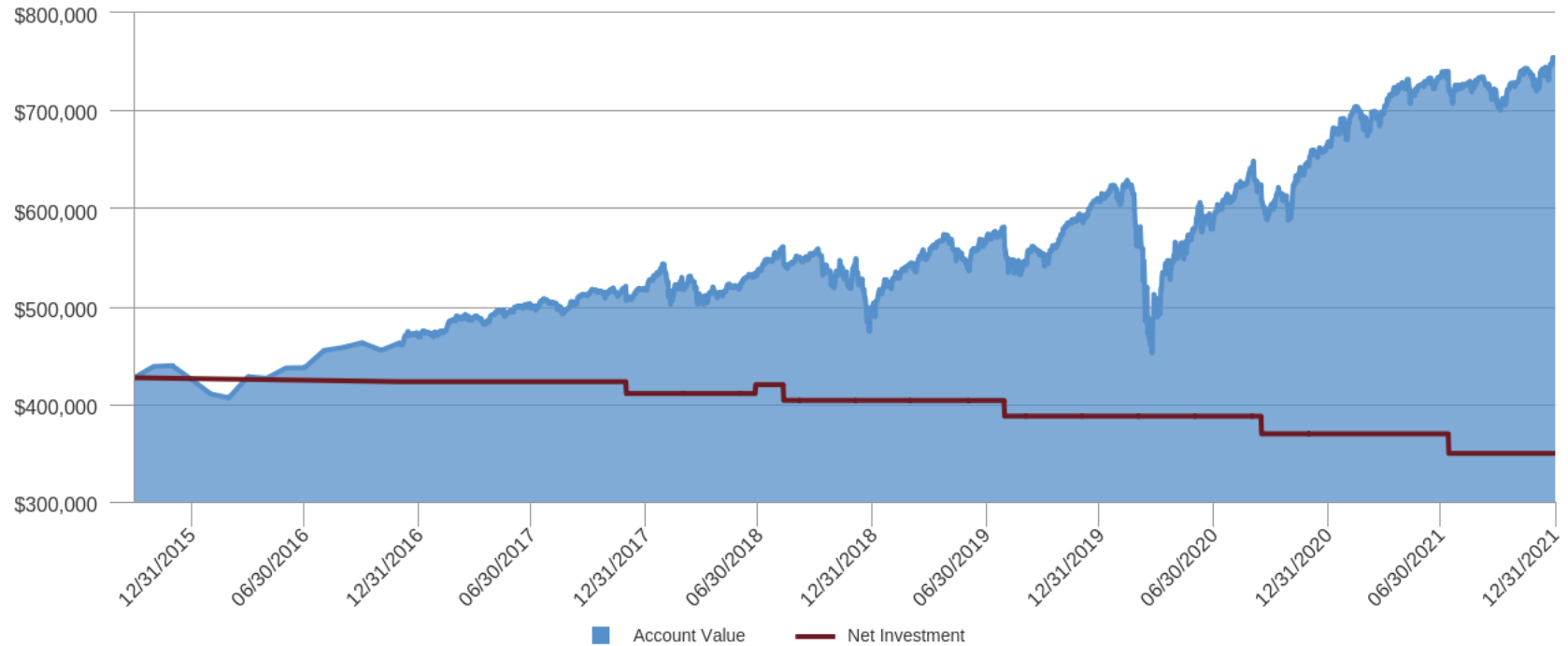
TOWN OF PHIPPSBURG

Asset Class	Year to Date Gross Return	Previous 3 Years Gross Return	Previous 5 Years Gross Return	Inception to Date (09/30/2015) Gross Return
Cash & Equiv	0.14%	1.06%	1.24%	1.02%
<i>FTSE USBIG 1 Mo. Treasury Bill</i>	<i>0.04%</i>	<i>0.89%</i>	<i>1.06%</i>	<i>0.88%</i>
Fixed Income	(0.38%)	3.33%	2.72%	* 2.59%
<i>Bloomberg US Government / Credit 1 - 5Y</i>	<i>(0.97%)</i>	<i>2.88%</i>	<i>2.25%</i>	<i>2.00%</i>
Equity	23.54%	24.07%	17.64%	16.67%
<i>75% S&P 500, 25% ACWI ex-US</i>	<i>23.23%</i>	<i>22.78%</i>	<i>16.26%</i>	<i>15.64%</i>
Total	16.78%	18.61%	13.54%	12.56%
<i>70% (75% S&P 500 25% ACWI exUS) 25% BB US Int Gvt/Crd 5% 3MTB</i>	<i>15.49%</i>	<i>16.98%</i>	<i>12.27%</i>	<i>11.72%</i>

* Partial period return
Returns for periods exceeding 12 months are annualized.

Account Value vs. Net Investment

TOWN OF PHIPPSBURG



	Year to Date	Inception to Date (09/30/2015)
Start Value	\$668,118	\$426,887
Net Contribution	(\$20,000)	(\$77,348)
Investment Gain/Loss	\$105,054	\$403,633
Ending Value	\$753,172	\$753,172

As of December 31, 2021

TOWN OF PHIPPSBURG

Holdings as of: December 31, 2021



$$\text{V-Ratio} = \frac{\text{ROIC} + \text{Dividend Yield}}{\text{Price-to-Earnings Ratio}}$$

$$\text{ROIC} = (\text{Earnings} - \text{Dividends}) / \text{Total Capital}$$

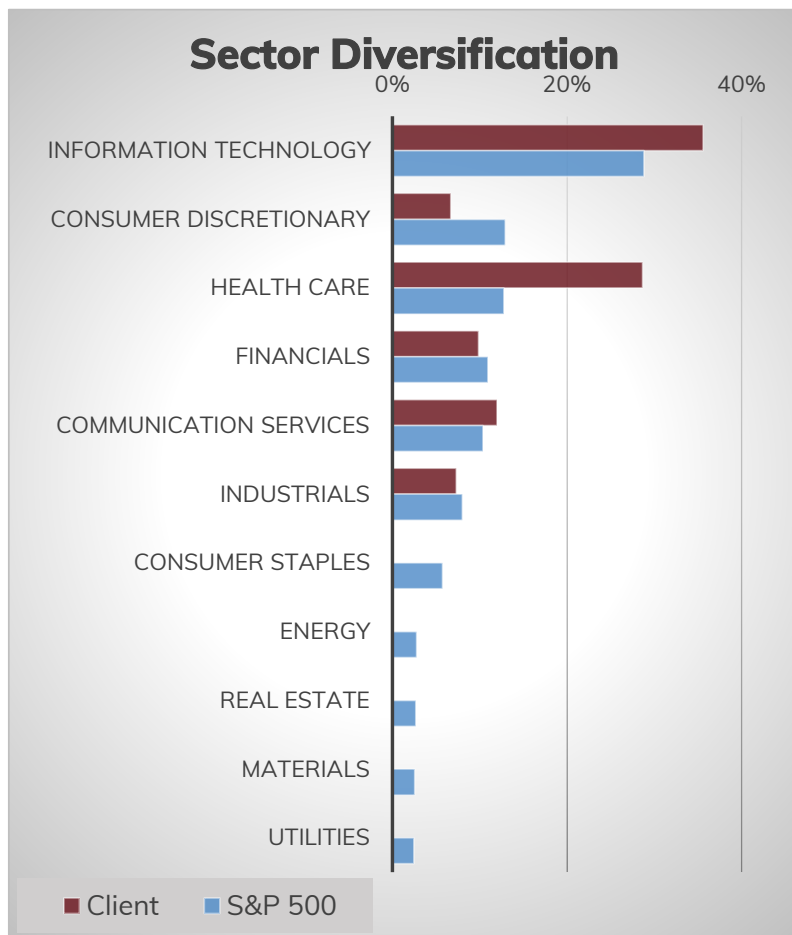
Consistently profitable companies with shareholder-friendly capital allocation tend to outperform over time. We believe that portfolios constructed around these characteristics, combined with a disciplined approach toward valuation, offer enhanced potential long-term returns. HM Payson's V-Ratio captures these features by weighing an approximation of quality against a measure of price.

Characteristics Summary	Client	S&P 500
Price to Earnings (x)	19.5	21.4
Dividend Yield (%)	1.3	1.3
Payout Ratio (%)	25	29
Return on Invested Capital (%)	10.3	8.2
Long term Debt to Capital (%)	43	47
V-Ratio	0.60	0.45



TOWN OF PHIPPSBURG

Holdings as of: December 31, 2021



Sector	S&P 500 Index: Median Values		Portfolio Weighted	
	Return on Tangible Assets	*AFG Economic Margin™	ROTA	AFG EM™
Information Technology	15.9%	14.4%	21.1%	25.3%
Consumer Discretionary	5.1%	4.6%	5.6%	7.9%
Health Care	13.0%	13.4%	16.1%	18.6%
Financials	1.3%	0.1%	5.1%	3.5%
Communication Services	8.0%	7.9%	15.0%	9.3%
Industrials	10.8%	10.8%	4.1%	12.7%
Consumer Staples	15.6%	12.1%		
Energy	-7.6%	-3.8%		
Real Estate	3.3%	5.8%		
Materials	5.3%	2.9%		
Utilities	2.6%	0.4%		
Index/Portfolio	7.1%	7.4%	15.1%	17.3%

Value is greater than Index Median

* Economic Margin = Economic Profit as a % of a firm's productive capital base (Trademark of The Applied Finance Group™, Ltd.)

TOWN OF PHIPPSBURG

Holdings as of: December 31, 2021



Stock Characteristics - 10 Largest Holdings

Company	Sector	Weight	Yield	Payout	5 Yr Div Growth	5 Yr EPS Growth	P/E	ROIC	LT Debt to Capital
Alphabet Inc Class C Capital Stock	Communication Services	9.6%	0.0%	0.0%	NM	20.7%	25.9	27.9%	9.5%
Berkshire Hathaway Cl B	Financials	6.7%	0.0%	0.0%	NM	12.7%	24.6	4.6%	20.4%
Microsoft Corp	Information Technology	6.0%	0.7%	25.2%	9.2%	30.8%	34.1	24.8%	32.4%
Accenture Plc Ireland Shs Cl A	Information Technology	4.9%	0.9%	36.4%	9.9%	7.3%	38.9	19.6%	12.3%
Amgen Inc	Health Care	4.3%	3.4%	44.5%	15.2%	6.3%	12.9	13.3%	80.2%
Johnson & Johnson	Health Care	4.2%	2.5%	42.0%	6.2%	0.1%	16.9	15.6%	30.0%
Thermo Fisher Scientific Inc	Health Care	3.9%	0.2%	4.7%	8.0%	26.6%	30.0	13.9%	35.9%
Broadcom Limited Shs	Information Technology	3.9%	2.5%	55.4%	53.0%	5.3%	22.5	8.8%	62.2%
Pfizer Inc	Health Care	3.8%	2.7%	34.7%	6.1%	9.0%	12.8	15.4%	32.4%
CVS Health Corporation	Health Care	3.4%	2.1%	27.2%	6.3%	3.4%	12.7	5.2%	50.3%
Top 10 Stocks		50.8%	1.2%	25.9%	11.4%	10.4%	21.2	10.3%	35.3%
Total Stock Portfolio			1.3%	25.1%	10.9%	9.1%	19.5	10.3%	43.1%
S&P 500 Index			1.3%	28.8%	5.8%	4.6%	21.4	8.2%	47.2%

Disclosures

Account data is on a trade date basis and income is included in the account returns on an accrual basis.

Account returns can be gross or net of management fees. Past performance is not indicative of future results.

All returns include the effects of all principal change and income, and returns for longer than one year are annualized.

Any Gross returns do not reflect the deduction of investment advisory fees, which will reduce investment returns. Advisory fees are described in Part 2 of our SEC Form ADV.