

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

1. Investment Purpose:

The Trustees of Trust Funds shall administer the funds placed under their supervision as authorized by RSA 31:19. Currently these funds consist of the following types:

- A. Trust Funds for the Town of Jaffrey**
- B. Town of Jaffrey Capital Reserve Funds**
- C. Jaffrey Other Trust Funds**

2. Investment Objective:

The monies shall be invested for the current and future benefit of the beneficiaries named in the governing instruments.

3. Investment Authority:

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

4. Investment Responsibilities:

Asset classifications are currently limited to domestic and international 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. The investment manager will recommend the purchase and sale of securities subject to the Prudent Investor Rule and shall invest in accordance with the applicable federal and state regulations. The investment manager will carry out recommended transactions with a simple majority of the Trustees. The investment manager shall use his or her best judgment in the selection of brokers/dealers and in the commissions paid. In the case of immediate need

for an investment decision, the investment manager may rely upon the decision of two Trustees.

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 and Poors and as is 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. Individual bonds will be restricted to investments rated investment grade by one nationally recognized statistical ratings organization at the time of purchase. At least 80% of the bond portfolio must be "A" rated or better at the time of purchase. Any non-rated bond must carry a statement of equivalent rating.
3. Up to 5% of the bond portfolio may be held in mutual funds which hold non-investment grade bonds.
4. Bond maturities shall be generally laddered with a maximum maturity or average life of 12 years or less, and an average life for the entire bond portfolio of six years or less.

C. Capital Reserve Funds:

These monies will generally be invested solely in bonds, money market or cash equivalent investments to ensure that the funds are readily available. Other investments are permitted by special request from the Trustees. Therefore, the investment objective for the capital reserve funds will be Stable Value with Income.

D. Town of Jaffrey Other Funds

This portfolio is a cash equivalent fund. Currently, the Trustees have allocated approximately 50% of this fund towards Certificates of Deposit to enhance income versus the Money Market Fund. These Certificates of Deposits are to be laddered with a maximum maturity of one year and limited to maximum FDIC insurance at

any single institution. The investment manager has full discretion to select, invest in, and roll-over these Certificates of Deposit in accordance with Trustee guidelines.

6. Restrictions:

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

- 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.

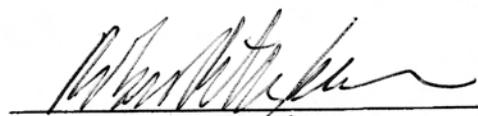
Approved:

 5-8-14

Trustee: Frank Mieso Date

 5/8/14

Trustee: Gary Arceci Date

 5/8/2014

Trustee: Robert B. Stephenson Date

 5/23/14

Charter Trust Company Date