



CDCES Investment Committee

December 11, 2018 11:30am

Wells Fargo Advisors Conference Room (Lake Oswego)

Present: Greg DuFault, David White, Laura Jaquith Bartlett, Randy Adams, Norm Dyer, Ric Shewell, Joy Atkinson, DJ Antlitz, Trudy Pollard, Becca Farrester

Norm introduced Joy Atkinson, newly on the Board to replace Mildred Riley. Laura shared an opening prayer from Larry Peacock's new Advent devotional book.

Ric moved to approve the minutes of the November 8 meeting. Seconded.

Passed.

Market Status/Investment Report

What a wild time we're in right now, says Greg! The market was up about 380 points this morning, then down 180 just before we arrived for the meeting, and at this moment it's down by 70. The Fed must be viewed as neutral, as America's bankers. However, they're also human, and they do not currently have a tool to fend off recession. We really don't have any inflation right now, but the Fed is actually raising rates (because they have no other means of fighting a potential recession). When people start talking about recession, it becomes a self-fulfilling prophecy. Tariff issues: Trump's rhetoric stirs up a lot of folks in the world, and there's not much anyone can do about it. The indexes are dominated by the largest stocks in that index. Greg notes that this current market correction actually started last January, but the huge stocks have hidden that until recently. He picked up some FANG (Facebook, Amazon, Netflix, Google) stocks on sale (although he omitted Facebook). Greg believes the volatility will continue for the next three months. Greg gave us a lesson on the definition of a "yield curve" and talked about what it's been doing. We're coming off two very good years, and this one isn't as good. Greg continues to make purchases on our behalf, using the benefit of his long experience.

The committee had some discussion about the report, and how/whether that might impact our decisions on loans and grants. The consensus is that we are invested at a moderately conservative rate, which has served us well over the years, so there's no need at this point to change our decision-making process for grants and loans. It's vision that drives us, not solely money. We also affirmed that we are pleased with Greg's work on our behalf. Becca noted that it would be a good idea to review our investment practice at least once a year, just to make sure we are not going with the status quo without a sense of intentionality.

Next meeting: Tuesday, Jan. 8, 11:30am at the Oregon-Idaho conference office.

Meeting was adjourned at 12:12pm.

Respectfully submitted,

Laura Jaquith Bartlett, CDCES Administrative Assistant

CDCES

December 11th 2018

- It's The Fed!
- Tariff Issues-Moratorium
- I bought FANG (Less FB) on Sale, 30% Off
- Underpinnings of Economy are Very Strong
- Unemployment Very Low
- Participation Rate High!
- Still in Corrective Mode

Returns

<u>Type</u>	<u>YTD</u>	<u>3 Years</u>	<u>5 Years</u>
Equity Acct	-11.0	5.8%	3.9%
Long Term Fixed	-1.2%	0.5%	2.1%
Short Term Fixed	1.4%	1.1%	1.9%

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