

***Municipal Investment Services***

*For*

***Town of Belgrade***

*July 17, 2023*

# *Municipal Investment Services*

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## Overview

Bar Harbor Bank & Trust (the “Bank”) was founded in 1887. In 1999 the trust department was renamed Bar Harbor Trust Services and spun off as a separate subsidiary. In 2017 the bank purchased Charter Trust Company of New Hampshire and in 2022 the two companies were merged into one, Bar Harbor Wealth Management. Today, Bar Harbor Wealth Management is a wholly-owned subsidiary of the Bank providing fiduciary, financial advisory, and discretionary investment services throughout northern New England.

### Bar Harbor Bankshares (NYSE: BHB) Bank Holding Company



**BHBT**  
Maine  
Community Bank



**BHWM**  
Subsidiary  
Trust Company

Our clients include municipal governments, nonprofit organizations, foundations, private trusts, and individuals. As of March 31, 2023 our clients have entrusted us with over \$2.3 billion in assets. We have approximately 1,100 clients and 2,500 individual client accounts.

## Our Strengths

- We are a “*qualified financial institution*” as defined by Title 30-A MRSA.
- We invest municipal funds in strict accordance with Maine municipal investment law.
- We meet in person with a level of service no longer offered by large firms.
- We offer active and passive investment strategies with individual securities or mutual funds depending on the needs of each municipal client.



## Bar Harbor Wealth Management

(Selected Account Personnel)

**Jason P. Edgar:** President, Bar Harbor Wealth Management. Jason is a member of the Bar Harbor Bank & Trust Senior Executive Team. He oversees all of the bank's wealth management business lines. Prior to joining Bar Harbor Bank & Trust, Jason served as Director of Wealth Management for Berkshire Bank where he was also was the Chief Investment Officer. Jason has over 20 years of experience in wealth management and is a graduate of the University of Connecticut.

**Joseph M. Pratt:** Senior Vice President & Senior Wealth Manager. Joe earned a B.A. in International Affairs at the University of Maine and was commissioned 2<sup>nd</sup> Lieutenant in the U.S. Air Force. He left military service in 1992 as a Captain. Joe passed the series 7, 63 and 65 securities examinations and is a graduate of Cannon Trust School. He joined American Express Financial Advisors in 1992, moved to Key Private Bank in 1995, and TD Bank in 1997 in positions of increasing scope and responsibility. Joe joined BHTS in 2000 as Vice President. He was appointed Managing Director in 2004 and SVP 2019. Joe is the Founding President of the Maine Planned Giving Council and is active with nonprofit organizations throughout Maine.

**Ruth K. Dunbar, CTF:** Vice President & Senior Wealth Manager. Ruth started her career in Banking upon graduation from the University of Maine with a B.A. degree in Public Administration. She has extensive banking and wealth management experience having worked for Merrill Trust Company, Fleet Bank, Bangor Savings Bank, and People's United Bank. Ruth is also a graduate of the Cannon Trust School. In her role she enjoys managing the administration of Trusts, Estates, and Investment Management Accounts for Individuals, Non-Profits, and businesses.

**John E. Testa, CFA:** Senior Vice President & Senior Portfolio Manager. John earned a B.A. in Finance at the State University of New York at Fredonia. John has passed the series 7, 63 and 65 securities examinations and is a Chartered Financial Analyst (CFA<sup>®</sup>). He joined Wells Fargo Private Bank in Greenwich, CT in 2005 as an Investment Management Specialist. In 2010 he moved to Morgan Stanley in Hartford, CT as a Registered Associate. John's experience includes conducting fundamental and technical investment research; institutional investment analysis including manager assessment, risk management and policy review as well as direct portfolio management.

**Joshua A. Radel, CFA:** Senior Vice President & Chief Investment Officer. Josh earned a B.A. (*Magna Cum Laude*) in Economics and an MBA in Finance at the University of Maine. Josh is a Chartered Financial Analyst (CFA<sup>®</sup>) and has passed the series 7 and 65 securities examinations. Josh joined KeyBank as a Portfolio Manager in 1999 and joined Bar Harbor Trust Services in 2000. He was appointed Chief Investment Officer in 2004. Josh is the Chair of the BHWM Investment Committee.



## **Maine Municipal Investment Law**

Maine statute provides municipalities with several options for investing municipal funds. Trust Funds (Title 30-A §5653) and Reserve Funds (Title 30-A §5801) often have long-term or perpetual investment time horizons. Municipal Officials may place such funds with a “*qualified financial institution*” in accordance with Title 30-A §5706(4).

Bar Harbor Wealth Management works with Municipal Officials to review the purpose for each fund and establish prudent investment policies and guidelines in accordance with applicable Maine statute [Title 30-A §5706(4) and Title 18-B §901-§908]. We then invest the funds in accordance with the municipality’s written investment policy statement and Maine statute.

## **Municipal Investment Service**

Most municipalities place their operating accounts and short-term funds with one or more local banks to facilitate day-to-day and short-term money management. Banks offer products and services that are well suited to day-to-day cash management and may be the best choice for such funds.

Trust Funds and Reserve Funds are longer-term in nature. This may include surplus funds, capital equipment funds, cemetery or perpetual care funds, funded depreciation accounts, etc. It may be more prudent to invest these funds in a manner that is consistent with their long-term nature.

Bar Harbor Wealth Management's municipal investment service involves safekeeping and investment of Trust and Reserve funds in a manner that provides safety, simplicity, convenience and higher yield compared to typical bank deposit products.

### **Safety:**

We select individual securities tailored to fit your safety requirements, cash flow and time constraints. The foremost considerations are safety, liquidity and generation of income.

### **Simplicity:**

Consolidating Trust and Reserve funds with one firm avoids the need to deposit, track and rollover multiple accounts with multiple banks in order to observe FDIC insurance limits or "shop interest rates" offered by competing banks.

### **Convenience:**

Our service includes consulting, investing, accounting and reporting. We work closely with you to determine your investment objectives, your safety requirements and other factors that will influence how your funds should be managed. We implement a prudent investment strategy and then monitor your funds regularly to help ensure your funds continue to meet your needs. We can also coordinate with your bank to electronically move funds to and from your operating account(s) when necessary. A history of such transactions will appear on your monthly statement.

## **Bar Harbor Wealth Management Provides:**

**Investment Guidance:** We will work with you to design an investment strategy that fits your needs and is consistent with Title 30-A §5706(4). Factors considered when designing your account will include your investment objectives, security needs, time constraints, and cash flow needs.

**High Quality Investments:** Investments are selected in accordance with your written investment policy and Title 18-B MRSA §901-§908. Typically, investments include FDIC insured money market funds, U.S. Treasury Bills, Notes and Bonds, U.S. Government Agency securities and investment grade corporate bonds where appropriate. If equity investments are appropriate we typically recommend individual, dividend-paying stocks in order to maximize portfolio yield and minimize volatility. Where appropriate, we may also use mutual funds, index funds or exchange-traded funds that invest in these securities.

**Active or Passive Management:** We work with each municipal client to determine if an active or passive strategy is preferred. Where an active strategy is preferred we will “stick build” a fixed income portfolio with quality, maturity, duration, and yield characteristics that meet your investment policy. We will actively manage the fixed income portfolio, but will typically hold bonds to maturity. We may sell a bond prior to maturity if prudent. Where a passive strategy is preferred we select mutual funds or ETFs with quality, maturity, duration, and yield characteristics that meet your investment policy. We may rebalance a passive portfolio periodically to restore the target asset allocation required in the investment policy statement.

**Performance Reviews:** We will provide written investment performance reviews. Our preference is to present these reports in person as part of your periodic review. We will also make recommendations as to how we can enhance your yields either with alternative investments, maturity/duration adjustments or other appropriate strategies.

**Monthly Reporting:** We will provide monthly or quarterly reports that summarize current holdings, market value, projected annual income and all transactions. We also provide Internet account access. Account information can be downloaded to create custom reports.

**Sub-Accounting:** Sub-Accounting allows clients with multiple funds (i.e., school construction fund, fire department fund, cemetery fund, etc.) to consolidate these funds for investment purposes while accounting for each fund separately for audit and reporting purposes. All information is summarized in an easy to read quarterly report.

## Municipal Investment Fee Schedule

### Included Services:

1. Daily investment in accordance with your IPS and Title 30-A §5706(4);
2. Daily custody, income collection and safekeeping of securities;
3. Daily reinvestment of all principal and income cash into money market funds;
4. Daily transfers to/from your operating accounts (as necessary);
5. Daily Internet account access (upon request);
6. Monthly account statements;
7. Quarterly performance measurement reports (upon request);
8. Quarterly client meetings.

### Annual Fee: (charged monthly in arrears)

- 1.25% on the first \$500,000
- 1.00% on the next \$500,000
- 0.85% on the next \$1,000,000
- 0.60% on the remaining account assets

### Minimum Annual Fee:

\$4,000

### Additional Services:

Extraordinary Research:	Time & Expenses
Account Closing/Transfer:	Time & Expenses

### Discount:

**In recognition of our long term relationship, the Town of Belgrade has a 25% discount off our current published fee schedule. This results in an annual fee of 0.75% or \$10,622 based on a portfolio value of \$1,416,361.**





## **Exhibit A**

**Town of Belgrade**

**RFQ Information requirements of proposers:**

1) Brief description of the investment management firm’s ownership, including identification of any affiliated companies, to include:

Bar Harbor Wealth Management is a subsidiary of Bar Harbor Bank & Trust, headquartered in Bar Harbor, Maine since 1887. In 1999 the trust department was spun-off as a subsidiary called Bar Harbor Trust Services. In 2017, we acquired Charter Trust Company of Concord, New Hampshire. In 2019, we acquired People’s United Bank’s Offices and Wealth Services business in Waterville, Pittsfield, Newport, and the Bangor, Maine area. In 2022 Bar Harbor Trust Services and Charter Trust Company merged into one company, Bar Harbor Wealth Management, a wholly-owned subsidiary of Bar Harbor Bank and Trust.

a. Year organized

1887

b. Number of clients

Approx. 1,100 clients and 2,500 client accounts

c. Type of clientele (defined by industry and size of portfolio)

We’ve been investing municipal funds for over 130 years in accordance with Maine’s municipal investment law including Title 30-A §5653, §5706, §5801. Due to our extensive nonprofit experience we are also very familiar with Maine Uniform Prudent Management of Institutional Funds Act. We frequently consult with municipal and nonprofit organizations statewide regarding investment policies, spending policies, and gift acceptance policies.

	<u>Nonprofit &amp; Municipal</u>	<u>Total</u>	<u>Percent of Total</u>
Approx. No. of Accounts:	<b>350</b>	<b>2,500</b>	<b>14%</b>
Approx. Assets (Millions):	<b>\$625</b>	<b>\$2,300</b>	<b>27%</b>

d. Number of staff (investment-related staff only)

We have 35 employees and eight (8) full-time Portfolio Managers.

e. Assets under management

Approx. \$2.3 billion

f. Location of corporate headquarters

Bar Harbor, Maine *(The Town of Belgrade relationship is managed from our Bangor office.)*

## Town of Belgrade

g. Discussion of any past or present litigation or regulatory actions against your firm

BHWM has not been subject to any litigation or regulatory action during the past ten years. BHWM is currently involved with one litigation matter we expect to be resolved by year-end. The matter will have no material impact on the company.

2) The qualifications of your firm and its ability to provide investment services:

a. Qualifications of principals and professional staff (specify those individuals who will be directly responsible for the account)

We've been investing municipal and nonprofit funds for over 130 years. We have extensive experience with Maine municipal investment law. We frequently consult with municipal and nonprofit organizations statewide regarding investment policies, spending policies, and gift acceptance policies.

We assign a three-member Service Team to each client relationship. The Service Team for the Town of Belgrade consists of a dedicated Wealth Manager (Ruth Dunbar), a Portfolio Manager (John Testa), and a Wealth Administrator (Beverly Veilleux). **See proposal page 4.**

b. Number of year(s) of experience in investment management

Our eight (8) Portfolio Managers have an average of 15 years of experience.

c. Discussion of investment philosophy

We offer several investment strategies to meet the needs and circumstances of various clients including nonprofits and government entities. Our strategies range from Passive to Active management; Growth to Value style; and may use mutual funds or individual stocks and bonds as the primary investment asset. Also, portfolios may range from 100% fixed income (bonds) to 100% equity (stocks) depending on the client's investment objectives.

The primary investment objectives of most Maine municipalities are **(a)** preservation of capital and **(b)** generation of stable income. To achieve these objectives we often propose our Dividend Growth strategy and actively manage individual stocks and bonds as the primary portfolio assets.

For clients who prefer a more aggressive or growth-oriented strategy we offer our Core Plus investment strategy. An overview of our Core Plus strategy is included as **Exhibit B**. In 2021 the Town of Belgrade changed their Investment Policy and moved from the Dividend Growth strategy to the more aggressive strategy, Core Plus.

d. Discussion of your customer service philosophy

We assign a three-member Service Team to each client relationship. The Service Team is jointly responsible for all aspects of client service, account administration, and investment management.

## Town of Belgrade

We typically propose an in-person (or Zoom) meeting with municipal officials to review goals, circumstances, and expectations. Where a written Investment Policy Statement (IPS) is NOT in place, we offer an IPS template the Town may use as a foundation to establish an IPS. Where a written IPS is in place, we review it with the Town to ensure everyone interprets the IPS consistently. Where appropriate, we may discuss 'tweaking' the IPS to increase clarity.

Once adopted, the IPS provides day to day investment guidance for us and the Town. It also provides a reference point to discuss portfolio strategy and investment performance results during periodic meetings with the Town.

- 3) Brief description of the firm's investment services provided to governmental entities.

We are "*a financial institution with trust powers authorized to do business in the State for the safekeeping of the reserve funds*" as required by Title 30-A MRSA §5706(4). To confirm our municipal investment service complies with Maine statute we obtained a legal opinion from outside legal counsel and the Maine Municipal Association. **See Exhibit C.**

- 4) A description of the firm's investment process, including research, governance and portfolio management.

**See Exhibit B.**

- 5) A description of the firm's trust and trustee capabilities.

As required by Title 30-A MRSA §5706(4) we are "*a financial institution with trust powers authorized to do business in the State for the safekeeping of the reserve funds.*" As professional fiduciaries under Maine statute we've been providing trust and fiduciary services for over 130 years.

- 6) Description of how the firm would make its services available to the Town's Board of Selectpersons and its Budget Committee.

We provide account statements via U.S. mail based on a frequency (month, quarter, semi-annual, annual) chosen by the client. We also offer 24/7 account access via **Total Wealth**, our Internet based account access system. We typically meet in-person on a quarterly basis in order to present investment performance reports and discuss investment strategy. On a day to day basis we are available by phone or email to answer questions or provide any additional information needed.

- 7) Investment results (past performance) achieved by the firm. Suggested benchmarks/indexes against which performance measurement will be made.

## Town of Belgrade

**See Exhibit D.** Note that we calculate and present investment results in accordance with the Global Investment Performance Standards adopted by the Chartered Financial Analyst Institute.

Firms that don't comply with "GIPS" may present results in various ways. Some present only their top performing accounts; a small number of accounts; or a small percentage of their total assets. This may not reflect the experience of the firm's actual clients. Some firms present *hypothetical* results, that is, something different from the past results realized by their actual clients.

**We advise municipal officials to ask prospective firms to respond to the following:**

- *Present your investment performance results for Equity, Fixed Income, Alternative, and Cash assets for the 1, 3, 5 and 10-year periods ending December 31, 2022.*
- *Indicate whether these results are calculated and reported in accordance with GIPS.*
- *Please indicate whether the investment performance results presented represent the results in actual client accounts or "hypothetical results."*
- *Please indicate your total number of accounts and the number of accounts represented in the results presented.*
- *Please indicate the total value of your firm's assets under management and the total value of assets represented in the investment results presented.*

8) A description of Investment Strategies employed for longer term assets and intermediate cash management accounts in accordance with Title 30-A, Chapter 223, subchapter III-A.

**See Exhibit B.**

9) Samples of monthly and quarterly statements. Describe customization capabilities that would help the Town, and describe your firm's ability to assist in pooling sub-accounts.

- The Town of Belgrade currently receives monthly statements, however, quarterly statements are also available. They would be identical to the monthly, but for a longer period of time. **See Exhibit E.**
- The Town of Belgrade currently receives a monthly sub-accounting report. **See Exhibit F.**
- Customization is possible if the statements aren't satisfactory.

10) Provide detail concerning the firm's management fee proposal and state the commission rates in brokerage transactions.

**See proposal page 8.**

11) Provide a list with contact information of three or more public-entity client references.

**Town of Bar Harbor**

Ms. Sarah M. Gilbert, Treasurer / (207) 288-5096

**Town of Belgrade**

**City of Presque Isle**

Mr. Brad Turner, Finance Director / (207) 764-2700

**Bangor Public Library**

Ms. Tina Hustus, Business Manager / (207) 947-8336

12) Insurance:

a. Provide a listing of applicable insurance coverage maintained with coverage limits.

Trust Liability - \$10 MM    Fiduciary Liability - \$ 6 MM

Overall Management Liability - \$55 MM

b. Provide the name of your primary insurance carrier and their related AM Best rating.

Berkley Financial Specialists, a Berkley Company. A.M. Best Rating of A+.

13) Provide any other information that would be of assistance to the Board of Selectpersons and the Budget Committee in evaluating the firm's responses and its qualifications to serve as the Town's Investment Fund Manager.

BHWM was hired in 2016 when global investment markets were still recovering from the *Great Recession*. After much discussion with the Board of Selectpersons a conservative investment strategy was chosen to achieve the Town's objectives of "*preservation of value*" and "*stable current income*."

From 2016 to early 2021 the strategy has succeeded in helping the Town achieve the goals set by the Town's Investment Policy. The Town's portfolio increased in value by over **\$455,000** (an annualized return of **7.54%**) and generated over **\$32,000** per year in stable current income.

During this period more aggressive investment strategies produced historic returns. The S&P 500 Index increased by over 16% per year. Technology stocks increased by over 30% per year. Risk-tolerant investors with "*growth*" as their primary objective were rewarded while investors with "*preservation of value*" and "*stable current income*" saw more slow and steady results.

In 2021 the Town updated its investment policy statement. The investment strategy was changed to reflect the updated investment policy statement and performance measurement benchmarks. Since the new investment strategy was implemented, its gross investment performance has met the expectations of the performance benchmarks through March 31, 2023.



## **Exhibit B**

# Proposed Investment Strategy



Bar Harbor Wealth Management  
135 High Street  
Ellsworth, ME 04605



# CORE PLUS STRATEGY

Our Core Plus investment strategy (hereafter Strategy) is a blend of active and passive management combined with both individual securities and mutual funds. The Strategy can accommodate various asset allocations from all equity to all fixed income. It is broadly diversified by sector, industry, and individual holdings. The Strategy is unconstrained by investment “style” and seeks attractive returns over a full market cycle. We seek to add value through stock selection and tactical asset allocation adjustments. We may invest in equity and debt securities of large, mid-size or small companies in developed, emerging, foreign and U.S. markets.

## **Individual Securities & Active Management**

### Large-Cap US

The large-cap portion of the equity portfolio is invested in individual stocks and is designed with risk and style characteristics similar to the S&P 500 Index while seeking excess returns by either overweighting or underweighting stocks that have the potential to achieve the Strategy’s objective. The Strategy invests primarily in large-cap companies and selectively in mid-cap companies that may create an opportunity for enhanced total return, seeking to provide long-term capital appreciation. Drawing from disciplined fundamental and quantitative research, we seek companies with strong fundamentals, compelling valuations, and superior earnings growth. We may sell securities when they are no longer attractive based upon evaluation criteria, such as valuation, price momentum, and earnings quality. The equity portfolio is broadly diversified by sector and industry comparable to the sector weighting of the S&P 500 Index.

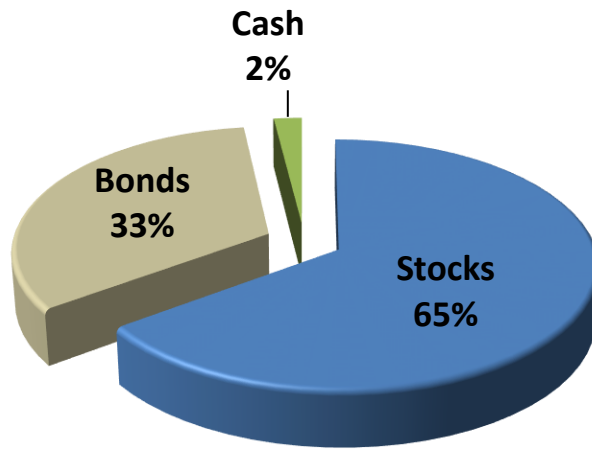
## **Mutual Funds & Passive Management**

### Small Cap, Mid Cap and International

The mutual fund portion of the equity portfolio is diversified among small-cap, mid-cap and international asset classes. We typically use passive mutual funds to provide efficient exposure to additional asset classes in a cost effective manner. Mutual funds are screened by our Investment Committee before being used in client portfolios and are monitored on an ongoing basis.

**Recommended Asset Allocation**

*(As of June 30, 2023)*

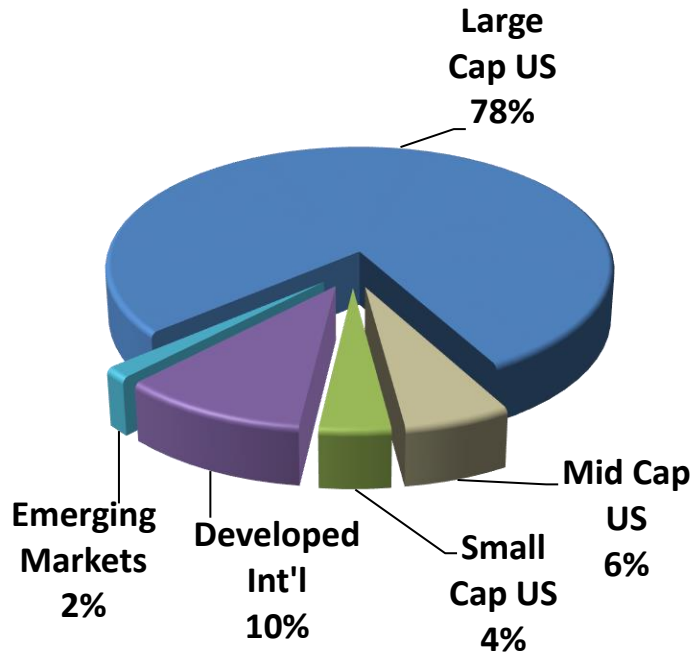


<u>Major Asset Class</u>	<u>Range</u>		
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Stocks	55%	65%	70%
Bonds	30%	33%	45%
Cash	0%	2%	10%

**Asset Allocation**

We set a range for each major asset class as illustrated above. On an ongoing basis we will actively increase or decrease each asset class within the allowable range. This allows us to better protect the portfolio in declining markets and maximize the growth potential in rising markets.

**Equity Diversification**  
(As of June 30, 2023)



**Equity Portfolio**

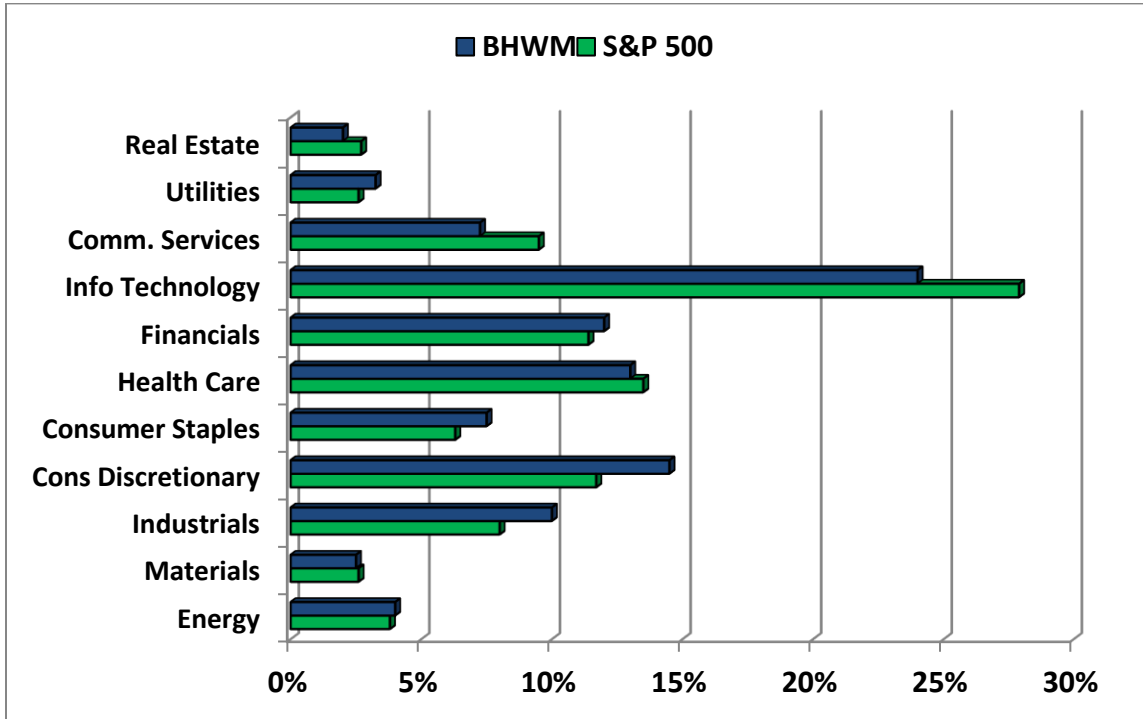
Within the equity portfolio we will diversify the equity portfolio among minor asset classes including large-cap, mid-cap, and small-cap companies as well as developed, emerging, foreign, and U.S. markets.

The table below reflects the equity diversification in a current BHWM client portfolio as of 06/30/23.

<b>Asset Class</b>	<b>% of Equity Portfolio</b>	<b>Market Value</b>
Large Cap U.S.	78%	\$709,800
Mid Cap U.S.	6%	\$54,600
Small Cap U.S.	4%	\$36,400
Developed Int'l	10%	\$91,000
Emerging Mkt.	2%	\$18,200
	<b>100%</b>	<b>\$910,000</b>

**Individual Equity Diversification**

*(As of June 30, 2023)*



**Economic Sector Allocation**

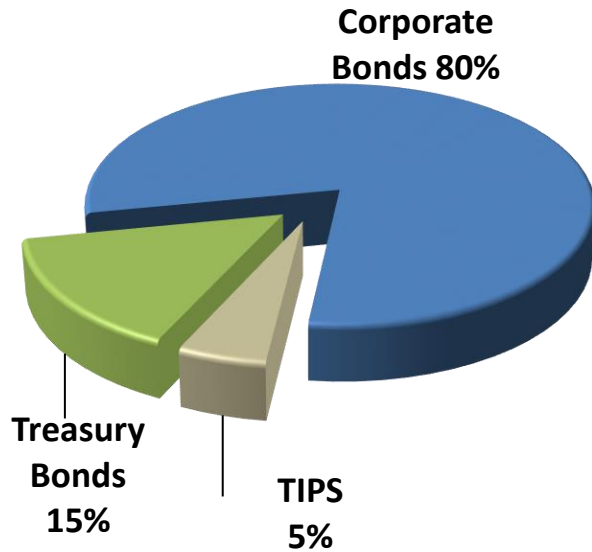
We use individual equities for the large-cap portion of the Strategy, and it is designed with risk, style, and performance characteristics similar to the S&P 500. We will tactically overweight or underweight a sector based on individual stock fundamentals and our economic outlook for the sector. We require representation in each of the eleven S&P 500 Index economic sectors.

The table below reflects the top ten equity holdings in a BHW M client portfolio as of 06/30/23.

<b>Company</b>	<b>% of Large Cap</b>
MICROSOFT INC	4.25%
ALPHABET INC	4%
APPLE INC	4%
AMAZON.COM INC	3%
BERKSHIRE HATHAWAY	3%
JOHNSON & JOHNSON	2.5%
L3HARRIS TECHNOLOGY	2.25%
UNITEDHEALTH GROUP	2.25%
ZIMMER BIOMET	2.25%
MASTERCARD	2%

### Fixed Income Diversification

(As of June 30, 2023)



### Fixed Income Portfolio

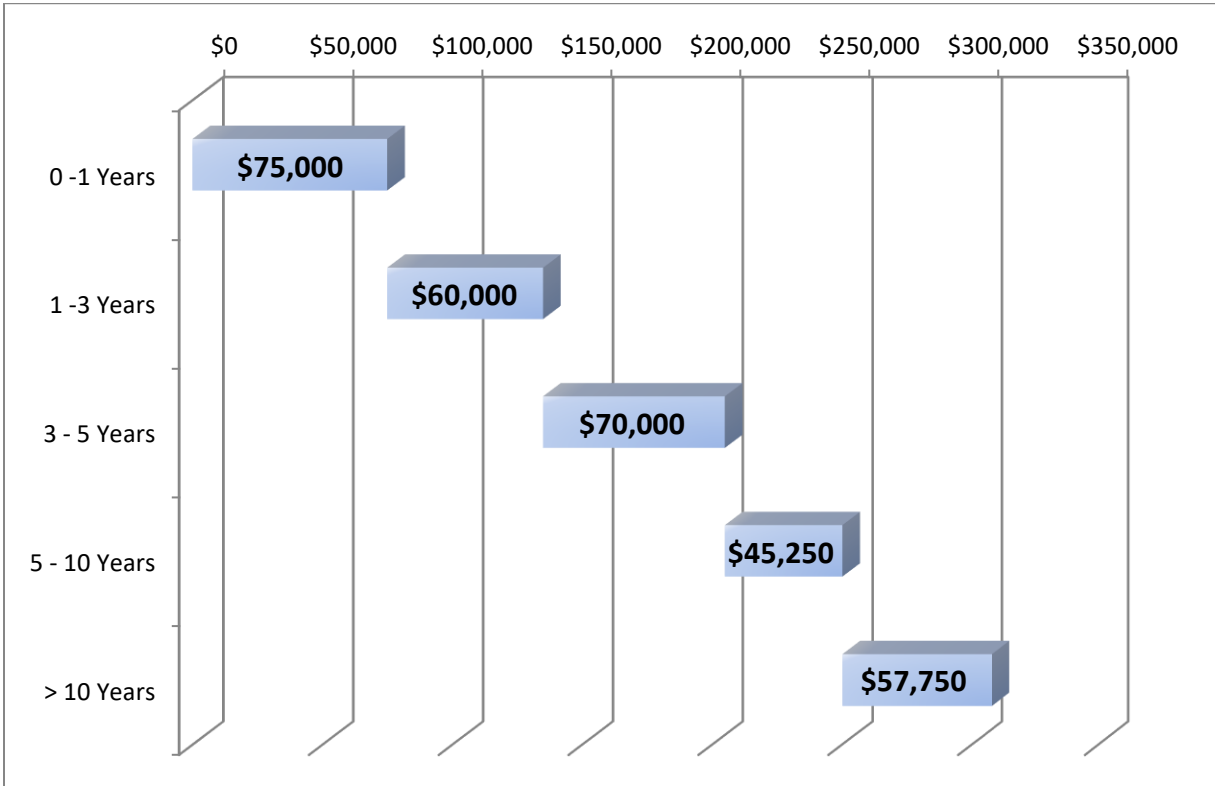
We have the flexibility and expertise to invest in individual bonds, bond funds, or a mix of the two to create a customized and diversified fixed income portfolio for each client. We diversify the fixed income portion of client portfolios by issuer, credit quality, and maturity. Currently, we hold higher quality corporate bonds with intermediate maturities, but may hold U.S. Treasury bonds including Inflation Protected Securities (TIPS), U.S. Government Agency bonds, foreign sovereign bonds, and preferred stock. We may also hold mutual funds or ETFs to gain efficient exposure to specific assets.

Should a client prefer individual bonds, our intent is to hold each bond to maturity. We typically hold bonds with a face value of no more than 5% of the fixed income portfolio and prefer to hold 10 or more bonds in each portfolio. We strive to realize a “real return” that exceeds the rate of inflation, plus our management fee.

The chart and table reflect the diversification in a current BHWM client portfolio as of 06/30/23.

<b>Asset Class</b>	<b>% of Bond Portfolio</b>	<b>Market Value</b>
Corporate Bonds	80%	\$272,250
Mortgage Backed Bd Fd	15%	\$74,250
U.S. Treasuries	15%	\$99,000
TIPS	5%	\$23,100
	<b>100%</b>	<b>\$462,000</b>

**Fixed Income Diversification**  
*(As of June 30, 2023)*



<b><u>Bond Characteristics</u></b>	
Average Credit Rating:	A+
Average Maturity:	4.5 years
Duration:	4.1 years
Yield-To-Maturity:	5.4%.

**Fixed Income Portfolio**

We tailor the maturity, duration, and credit quality of the bond portfolio to each client’s needs. We consider ratings from companies like Standard & Poor’s and Moody’s, but use Egan-Jones Ratings Company as our primary fixed income research tool.

The graph above reflects the maturity schedule in an actual BHWB client portfolio as of 06/30/23.



## **Exhibit C**

# Verrill Dana<sup>LLP</sup>

Attorneys at Law

ONE PORTLAND SQUARE  
PORTLAND, MAINE 04112-0586  
207-774-4000 • FAX 207-774-7499  
www.verrilldana.com



February 24, 2005

Mr. Joseph Pratt  
Bar Harbor Bank & Trust  
P.O. Box 400  
82 Main Street  
Bar Harbor, Maine 04609

Dear Mr. Pratt:

We understand that Bar Harbor Trust Services, a Maine nondepository trust company ("BHTS"), has developed an investment proposal for Maine municipal clients. You have asked us to review the proposed arrangement for compliance with Maine statutes relating to municipal investments.

As it has been described to us, the new program would involve an investment management contract with the municipality pursuant to which BHTS would invest municipal funds in various investment vehicles, including short-term general obligation bonds of certain foreign countries and U.S. stocks and bonds (the "Proposed Investments").

Subchapter 3-A of Chapter 223, Title 30-A of the Maine Revised Statutes ("Subchapter 3-A") regulates the investment activities of "municipalities" in Maine, defined by Section 2001(8) to mean cities and towns.

You have asked for our opinion on whether Subchapter 3-A (copy of which appears in the Appendix to this letter) permits a Maine municipality to engage BHTS to make the Proposed Investments on its behalf.

For purposes of this opinion, we have assumed that (i) there are no special limitations or conditions on investments imposed by the charter, bylaws, or home-rule authority of the municipality, or by the terms of any reserve fund<sup>1</sup> established by the municipality, or by the terms of any trust instrument governing any trust funds<sup>2</sup> received by the municipality, or by any financing arrangements or other instruments to which the municipality may be a party; (ii) BHTS at all times will remain a financial institution with trust powers authorized to do business in Maine and the other party to the investment management contract will be a Maine city or town; (iii) BHTS and the municipality will have entered into a written contract providing for safekeeping of the funds and investment management and periodic review of portfolio investments, the municipality will have duly authorized the execution and delivery of that contract, BHTS will have provided the municipality appropriate assurances and obtained the necessary insurance and the municipality will have determined that such assurances and the insurance coverage is

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<sup>1</sup> Section 5801 under Subchapter 3-A defines a reserve fund as funds appropriated by the municipality for the purposes of making capital improvements or acquiring capital assets, funding municipal debt, or establishing emergency capital reserves.

<sup>2</sup> Section 5653 under Subchapter 3-A defines trust funds as money or other property received by the municipality in trust for any specified purpose.



satisfactory;<sup>3</sup> and (iv) in making investment decisions on behalf of the municipality, BHTS will in each case satisfy the statutory standards of prudence discussed below.

### Statutory Framework

#### *I. Qualified Investment Manager*

In an attempt to preserve and protect public resources, Subchapter 3-A limits the authority of municipal officers to invest municipal funds. Sections 5711 through 5716 strictly limit the types and/or amounts of securities in which municipalities may directly invest (collectively, the "Permitted Securities").<sup>4</sup> Alternatively, subsections (1) through (3) of Section 5706 allow the municipality to place funds in certain other permitted investment vehicles;<sup>5</sup> subsection (4) of Section 5706 allows the municipality to entrust its funds to an investment manager that meets certain statutory qualifications and that invests those funds in accordance with statutory standards of prudence.

Any Maine financial institution with trust powers is qualified to serve as an investment manager for purposes of Section 5706(4), which reads in relevant part as follows:

The municipal officers may enter into an agreement with any financial institution with trust powers authorized to do business in the State for the safekeeping of the reserve funds...or trust funds...of the municipality. Services must consist of the safekeeping of the funds, collection of interest and dividends, and any other fiscal service that is normally covered in a safekeeping agreement. Investment of reserve funds or trust funds deposited under a safekeeping agreement may be managed either by the financial institution with which the funds are deposited or by an investment advisor registered with the National Association of Securities Dealers, [or] federal Securities and Exchange Commission ...pursuant to an investment advisory agreement providing for investment management and periodic review of portfolio investments. Investment of funds on behalf of the municipality under this section is governed by the rule of prudence according to Title 18-B, sections 802 to 807 and chapter 9.

#### *II. The Statutory Standards of Prudence*

In managing municipal funds under Section 5706(4), the qualified investment manager would be subject to three statutory standards governing the manner and quality of investment decisions made for the client.

First, the investment manager would need to satisfy duties of loyalty, impartiality, skill, and prudent administration owed by a trustee to the trust's beneficiaries, as set forth in Sections 802 through 807 of Title 18-B of the Maine Revised Statutes.

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<sup>3</sup> Section 5706(4) under Subchapter 3-A requires that BHTS give assurance of proper safeguards that are usual to safekeeping and investment management contracts and shall furnish insurance protection satisfactory to the municipality.

<sup>4</sup> The Permitted Securities include U.S. bonds, Canadian bonds, stocks of federally-insured banks, and high-grade corporate bonds. General obligation bonds of foreign countries other than Canada, however, do not qualify as Permitted Securities. Similarly, most U.S. stocks would not qualify.

<sup>5</sup> The other permitted vehicles are deposits in federally-insured financial institutions, repurchase agreements backed by designated U.S. securities and bond funds registered with the Securities and Exchange Commission (in each case the statute provides additional conditions). See subsections 1 through 3 of Section 5706, respectively.

Second, the investment manager would need to satisfy the standards contained in the Maine Uniform Prudent Investor Act, as set forth in Chapter 9 of Title 18-B of the Maine Revised Statutes. That Act requires a trustee who manages trust assets to do so as a prudent investor would, "by considering the purposes, terms, distribution requirements and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill and caution." In making investment decisions, the trustee is expected to consider the resources of the beneficiary, and the beneficiary's needs for liquidity, income, and preservation or appreciation of capital. In addition, the trustee is expected to diversify the assets of the trust, absent special circumstances indicating that the purposes of the trust are better served by not diversifying.<sup>6</sup>

Third, Section 5718 of Subchapter 3-A requires that all municipal investments be made with the "judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs," and with the specific consideration of three factors: safety, liquidity and income.

#### Discussion

The provisions of Subchapter 3-A are complex and are potentially subject to interpretational issues.

We recognize that it is possible to read Subchapter 3-A as requiring that an investment manager would be limited to the same Permitted Securities as the municipality itself. Having considered the legislative history of Subchapter 3-A and the underlying purposes of the statutory scheme, we are persuaded that an investment manager that meets the statutory qualifications is permitted to make whatever investments it deems advisable for the municipality, subject always to the applicable statutory standards of prudence.

We also note that Section 5706(4) speaks in terms of municipal funds "deposited under a safekeeping agreement." The term "deposit" has an important legal meaning for financial institutions, as well as an ordinary meaning. BHTS carries the status of a "nondepository trust company" within the meaning of the Maine Financial Institutions Code (Title 9-B of the Maine Revised Statutes). As such, BHTS clearly is a Maine financial institution but does not have the power under Title 9-B to take money "on deposit as a regular business." This raises the question whether Section 5706(4) allows Maine financial institutions to offer investment and safekeeping functions only if they also have deposit-taking authority. Having considered the legislative history of Subchapter 3-A and the underlying purposes of the statutory scheme, we are persuaded that the word "deposited" in Section 5706(4) should be interpreted in its general, non-technical sense, meaning "placed with" or "in the custody of."

#### Conclusion

Based upon and subject to the foregoing, we are of the opinion (i) that Subchapter 3-A permits a municipality to enter into an investment management contract with BHTS under which BHTS will provide safekeeping and investment management of funds and (ii) that through such an arrangement BHTS may invest municipal funds in the Proposed Investments so as long as BHTS meets the statutory standards of prudence in doing so.

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<sup>6</sup> These provisions were previously found in Section 7-302 of Title 18-A, which will be repealed and replaced by the newly enacted Maine Uniform Prudent Investor Act, effective July 1, 2005. For purposes of this analysis, the two sets of provisions are equivalent.

This opinion is limited to the specific matters of Maine law stated in the immediately preceding paragraph and is subject to the assumptions and discussion contained in this letter. We express no opinion herein regarding the ability of governmental agencies or units other than Maine cities and towns to enter into investment management contracts with BHTS, or regarding special limitations that may affect a particular municipality or the funds to be invested by it. We also express no opinion as to whether any particular investment decision would meet the statutory standards of prudence, since this involves a fact-based analysis and must be determined on a case-by-case basis.

With your permission, we have reviewed the substance of our opinion with Bill Livengood, Director of Legal Services of the Maine Municipal Association, and have provided him with a copy of this opinion. He has indicated that he concurs with our conclusions.

This opinion is being rendered to BHTS in the context of its proposed investment management services and may not be relied upon for any other purpose and may not be relied upon by any other party. *Provided, however,* that we have given BHTS permission to provide copies of this opinion to those municipalities that enter into investment management contracts with BHTS, and we consent to the municipality's reliance on this opinion solely for such purpose and solely in that context.

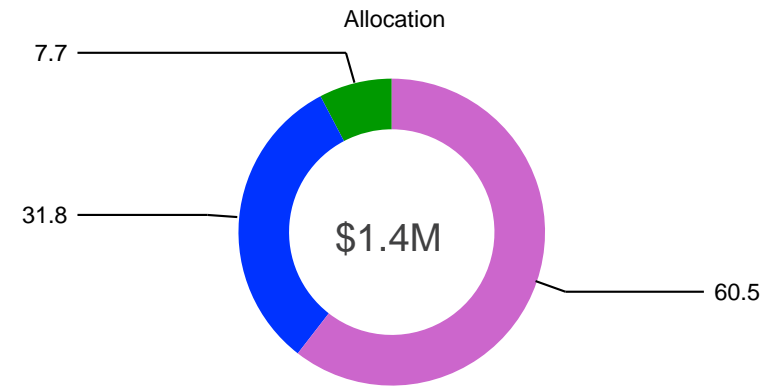
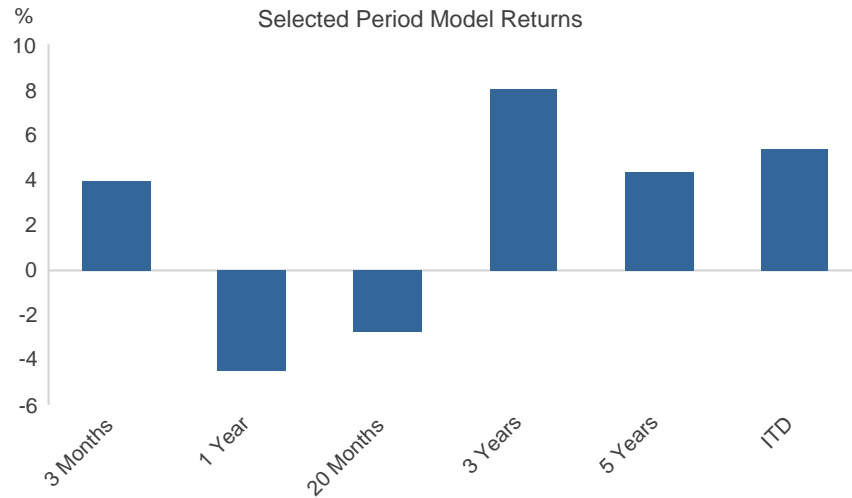
This opinion is given as of the date hereof, and we expressly disclaim any duty to update this opinion regardless of any future change in the facts or the law. No disclosure of this opinion to a municipality shall create any form of attorney-client relationship between such municipality and Verrill Dana, LLP. Any municipality receiving a copy of this opinion should conduct its own independent review of the issues discussed herein and consult its own counsel with respect to any legal issues pertinent to the municipality's particular circumstances.

Very truly yours,  
**VERRILL DANA, LLP**  
VERRILL DANA, LLP

Attachment  
ELK/GSF:ss



## **Exhibit D**



	Market Value	% of Mkt Val	3 Months	1 Year	20 Months	3 Years	5 Years	Inception to Date 12/30/2016
<b>Total Fund</b>	<b>1,391,670</b>		<b>3.94</b>	<b>-4.44</b>	<b>-2.80</b>	<b>8.07</b>	<b>4.30</b>	<b>5.39</b>
<i>65%SP500/35%BoA/MerrLynUSCorpAndGov1-10yr,Arated</i>			<i>5.66</i>	<i>-5.24</i>	<i>-2.69</i>	<i>11.42</i>	<i>8.01</i>	<i>8.65</i>
<b>Equity</b>	<b>841,881</b>	<b>60.5</b>	<b>4.89</b>	<b>-5.98</b>	<b>-1.51</b>	<b>16.55</b>	<b>8.36</b>	<b>10.09</b>
<i>S&amp;P 500 Index (Gross) (USD)</i>			<i>7.50</i>	<i>-7.73</i>	<i>-2.41</i>	<i>18.60</i>	<i>11.19</i>	<i>12.12</i>
<b>Taxable Fixed Income</b>	<b>442,968</b>	<b>31.8</b>	<b>2.82</b>	<b>-1.97</b>	<b>-5.56</b>	<b>.79</b>	<b>.95</b>	<b>1.39</b>
<i>ICE BofAML 1-10 Year AAA-A US Corporate &amp; Governme</i>			<i>2.26</i>	<i>-1.61</i>	<i>-4.21</i>	<i>-1.79</i>	<i>1.25</i>	<i>1.12</i>
<b>Cash &amp; Equivalents</b>	<b>106,822</b>	<b>7.7</b>	<b>1.00</b>	<b>2.16</b>	<b>1.31</b>	<b>.82</b>	<b>1.37</b>	<b>1.31</b>

## **Disclosure:**

This is the actual investment performance for The Town of Belgrade since 12/30/2016 when Bar Harbor Wealth Management (BHWM) started managing the account. The Town updated their investment policy statement in 2021 and BHWM changed the investment strategy to reflect the updated investment policy statement and performance measurement benchmarks. The Town has been on the new strategy for 20 months through March 31, 2023. The 3 month, 1 Year and 20 month time periods reflect the new investment strategy. The 3 year, 5 year and since 12/30/2016 performance periods reflect a combination of the new and old strategy. The performance benchmarks reflected above are from the Town's current investment policy statement. These benchmarks provide a good comparison for the new investment strategy but do not align well with the old strategy.



## **Exhibit E**

# Your Portfolio Statement

June 1, 2023 - June 30, 2023

**Town of Belgrade**



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Your Transaction Detail.....	10
Disclosures.....	14

If you have any questions about your statement, please reach out to your contact(s) listed below.

### Your Wealth Management Team

Wealth Manager: Ruth Dunbar (207) 667-6862 RDUNBAR@BARHARBOR.BANK

Portfolio Manager: John Testa (207) 669-6815 JTESTA@BARHARBOR.BANK

Wealth Administrator: Beverly Veilleux (207) 262-8306 BVEILLEUX@BARHARBOR.BANK





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## Overview of Town of Belgrade

Investment Objective: Moderately Aggressive

### Activity Summary

	This Period (\$)	Year to Date (\$)
Beginning Market Value	1,364,414.68	1,329,699.77
Cash & Security Transfers	0.00	0.00
Contributions	0.00	7,249.00
Income & Capital Gain Distributions	3,420.32	16,489.76
Fees	-896.72	-5,392.63
Withdrawals	0.00	-9,845.25
Change in Account Value	49,422.43	78,160.06
<b>Market Value on Jun 30, 2023</b>	<b>\$1,416,360.71</b>	<b>\$1,416,360.71</b>

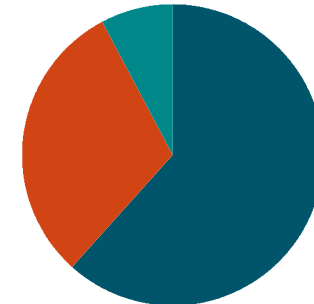
### Income Earned

	This Period (\$)	Year to Date (\$)
Taxable Income	0.00	0.00
Tax-Exempt Income	3,420.32	16,489.76
Tax-Deferred Income	0.00	0.00
<b>Total Income Earned</b>	<b>\$3,420.32</b>	<b>\$16,489.76</b>
<b>Total Short Term Realized Capital Gain/Loss</b>	<b>\$0.00</b>	<b>-\$6,813.69</b>
<b>Total Long Term Realized Capital Gain/Loss</b>	<b>\$0.00</b>	<b>\$2,593.42</b>
<b>Total Realized Capital Gain/Loss</b>	<b>\$0.00</b>	<b>-\$4,220.27</b>

*This summary is for your reference. It is not intended for tax-reporting purposes. Taxable income is taxable at the federal level and may be taxable at the state level.*

### Asset Allocation on June 30, 2023

	Market Value (\$)	Percent
Equity	872,867.03	61%
Fixed Income	433,837.93	31%
Cash & Equivalents	109,655.75	8%
<b>Total of Your Account</b>	<b>\$1,416,360.71</b>	<b>100%</b>



## Portfolio Holdings on June 30, 2023

	Number of Shares	Share price	Market Value Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc.	% of Account
<b>Equity</b>						
Accenture PLC (TICKER: ACN - CUSIP:G1151C101)	58.00	308.58	17,897.64 0.00	18,235.49 -337.85	259.84	1.26%
Alphabet Inc (TICKER: GOOGL - CUSIP:02079K305)	140.00	119.70	16,758.00 0.00	17,773.25 -1,015.25	0.00	1.18%
Alphabet Inc (TICKER: GOOG - CUSIP:02079K107)	140.00	120.97	16,935.80 0.00	18,444.83 -1,509.03	0.00	1.20%
Amazon.com Inc (TICKER: AMZN - CUSIP:023135106)	140.00	130.36	18,250.40 0.00	25,102.03 -6,851.63	0.00	1.29%
American Tower Corp (TICKER: AMT - CUSIP:03027X100)	39.00	193.94	7,563.66 61.23	8,225.58 -661.92	240.24	0.53%
Amphenol Corp (TICKER: APH - CUSIP:032095101)	264.00	84.95	22,426.80 55.44	18,213.68 4,213.12	221.76	1.58%
Aon PLC (TICKER: AON - CUSIP:G0403H108)	79.00	345.20	27,270.80 0.00	18,395.54 8,875.26	194.34	1.93%
Apple Inc (TICKER: AAPL - CUSIP:037833100)	163.00	193.97	31,617.11 0.00	24,085.47 7,531.64	156.48	2.23%
AutoZone Inc (TICKER: AZO - CUSIP:053332102)	8.00	2,493.36	19,946.88 0.00	12,850.84 7,096.04	0.00	1.41%
AvalonBay Communities Inc (TICKER: AVB - CUSIP:053484101)	55.00	189.27	10,409.85 90.75	13,421.00 -3,011.15	363.00	0.73%
Bank of America Corp (TICKER: BAC - CUSIP:060505104)	479.00	28.69	13,742.51 0.00	18,278.65 -4,536.14	421.52	0.97%
Berkshire Hathaway Inc (TICKER: BRK/B - CUSIP:084670702)	98.00	341.00	33,418.00 0.00	27,331.89 6,086.11	0.00	2.36%
Booking Holdings Inc (TICKER: BKNG - CUSIP:09857L108)	5.00	2,700.33	13,501.65 0.00	10,862.47 2,639.18	0.00	0.95%
Brookfield Renewable Corp (TICKER: BEPC - CUSIP:11284V105)	339.00	31.52	10,685.28 0.00	11,969.27 -1,283.99	457.65	0.75%
Capri Holdings Ltd (TICKER: CPRI - CUSIP:G1890L107)	321.00	35.89	11,520.69 0.00	15,558.17 -4,037.48	0.00	0.81%
CDW Corp/DE (TICKER: CDW - CUSIP:12514G108)	104.00	183.50	19,084.00 0.00	18,269.30 814.70	245.44	1.35%

Portfolio Holdings on June 30, 2023 (continued)

	Number of Shares	Share price	Market Value Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc.	% of Account
<b>Equity (continued)</b>						
Chevron Corp (TICKER: CVX - CUSIP:166764100)	116.00	157.35	18,252.60 0.00	11,556.34 6,696.26	700.64	1.29%
Chubb Ltd (TICKER: CB - CUSIP:H1467J104)	109.00	192.56	20,989.04 93.74	18,235.31 2,753.73	374.96	1.48%
Cisco Systems Inc (TICKER: CSCO - CUSIP:17275R102)	339.00	51.74	17,539.86 0.00	19,010.10 -1,470.24	528.84	1.24%
Comcast Corp (TICKER: CMCSA - CUSIP:20030N101)	312.00	41.55	12,963.60 0.00	12,461.87 501.73	361.92	0.92%
Costco Wholesale Corp (TICKER: COST - CUSIP:22160K105)	23.00	538.38	12,382.74 0.00	9,488.30 2,894.44	93.84	0.87%
Danaher Corp (TICKER: DHR - CUSIP:235851102)	64.00	240.00	15,360.00 17.28	18,222.39 -2,862.39	69.12	1.08%
Dollar Tree Inc (TICKER: DLTR - CUSIP:256746108)	104.00	143.50	14,924.00 0.00	14,463.63 460.37	0.00	1.05%
Ecolab Inc (TICKER: ECL - CUSIP:278865100)	62.00	186.69	11,574.78 32.86	11,420.08 154.70	131.44	0.82%
Emerson Electric Co (TICKER: EMR - CUSIP:291011104)	93.00	90.39	8,406.27 0.00	9,122.71 -716.44	193.44	0.59%
FedEx Corp (TICKER: FDX - CUSIP:31428X106)	46.00	247.90	11,403.40 57.96	6,625.54 4,777.86	231.84	0.81%
GE HealthCare Technologies Inc (TICKER: GEHC - CUSIP:36266G107)	108.00	81.24	8,773.92 0.00	8,518.41 255.51	12.96	0.62%
Home Depot Inc/The (TICKER: HD - CUSIP:437076102)	37.00	310.64	11,493.68 0.00	11,991.88 -498.20	309.32	0.81%
Intercontinental Exchange Inc (TICKER: ICE - CUSIP:45866F104)	115.00	113.08	13,004.20 0.00	12,166.32 837.88	193.20	0.92%
iShares Biotechnology ETF (TICKER: IBB - CUSIP:464287556)	66.00	126.96	8,379.36 0.00	8,728.06 -348.70	21.85	0.59%
Johnson & Johnson (TICKER: JNJ - CUSIP:478160104)	117.00	165.52	19,365.84 0.00	14,066.36 5,299.48	556.92	1.37%

Portfolio Holdings on June 30, 2023 (continued)

	Number of Shares	Share price	Market Value Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc.	% of Account
<b>Equity (continued)</b>						
JPMorgan Chase & Co (TICKER: JPM - CUSIP:46625H100)	107.00	145.44	15,562.08 0.00	16,351.98 -789.90	428.00	1.10%
Kinder Morgan Inc (TICKER: KMI - CUSIP:49456B101)	1,029.00	17.22	17,719.38 0.00	18,289.04 -569.66	1,162.77	1.25%
L3Harris Technologies Inc (TICKER: LHX - CUSIP:502431109)	81.00	195.77	15,857.37 0.00	18,259.42 -2,402.05	369.36	1.12%
Linde PLC (TICKER: LIN - CUSIP:G54950103)	57.00	381.08	21,721.56 0.00	16,604.95 5,116.61	290.70	1.53%
Mastercard Inc (TICKER: MA - CUSIP:57636Q104)	47.00	393.30	18,485.10 0.00	18,255.98 229.12	107.16	1.31%
Microsoft Corp (TICKER: MSFT - CUSIP:594918104)	114.00	340.54	38,821.56 0.00	32,079.03 6,742.53	310.08	2.78%
NextEra Energy Inc (TICKER: NEE - CUSIP:65339F101)	88.00	74.20	6,529.60 0.00	6,856.51 -326.91	164.56	0.46%
NIKE Inc (TICKER: NKE - CUSIP:654106103)	80.00	110.37	8,829.60 27.20	12,846.45 -4,016.85	108.80	0.62%
Novo Nordisk A/S (TICKER: NVO - CUSIP:670100205)	189.00	161.83	30,585.87 0.00	10,197.07 20,388.80	237.01	2.16%
PACCAR Inc (TICKER: PCAR - CUSIP:693718108)	220.00	83.65	18,403.00 0.00	11,798.57 6,604.43	220.00	1.30%
Procter & Gamble Co/The (TICKER: PG - CUSIP:742718109)	118.00	151.74	17,905.32 0.00	16,891.25 1,014.07	444.03	1.26%
Qualcomm Inc (TICKER: QCOM - CUSIP:747525103)	60.00	119.04	7,142.40 0.00	5,378.82 1,763.58	192.00	0.50%
Rockwell Automation Inc (TICKER: ROK - CUSIP:773903109)	80.00	329.45	26,356.00 0.00	22,036.57 4,319.43	377.60	1.86%
Tractor Supply Co (TICKER: TSCO - CUSIP:892356106)	95.00	221.10	21,004.50 0.00	14,213.15 6,791.35	391.40	1.48%
Unilever PLC (TICKER: UL - CUSIP:904767704)	177.00	52.13	9,227.01 0.00	7,759.41 1,467.60	311.87	0.65%

Portfolio Holdings on June 30, 2023 (continued)

	Number of Shares	Share price	Market Value Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc.	% of Account
<b>Equity (continued)</b>						
UnitedHealth Group Inc (TICKER: UNH - CUSIP:91324P102)	44.00	480.64	21,148.16 0.00	18,554.14 2,594.02	330.88	1.49%
Verizon Communications Inc (TICKER: VZ - CUSIP:92343V104)	258.00	37.19	9,595.02 0.00	13,778.10 -4,183.08	673.38	0.68%
Visa Inc (TICKER: V - CUSIP:92826C839)	74.00	237.48	17,573.52 0.00	18,419.70 -846.18	133.20	1.24%
Walmart Inc (TICKER: WMT - CUSIP:931142103)	131.00	157.18	20,590.58 0.00	18,144.34 2,446.24	298.68	1.45%
Walt Disney Co/The (TICKER: DIS - CUSIP:254687106)	113.00	89.28	10,088.64 0.00	20,557.04 -10,468.40	0.00	0.71%
Zimmer Biomet Holdings Inc (TICKER: ZBH - CUSIP:98956P102)	164.00	145.60	23,878.40 39.36	23,387.55 490.85	157.44	1.69%
<b>Total Equity</b>			<b>\$872,867.03</b> <b>\$475.82</b>	<b>\$803,753.83</b> <b>\$69,113.20</b>	<b>\$13,049.48</b>	<b>61.63%</b>
<b>Fixed Income</b>						
Brookfield Corp 4% 15 Jan 2025 (CUSIP:112585AH7)	20,000.00	96.984	19,396.80 368.89	20,248.77 -851.97	800.00	1.37%
Brown & Brown Inc 4.2% 15 Sep 2024 (CUSIP:115236AA9)	20,000.00	97.6401	19,528.02 247.33	20,340.36 -812.34	840.00	1.38%
Comcast Corp 4.15% 15 Oct 2028 (CUSIP:20030NCT6)	20,000.00	96.888	19,377.60 175.22	19,207.40 170.20	830.00	1.37%
Equity Commonwealth 6.5% (TICKER: EQCPD - CUSIP:294628201)	400.00	25.40	10,160.00 0.00	10,247.50 -87.50	650.00	0.72%
Fairfax Financial Holdings Ltd 4.625% 29 Apr 2030 (CUSIP:303901BF8)	20,000.00	93.697	18,739.40 159.31	18,980.00 -240.60	925.00	1.32%
Harley-Davidson Inc 3.5% 28 Jul 2025 (CUSIP:412822AD0)	20,000.00	95.6969	19,139.37 297.50	20,089.89 -950.52	700.00	1.35%
Huntington Ingalls Industries Inc 3.483% 01 Dec 2027 (CUSIP:446413AL0)	20,000.00	91.659	18,331.80 58.05	19,762.00 -1,430.20	696.60	1.29%
Intel Corp 4% 08/05/2029 (CUSIP:458140BZ2)	20,000.00	95.136	19,027.20 324.44	18,928.80 98.40	800.00	1.34%

Portfolio Holdings on June 30, 2023 (continued)

	Number of Shares	Share price	Market Value Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc.	% of Account
<b>Fixed Income (continued)</b>						
Kraft Heinz Foods Co 3% 01 Jun 2026 (CUSIP:50077LAD8)	20,000.00	94.358	18,871.60 50.00	19,361.20 -489.60	600.00	1.33%
Lowe's Cos Inc 5% 15 Apr 2033 (CUSIP:548661EL7)	25,000.00	98.906	24,726.50 263.89	24,827.50 -101.00	1,250.00	1.75%
Markel Group Inc 3.35% 17 Sep 2029 (CUSIP:570535AU8)	20,000.00	89.1162	17,823.24 193.56	17,705.60 117.64	670.00	1.26%
Marriott International Inc/MD 3.75% 15 Mar 2025 (CUSIP:571903AW3)	20,000.00	96.845	19,369.00 220.83	20,136.13 -767.13	750.00	1.37%
Martin Marietta Materials Inc 3.5% 15 Dec 2027 (CUSIP:573284AT3)	20,000.00	93.1728	18,634.57 31.11	18,631.20 3.37	700.00	1.32%
McKesson Corp 1.3% 15 Aug 2026 (CUSIP:581557BR5)	20,000.00	88.7698	17,753.97 98.22	18,414.60 -660.63	260.00	1.25%
NVR Inc 3% 15 May 2030 (CUSIP:62944TAF2)	20,000.00	86.5837	17,316.73 76.67	16,605.60 711.13	600.00	1.22%
Oracle Corp 2.95% 01 Apr 2030 (CUSIP:68389XBV6)	20,000.00	87.2158	17,443.15 147.50	18,550.00 -1,106.85	590.00	1.23%
Phillips 66 2.15% 15 Dec 2030 (CUSIP:718546AW4)	25,000.00	81.5685	20,392.11 23.89	24,350.75 -3,958.64	537.50	1.44%
Retail Opportunity Investments Partnership LP 4% 15 Dec 2024 (CUSIP:76132FAB3)	10,000.00	95.793	9,579.30 17.78	9,451.20 128.10	400.00	0.68%
Starbucks Corp 4% 15 Nov 2028 (CUSIP:855244AR0)	20,000.00	95.918	19,183.60 102.22	19,018.00 165.60	800.00	1.35%
United States Treasury Note/Bond 1.5% 15 Feb 2025 (CUSIP:91282CDZ1)	50,000.00	94.383	47,191.50 281.77	46,923.00 268.50	750.00	3.33%
Vanguard Inflation-Protected Securities Fund (TICKER: VAIPX - CUSIP:922031737)	977.709	23.28	22,761.07 226.34	25,000.00 -2,238.93	1,301.33	1.61%
Verisk Analytics Inc 4.125% 15 Mar 2029 (CUSIP:92345YAF3)	20,000.00	95.457	19,091.40 242.92	18,542.00 549.40	825.00	1.35%
<b>Total Fixed Income</b>			<b>\$433,837.93</b> <b>\$3,607.44</b>	<b>\$445,321.50</b> <b>-\$11,483.57</b>	<b>\$16,275.43</b>	<b>30.63%</b>

Portfolio Holdings on June 30, 2023 (continued)

	Number of Shares	Share price	Market Value Accrued Inc.	Cost Basis / Unrealized G/L	Est. Ann. Inc.	% of Account
<b>Cash &amp; Equivalents</b>						
<i>Income Portfolio</i>						
Bar Harbor Bank & Trust Inst Money Market (CUSIP:089000996)	83,113.77	1.00	83,113.77 338.29	83,113.77 0.00	4,172.31	5.87%
<b>Total Income Portfolio</b>			<b>\$83,113.77</b> <b>\$338.29</b>	<b>\$83,113.77</b> <b>\$0.00</b>	<b>\$4,172.31</b>	<b>5.87%</b>
<i>Capital Portfolio</i>						
Bar Harbor Bank & Trust Inst Money Market (CUSIP:089000996)	26,541.98	1.00	26,541.98 110.87	26,541.98 0.00	1,332.41	1.87%
<b>Total Capital Portfolio</b>			<b>\$26,541.98</b> <b>\$110.87</b>	<b>\$26,541.98</b> <b>\$0.00</b>	<b>\$1,332.41</b>	<b>1.87%</b>
<b>Total Cash &amp; Equivalents</b>			<b>\$109,655.75</b> <b>\$449.16</b>	<b>\$109,655.75</b> <b>\$0.00</b>	<b>\$5,504.72</b>	<b>7.74%</b>
<b>Total For Your Portfolio</b>			<b>\$1,416,360.71</b> <b>\$4,532.42</b>	<b>\$1,358,731.08</b> <b>\$57,629.63</b>	<b>\$34,829.63</b>	<b>100.00%</b>



## Your Transaction Detail

Trade Date	Transaction Description	Principal Amount	Income Amount	Accrued Income	Cost Basis Realized G/L
<b>Disbursements</b>					
<i>Fees</i>					
June 12, 2023	Wealth Management Fee, Computed	-896.72			0.00
<b>Total Fees</b>		<b>-\$896.72</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Disbursements</b>		<b>-\$896.72</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Corporate Actions/Income</b>					
<i>Dividends</i>					
June 1, 2023	Cash Dividend 0.4499999 USD Visa Inc For 74.00 Shares Due on 06/01/23 With Ex Date 05/11/23		33.30		0.00
June 1, 2023	Daily Rate Income on Bar Harbor Bank & Trust Inst Money Market For Period of 05/01/23 to 05/31/23 Due on 06/01/23		112.24		0.00
June 1, 2023	Daily Rate Income on Bar Harbor Bank & Trust Inst Money Market For Period of 05/01/23 to 05/31/23 Due on 06/01/23		319.16		0.00
June 6, 2023	Cash Dividend 1.1899999 USD Johnson & Johnson For 117.00 Shares Due on 06/06/23 With Ex Date 05/22/23		139.23		0.00
June 7, 2023	Cash Dividend 0.25 USD PACCAR Inc For 220.00 Shares Due on 06/07/23 With Ex Date 05/16/23		55.00		0.00
June 8, 2023	Cash Dividend 0.68 USD Microsoft Corp For 114.00 Shares Due on 06/08/23 With Ex Date 05/17/23		77.52		0.00
June 9, 2023	Cash Dividend 0.5199999 USD Emerson Electric Co For 93.00 Shares Due on 06/09/23 With Ex Date 05/11/23		48.36		0.00
June 12, 2023	Cash Dividend 1.1799999 USD Rockwell Automation Inc For 80.00 Shares Due on 06/12/23 With Ex Date 05/12/23		94.40		0.00
June 12, 2023	Cash Dividend 1.51 USD Chevron Corp For 116.00 Shares Due on 06/12/23 With Ex Date 05/18/23		175.16		0.00

## Your Transaction Detail (continued)

Trade Date	Transaction Description	Principal Amount	Income Amount	Accrued Income	Cost Basis Realized G/L
<b>Corporate Actions/Income (Continued)</b>					
<i>Dividends (Continued)</i>					
June 13, 2023	Cash Dividend 0.5899999 USD CDW Corp/DE For 104.00 Shares Due on 06/13/23 With Ex Date 05/24/23		61.36		0.00
June 13, 2023	Cash Dividend 1.0299999 USD Tractor Supply Co For 95.00 Shares Due on 06/13/23 With Ex Date 05/26/23		97.85		0.00
June 13, 2023	Cash Dividend 0.0062069 USD iShares Biotechnology ETF For 66.00 Shares Due on 06/13/23 With Ex Date 06/07/23		0.41		0.00
June 15, 2023	Cash Dividend 0.0299999 USD GE HealthCare Technologies Inc For 108.00 Shares Due on 06/15/23 With Ex Date 05/22/23		3.24		0.00
June 15, 2023	Cash Dividend 0.4702 USD Unilever PLC For 177.00 Shares Due on 06/15/23 With Ex Date 05/18/23		82.34		0.00
June 15, 2023	Cash Dividend 2.09 USD Home Depot Inc/The For 37.00 Shares Due on 06/15/23 With Ex Date 05/31/23		77.33		0.00
June 15, 2023	Cash Dividend 0.4675 USD NextEra Energy Inc For 88.00 Shares Due on 06/15/23 With Ex Date 05/26/23		41.14		0.00
June 16, 2023	Cash Dividend 1.14 USD L3Harris Technologies Inc For 81.00 Shares Due on 06/16/23 With Ex Date 06/01/23		92.34		0.00
June 16, 2023	Cash Dividend 1.275 USD Linde PLC For 57.00 Shares Due on 06/16/23 With Ex Date 06/01/23		72.68		0.00
June 22, 2023	Cash Dividend 0.8 USD Qualcomm Inc For 60.00 Shares Due on 06/22/23 With Ex Date 05/31/23		48.00		0.00
June 27, 2023	Cash Dividend 1.88 USD UnitedHealth Group Inc For 44.00 Shares Due on 06/27/23 With Ex Date 06/15/23		82.72		0.00
June 30, 2023	Cash Dividend 0.4199999 USD Intercontinental Exchange Inc For 115.00 Shares Due on 06/30/23 With Ex Date 06/14/23		48.30		0.00
June 30, 2023	Cash Dividend 0.3374999 USD Brookfield Renewable Corp For 339.00 Shares Due on 06/30/23 With Ex Date 05/30/23		85.81		0.00

## Your Transaction Detail (continued)

Trade Date	Transaction Description	Principal Amount	Income Amount	Accrued Income	Cost Basis Realized G/L
<b>Corporate Actions/Income (Continued)</b>					
<i>Dividends (Continued)</i>					
June 30, 2023	Cash Dividend 0.22 USD Bank of America Corp For 479.00 Shares Due on 06/30/23 With Ex Date 06/01/23		105.38		0.00
<b>Total Dividends</b>		<b>\$0.00</b>	<b>\$1,953.27</b>	<b>\$0.00</b>	<b>\$0.00</b>
<i>Interest</i>					
June 1, 2023	Interest Payment 0.0348299 USD Huntington Ingalls Industries Inc 3.483% 01 Dec 2027 For 20,000.00 Par Value Due on 06/01/23 With Ex Date 06/01/23		348.30		0.00
June 1, 2023	Interest Payment 0.0299999 USD Kraft Heinz Foods Co 3% 01 Jun 2026 For 20,000.00 Par Value Due on 06/01/23 With Ex Date 06/01/23		300.00		0.00
June 15, 2023	Interest Payment 0.0349999 USD Martin Marietta Materials Inc 3.5% 15 Dec 2027 For 20,000.00 Par Value Due on 06/15/23 With Ex Date 06/15/23		350.00		0.00
June 15, 2023	Interest Payment 0.0107499 USD Phillips 66 2.15% 15 Dec 2030 For 25,000.00 Par Value Due on 06/15/23 With Ex Date 06/15/23		268.75		0.00
June 15, 2023	Interest Payment 0.0399999 USD Retail Opportunity Investments Partnership LP 4% 15 Dec 2024 For 10,000.00 Par Value Due on 06/15/23 With Ex Date 06/15/23		200.00		0.00
<b>Total Interest</b>		<b>\$0.00</b>	<b>\$1,467.05</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Corporate Actions/Income</b>		<b>\$0.00</b>	<b>\$3,420.32</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Cash Sweep Activity</b>					
June 30, 2023	Sweep sales totaling -896.72 units of Bar Harbor Bank & Trust Inst Money Market for Core (Capital) (1 Transactions)	896.72			-896.72
					0.00

Your Transaction Detail (continued)

Trade Date	Transaction Description	Principal Amount	Income Amount	Accrued Income	Cost Basis Realized G/L
<b>Cash Sweep Activity (Continued)</b>					
June 30, 2023	Sweep purchases totaling 3,420.32 units of Bar Harbor Bank & Trust Inst Money Market for Core (Income) (16 Transactions)		-3,420.32		3,420.32 0.00
<b>Total Cash Sweep Activity</b>		<b>\$896.72</b>	<b>-\$3,420.32</b>	<b>\$0.00</b>	<b>\$2,523.60</b> <b>\$0.00</b>

## Disclosures

This statement provides a current report of account assets, their respective market values, the account liabilities, if any, receipts, and disbursements including our compensation. We encourage you to review the statement and share questions or concerns if you have any.

The information provided herein is general in nature. It is not intended to be, nor should be, construed as specific investment, legal, or tax advice. The information has been obtained from sources believed to be reliable. Investments offered are not guaranteed in nature and are subject to market fluctuation.

Under applicable state statute (Maine: 18-B §1005; New Hampshire: §564-B:10-1005) a beneficiary may not commence a proceeding against a trustee for breach of trust more than one year after the date the beneficiary or a representative of the beneficiary was sent a report that adequately disclosed the existence of a potential claim for breach of trust and informed the beneficiary of the time allowed for commencing a proceeding.



## **Exhibit F**



**June 30, 2023**  
**Sub-Accounting Report**  
**Town of Belgrade**

Fund Name	Beginning Fund Value <sup>1</sup>	Beginning Fund Percentage <sup>2</sup>	Contributions <sup>3</sup>	Withdrawals <sup>4</sup>	Income & Capital Gain Distributions <sup>5</sup>	Realized Capital Gain/Loss <sup>6</sup>	Unrealized Capital Gain/Loss <sup>7</sup>	Management Fees <sup>8</sup>	Ending Fund Value <sup>9</sup>	Ending Fund Percentage <sup>10</sup>
DON C. STEVENS FUND FOR THE PUBLIC SCHOOLS OF BELGRADE	\$778,555.04	57.06%	\$0.00	\$0.00	\$1,951.68	\$0.00	\$28,201.16	(\$511.68)	\$808,196.20	57.06%
CEMETERY PORTFOLIO	\$515,508.27	37.78%	\$0.00	\$0.00	\$1,292.28	\$0.00	\$18,672.97	(\$338.80)	\$535,134.72	37.78%
G4-103-00 AND ICS PERP CARE	\$18,176.11	1.33%	\$0.00	\$0.00	\$45.56	\$0.00	\$658.38	(\$11.95)	\$18,868.11	1.33%
DON C. STEVENS FUND G4-104-00	\$2,332.16	0.17%	\$0.00	\$0.00	\$5.85	\$0.00	\$84.48	(\$1.53)	\$2,420.95	0.17%
GUY A. YEATON CEMETERY TRUST FUND G4-105-00	\$4,610.97	0.34%	\$0.00	\$0.00	\$11.56	\$0.00	\$167.02	(\$3.03)	\$4,786.52	0.34%
LACROIX CEMETERY CARE TRUST G4-106-00	\$16,597.09	1.22%	\$0.00	\$0.00	\$41.61	\$0.00	\$601.19	(\$10.91)	\$17,228.98	1.22%
ROBERT A. GUPTIL HISTORICAL TRUST FUND G4-107-00	\$15,915.22	1.17%	\$0.00	\$0.00	\$39.90	\$0.00	\$576.49	(\$10.46)	\$16,521.15	1.17%
THE WORTHY POOR TRUST	\$5,354.13	0.39%	\$0.00	\$0.00	\$13.42	\$0.00	\$193.94	(\$3.52)	\$5,557.97	0.39%
G1-101-00 AND ICS	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MEMORIAL TRUST	\$7,365.69	0.54%	\$0.00	\$0.00	\$18.46	\$0.00	\$266.80	(\$4.84)	\$7,646.11	0.54%
<b>TOTAL:</b>	<b>\$1,364,414.68</b>	<b>100.00%</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,420.32</b>	<b>\$0.00</b>	<b>\$49,422.43</b>	<b>(\$896.72)</b>	<b>\$1,416,360.71</b>	<b>100.00%</b>

**SUMMARY OF ACTIVITY:**

Beginning Market Value:	<b>\$1,364,414.68</b>
Additions:	<b>\$0.00</b>
Withdrawals:	<b>\$0.00</b>
Interest & Dividends:	<b>\$3,420.32</b>
Realized Gains/Losses:	<b>\$0.00</b>
Unrealized Gains/Losses:	<b>\$49,422.43</b>
Management Fee:	<b>(\$896.72)</b>
Ending Market Value:	<b>\$1,416,360.71</b>

Change in FMV<sup>11</sup>: **\$51,946.03**

**NOTES:**

- <sup>1</sup> This is the "Ending Market Value" carried forward from the previous month.
- <sup>2</sup> This is the percentage of the market value attributable to each sub-account carried forward from the previous month.
- <sup>3</sup> This reflects contributions or additions made to each sub-account, if any, during the current month.
- <sup>4</sup> This reflects withdrawals or distributions made from each sub-account, if any, during the current month.
- <sup>5</sup> This reflects net interest, dividends and accrued interest, if any, posted to each sub-account during the current month.
- <sup>6</sup> This reflects capital gains or losses, if any, actually realized in each sub-account during the current month.
- <sup>7</sup> This reflects capital gains or losses, if any, not yet realized in each sub-account during the current month.
- <sup>8</sup> This reflects the sum of management fees and brokerage commissions charged to each sub-account during the current month.
- <sup>9</sup> This reflects the value of each sub-account as of the end of the current month.
- <sup>10</sup> This is the percentage of the market value attributable to each sub-account as of the end of the current month.
- <sup>11</sup> This is the net change in fair market value after accounting for all activity.
- <sup>12</sup> The dollar values and percentages above are rounded to 2 decimal places. Discrepancies up to \$1.00 between this sub-accounting report and the monthly account statement are possible.