



**TOWN OF
BROOKLINE, NEW HAMPSHIRE
TRUSTEES OF TRUST FUNDS**

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*Trustees of Trust Funds
Investment Policy*

Scope:

The purpose of this policy is to provide guidance and procedures for the deposit and investment of Trust and Capital Reserve funds committed to the Town's Trustees of Trust Funds.

Responsibility:

The Trustees of Trust Funds are responsible for the prudent investment of all funds committed to them as defined by statute and to manage the investment of those funds in compliance with this policy and any related laws, statutes or municipal policy.

Distributions:

Payment of income or principal will be in accordance with sound accounting principles and only for the intended purposes as defined by the underlying trusts. Distributions will be made first from income or income reserves and then from principal only as allowed by the trust.

Objectives:

Funds consist of Trust accounts and Capital Reserve accounts. Each of these types of funds has a primary purpose and investment horizon. Safety of principal is the primary objective for each of these instruments and yield on the investment portfolio is secondary to liquidity and safety.

Investment horizons may differ between funds that distribute income and those that also distribute principal. Investment of Capital Reserve funds and Trust funds that distribute principal shall be limited to maturity of one year or less. Funds created as long-term instruments providing only income distribution may be invested for periods up to ten years.

Portfolio:

The primary financial instrument objective is to obtain the greatest total return consistent with prudent investment practices and preservation of capital. To support this goal a mix of equity and fixed income instruments including certificates of deposit and bonds may be used. An individual portfolio managed by the Trustees of Trust Funds, external investment advice and proper secondary investment channels may be utilized to create an investment portfolio.

Trustee Investment Policy

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An individual portfolio managed by the Trustees should be based on a mix of equity instruments and fixed income instruments, including cash and certificates of deposit consistent with necessary liquidity and preservation of capital and in accord with horizons specified in this policy. Consideration should be given to the collective investment ability and time constraints of the Trustees mindful of the dedication and research a properly managed portfolio can require.

For security and liquidity, up to 100% of the Trust Funds may be deposited with and managed by the New Hampshire Public Deposit Investment Pool. This program is designed to meet municipal investment requirements with a minimum of risk to the portfolio. It is the preferred choice for an undefined investment portfolio.

Time Horizon:

The funds may have average maturities up to ten years for investment purposes and the terms may be adjusted as required to meet shorter-term objectives, specific liquidity needs or market conditions.

Compliance:

Investments must comply with RSA Chapter 31:25 limiting equity investments to the top three grades of Moody's S&P or Fitch rating agencies. Current holdings should be reviewed annually to verify compliance.

The funds shall comply with NH RSA Chapter 31 paragraphs 19 through 38. The securities of any one issuer shall not exceed 10% of the portfolio, excepting Government and Government guaranteed securities.

Annual Review of Investment Policy:

The Trustees shall annually review this Investment Policy.

Adopted May 13, 2015

Renewed December 14, 2016

Renewed May 17, 2017

Renewed April 12, 2018

Renewed: July 17, 2019

Renewed: May 17, 2021

Renewed: April 1, 2024