

## INVESTMENT POLICY STATEMENT

## Investment Objective

The long-term investment objective of the Calais Cemetery Fund Endowment is to manage the Endowment's investments to preserve and grow the principal of the fund, and to earn a rate of return that exceeds the rate of inflation so that the purchasing power of the Endowment can keep up with the rising costs of annual maintenance expenses and depreciation. This investment objective is similar to that of other foundations which have a long-term investment horizon. The Calais Cemetery endowment will utilize a long-term investment strategy that allows a portion of the income and earnings to be spent annually to cover expenses, but the principal is maintained in perpetuity.

## Investment Strategy

Endowments generally use a long-term, broadly diversified investment strategy, which helps manage investment risk. This investment approach uses a mix of equity and fixed income investments that results in the market value of the Endowment's investments moving up and down with changes in financial markets. Over longer periods of time, this investment approach should result in investment returns that grow with the economy and reflect the growth in corporate earnings, dividends and interest income.

## Investment Holdings

The Calais Cemetery Endowment will be invested in a broad mix of good quality equity, fixed income and short-term investments using T. Rowe Price mutual funds. T. Rowe Price is a highly regarded investment manager, has a long history of excellent investment performance, and investment managers with long tenure. Many of its Funds are highly rated by independent mutual fund rating organizations, and its funds have low costs.

## Asset Allocation

Over the long term, the asset allocation of the Calais Cemetery Endowment will include: 40 to 60% invested in equity funds, 40 to 60% invested in fixed income funds and 0 to 20% invested in short-term investments. Generally, the long-term mix will be around 50% in equities and 50% in fixed income. Initially the Endowment was conservatively invested with a mix of 25% in equity investments and 75% in fixed income investments, and over a two-year period the Endowment has been transitioned to the long-term asset allocation. Rebalancing the asset allocation back toward its long-term targets will be considered on a quarterly basis.