

**Trustees of Trust Funds
Town of Surry, New Hampshire
Investment Policy Statement**

Dated: June 2013

1. Investment Purpose:

The Trustees of Trust Funds shall administer the funds placed under their supervision as authorized by RSA 31:19. The overall trust portfolio of the Town of Surry is managed in accordance with the Prudent Investment rule as defined in RSA 31:25-1.

"A prudent investment is one which a prudent man would purchase for his own investment having primarily in view the preservation of the principle and the amount and regularity of the income to be derived there from."

Currently these funds in the Town of Surry are classified as and are to be invested as follows:

- Cemetery - Trust Funds: All Cemetery trust funds.
- General Trust Funds: M&E Joslin, M Wright, Steele, Joslin-Carpenter, Wilder, Gerow, and Town Hall Maintenance.
- School Trust Funds: SPECIAL ED/TUITION and SCHOOL BLDG.
- Capital Reserve Funds: All capital reserve funds created by town meeting vote.

These funds are to be invested as follows:

In accordance with the provisions of the Investment Policy Statement, the Trustees will invest selected funds by purchasing and selling securities subject to the Prudent Investor Rule and use the New Hampshire Public Deposit Investment Pool (NH-PDIP) for investment of the remaining funds.

2. Investment Objective:

The investment objective is to generate sufficient cash to meet each funds obligations and to increase the value of each fund through capital appreciation. The objective dictates an asset allocation utilizing a combination of equities, fixed income securities, and cash equivalents.

3. Investment Authority:

The Trustees of Trust Funds are charged with the fiduciary responsibility for managing funds placed under their control.

4. Investment Responsibilities:

The Trustees shall select asset classifications, now limited to domestic and international (ADR) common and preferred stocks, equity mutual funds, equity

exchange traded funds, U.S. Treasury and U.S. Agency bonds and notes, corporate bonds and notes, fixed income mutual funds, fixed income exchange traded funds, money market mutual funds and cash equivalents. The Trustees shall select an investment manager who will maximize the long-term total return of the portfolio consistent with the level of risk defined herein and the current needs of the beneficiaries.

- A. In accordance with the previous statement, the Trustees shall periodically:
 - Review the various asset categories.
 - Set guidelines for the share of various asset categories.
 - Monitor investment manager performance.
 - Establish appropriate goals.
- B. In accordance with the provisions of this Investment Policy Statement, the investment manager will purchase and sell securities subject to the Prudent Investor Rule and shall invest in accordance with the applicable federal and state regulations. The investment manager shall use his or her best judgment in the selection of brokers/dealers and in the commissions paid.

5. Guidelines:

- A. Equities:
 - 1. The percentage of the portfolio held in common and convertible stock shall not exceed 70 % nor fall below 30 % of the total market value of the portfolio at the time of review.
 - 2. For the purpose of diversification, no single equity holding should exceed 10% of the account's total equity market value.
 - 3. The total holdings (equity and fixed income) in any single company should not exceed 10% of the entire portfolio.
 - 4. The equity portfolio shall be diversified across industry groups as defined by Standard & Poors and as considered prudent by the Trustees.
- B. Fixed Income and Cash Equivalents:
 - 1. The percentage of the portfolio held in fixed income investments and cash equivalents shall not exceed 70% nor fall below 30% of the total market value of the portfolio at the time of review.
 - 2. Bonds will be restricted to 'investment grade' or better by a nationally recognized rating agency at the time of purchase. An un-rated bond must carry a statement of equivalent rating.
 - 3. Bond maturities shall be generally laddered with an average maturity of five to seven years.
- C. Reserve Funds:

These monies will generally be invested solely in bonds, money market or cash equivalent investments to ensure the funds are readily available. Other investments are permitted by special request from the Trustees.

6. Restrictions:

Unless otherwise approved by the Trustees, the following investments are not approved:

- Warrants, commodities, options and future contracts.
- Margin purchase or short sales.
- Private placements or limited partnerships.

7. Reporting:

The investment manager shall render quarterly reports to the Trustees of the various funds, showing appropriate agreed upon information for each investment. The manager shall also generate periodic reports for the Trustees to review and sign, including the MS-9 and MS-10 reports.

Adoption

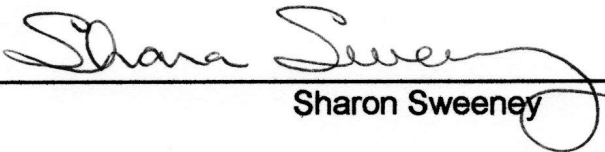
Adopted by the Board of Trustees:



Susan Farrell



David L. Lawrence



Sharon Sweeney

Date: June 14, 2013