

Town of Readfield

Investment Policy for Trust Portfolio

I. Purpose

The purpose of this Investment Policy Statement is to provide a clear understanding of the investment objectives, guidelines and policies for the Trust portfolio of the Town of Readfield, Maine, for the Select Board, the Treasurer, Town Manager, the financial consultant, Town employees and the public.

II. Investment Objective

The Town's primary investment objectives are the following:

- **Safety** - Safety of principal is an important objective of the Town's investment program. Investments shall be undertaken in a manner that seeks to preserve capital in the overall portfolio.
- **Liquidity** - The Town's investment portfolio shall remain sufficiently liquid to enable the Town to meet all the disbursement requirements which might be anticipated
- **Return on Investment** - The Town's Investment portfolio shall be structured so as to attain a fair rate of return comparable to the market overall while taking into account the Town's investment risk constraints and the cash flow characteristics of the portfolio.
- **Size** - Any investment in an equity (stock) or bond in excess of \$20,000 must comply with 30-A M.R.S.A. § 5711 - 5717.

III. Asset Allocation Guidelines

The Select Board has established the following asset allocation guidelines.

- **Cash and Equivalents** - (0 - 10%) - Short-term investments shall consist of obligations of the U.S. Government, and U.S. Agencies with maturities of twelve months or less. Additionally, a money market fund or comparable investment vehicle with like investments may be used.
- **Fixed Income** - (50 - 70%) - The quality of fixed income securities shall not be rated less than "A" by Moody's or Standard and Poors. Cash positions should conform to investments described in section above.
- **Equities** - (20 - 40%) - The portfolio may hold common stocks publicly traded on U.S. Exchanges, NASDAQ listed stocks and securities convertible into such stocks.

IV. Communications and Review

Reviews between the financial consultant and the Select Board and Treasurer will be held at least annually at a time established that is convenient to all parties. More frequent reviews may be needed and can be requested by any party if significant concerns arise regarding the fund's performance, the investment strategy, or if key changes occur in a personnel or organizational structure.

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Monthly statements of activity will be sent to the Treasurer for review, and quarterly statements will be disbursed to the Select Board.

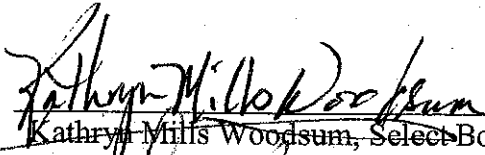
Ongoing communication by phone, letter or personal consultation will be required as deemed necessary by the financial consultant and the Treasurer and/or Select Board.

IV. Audit

All accounts under this portfolio will be included in the Town's annual audit.

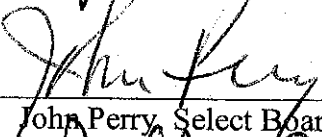
Approved initially by the Readfield Select Board on May 27, 2003; and in this updated form on March 1, 2010

Signed and Dated:


Kathryn Mills Woodsum, Select Board Chair

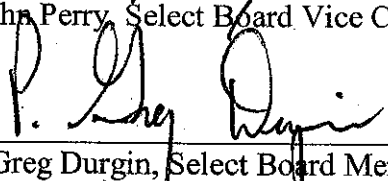
3/10/2010

Date Signed


John Perry, Select Board Vice Chair

3/10/2010

Date Signed


P. Greg Durgin, Select Board Member


3/4/2010

Date Signed


Amanda Mank, Select Board Member


3/26/2010

Date Signed


Stefan Pakulski, Town Manager

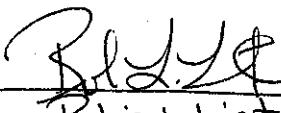
3/9/2010

Date Signed


Teresa Shaw, Finance Officer

3/10/2010

Date Signed

attested True Copy 
Robin L. Lint
Town Clerk