Town of Amherst, NH Trustees of Trust Funds

Investment Policy Statement

Adopted by Trustees of Trust Funds on

October 26, 2022

Pursuant to NH RSA 34:5, NH RSA 35:9, and in accordance with the Prudent Investor Rule under NH RSA 564 B:9-901 - NH RSA 564 B:9-906, the Trustees of Trust Funds of the Town of Amherst (Trustees) adopt this investment policy statement for the prudent investment of the funds under their jurisdiction.

I. Reserve Funds

A. Capital and other reserve funds appropriated pursuant to the provisions of Chapters 34 and 35 RSA shall be invested to maintain principal and provide liquidity, due to the expendable nature and short term time horizon of the funds. The Trustees are aware that meeting these objectives may restrict the level of yield attainable.

B. Capital reserve funds shall be kept in a separate account or sub-account and shall be invested only in:

1. Deposits in any federally or state chartered bank or association authorized to engage in a banking business in the United States;
2. Participation units in the public deposit investment pool established pursuant to RSA 383:22; and
3. Obligations with principal and interest fully guaranteed by the United States government or a federal agency of the United States government.

II. Private Funds

A. Non-expendable (endowment type) funds raised from private sources pursuant to RSA 31:19, 31:20 and 31:21, such as privately donated gifts, legacies, and devises made to the town and accepted by it, for the establishment, maintenance, and care of libraries, reading rooms, schools, and other educational facilities, parks, cemeteries, and burial lots, the planting and care of shade and ornamental trees upon their highways, and other public places, and for any other public purpose not foreign to or incompatible with the objectives of the Town of Amherst shall be invested under the following guidelines:

1. Investment Strategy. All such non-expendable funds shall be invested on a total return basis; that is, the aggregate return from capital appreciation and dividend and interest income. Such funds may be invested in a common trust fund. The specific investment objective is to meet or exceed the long-term rate of inflation (as measured by the CPI) by 3.0%. The goal of the Fund's combined Equity and Other component is to meet or exceed the Nasdaq US Broad Dividend Achievers Index total return

over a full market cycle. The Trustees may look at full market cycle as "trough to trough" or "peak to peak." The goal of the Fund's Fixed Income component is to meet or exceed the return of the Barclays Intermediate Government/Credit Bond Fund Index over a full market cycle.

2. Asset Allocation Guidelines. The portfolio will be invested in accordance with the Maximum and Minimum Ranges for each asset category as described below. The total portfolio is expected to be diversified with respect to asset classes:

Asset Class	Minimum	Maximum
Equities	35.0%	65.0%
Other*	0.0%	10.0%
Fixed Income	15.0%	45.0%
Cash Equivalents	0.0%	20.0%

*Other assets may include real estate investment trusts (REIT) and commodities within the guidelines provided by this Policy.

3. Risk. The portfolio shall display an overall level of risk which is consistent with the risk associated with their generally accepted benchmarks.

4. Time Horizon. The fund has a perpetual time horizon. Every effort will be made to forecast future cash needs for the next 12-18 months and communicate this in a timely manner to the Investment Manager.

5. Constraints. The Fund shall comply with the provisions of RSA 31:25. Exchange Traded Funds may be used as the investment vehicle in order to provide prudent diversification of investments for a relatively small pool of assets.

6. Prohibited Investments. The Fund is prohibited from investing in private placements, private equity, hedge funds, fixed income swaps or futures, equity futures or options as well as leveraged or illiquid securities of any kind. Futures and options are permissible if part of actively managed investment strategy.

7. No single individual stock holding will exceed 5% of the equity portfolio.

8. Performance Measurement. The equity portion will be measured against a blended benchmark consisting of 80% of the Nasdaq US Broad Dividend Achievers Index and 20% S&P Global Ex-US Dividend Growers Index. The fixed income portion will be measured against Barclays Intermediate US Government/Credit Index.

B. Expendable funds. Based on the purpose and time horizon of the fund,

expendable funds may be invested:

1. In deposits in any federally or state chartered bank or association authorized to engage in a banking business in the United States;
2. In participation units in the public deposit investment pool established pursuant to RSA 383:22;
3. In obligations with principal and interest fully guaranteed by the United States government or a federal agency of the United States government;
4. According to the guidelines established for non-expendable funds.

III. Professional Investment Assistance

A. The Trustees may retain a professional Investment Advisor pursuant to the provisions of RSA 31:38 to assist the trustees in the prudent management and investment of trust fund assets and to provide ancillary recordkeeping services. The investment advisory agreement shall be reviewed and put out to bid at the discretion of the Trustees of Trust Funds.

B. The investment manager shall supply the Trustees with performance reports on a quarterly basis. The investment performance of the total portfolio will be measured against commonly accepted performance benchmarks.

C. The Investment advisor shall be reviewed at least annually concerning performance, personnel, investment strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact its ability to achieve the desired investment results.

IV. Investment Policy Review. The trustees will review this investment policy statement on an annual basis to assure the continued relevance of these guidelines and objectives.

Adopted this 26 day of October 2022.

Michael Parisi, Trustee

~~Lori Mix~~, Trustee WILLIAM E DONN

Robert Grunbeck, Trustee

Accepted by:
Cambridge Trust Company of New Hampshire

By: _____
Lindsey Donovan, VP + Investment Analyst Cambridge Trust