CAREMOR
CEMETERY TRUST

Investment Policy Statement: Sales Act

Adopted: January 23, 2025

I. PURPOSE

This Investment Policy is adopted by the ("Trustee") to direct the prudent investment of the Caremor Cemetery Trust-Sales Act ("Portfolio") in a manner consistent with the investment Objectives stated in Section VI.

II. RESPONSIBILITIES

The Trustee is authorized to provide oversight of the Portfolio. This Investment Policy shall be used by the Trustee in its duty to oversee the management, monitoring and reporting of the Portfolio by the Custodians, Investment Managers and other advisors. This document will be reviewed annually by the Trustee with any revisions to this policy statement submitted in writing.

III. SCOPE

This Policy applies to all assets that are included in the Portfolio for which the Trustee has been given discretionary investment authority.

IV. STRATEGY

To meet our objectives, the Trustee is authorized to employ an experienced, fully licensed investment manager(s), who will conform to our policy guidelines. It is a conflict of interest for a member of the Trustee or Affiliated Companies of the Trustee to receive compensation of any kind as an Investment Manager.

V. FIDUCIARY DUTY

The Trustee and all parties associated with the Portfolio will avoid any conflict of interest to the detriment of the Portfolio and will discharge their respective responsibilities in accordance with the normal fiduciary standards; (1) with the care, skill, prudence and diligence as required by the Standards for Investments under the Uniform Prudent Investor Act and (2) by diversifying the investments so as to minimize the risk of large losses.

A. **Investment Manager(s):** The Investment Manager is charged with the responsibility to conduct day-to-day investment management of the Portfolio assets in accordance with this Investment Policy Statement and all laws that supersede it. All Investment Manager(s) must either be (1) registered under the Investment Company Act of 1940, (2) a bank as defined in that Act, (3) an insurance company qualified under the laws of the state to perform the services of managing, acquiring or disposing of Portfolio assets, or (4) such other person or organization authorized by applicable law or regulation to function as an Investment Manager. Each Investment Manager managing a separate account for the Portfolio must sign an investment management agreement with the Trustee, to include conflict of interest provisions.

B. **Custodian:** The Custodian is charged with the responsibility for safekeeping securities, collections and disbursements, and periodic accounting statements. If the transacting broker is a large publicly traded or nationally recognized company and is a member of the New York Stock exchange, then they can act as the custodian to the account. However, if the above criteria are not met for some reason, then an independent custodian will be used. The principals or the controlling interest of the transacting broker and the independent custodian cannot be the same or have any cross ownership in both firms.

VI. OBJECTIVES

The investment objectives for the Portfolio will be for the asset value, exclusive of contributions or withdrawal, to grow over the long term (at least 10 years) and earn, through a combination of investment income, capital appreciation, and a rate of return (time-weighted total return) more than the benchmarks established for the medium term and long term.

A. **General Performance Objectives:**

1. To develop a portfolio, which over a period more than ten years will grow at an annualized rate greater than inflation and with a reasonable rate of return in accordance with the specific performance objectives to follow. These returns should be produced without exposing the portfolio to substantial risk or volatility.

2. To protect the portfolio from significant loss, i.e., greater than 20% in one year, with market conditions showing no correlation or in any three-year rolling period.

B. **Specific Performance Objectives:**

1. The Caremor Cemetery Trust Pre-Need Portfolio shall utilize best efforts to obtain an annual rate of return, net of management fees, equal to or greater than the weighted average of the underlying indexes for the investment classes selected.

VII. ASSET ALLOCATION

Deliberate management of the asset mix among classes of investments is both a necessary and desirable responsibility of the Investment Manager. In the allocation of assets, diversification of investments among asset classes that are not similarly affected by economic, political, or social developments is a highly desirable objective. The Trustee's general policy shall be to diversify investments within both equity and fixed income securities to provide a balance that will enhance total return, while avoiding undue risk concentrations in any single asset class or investment category.

The diversification does not necessarily depend upon the number of industries or companies in a portfolio or their particular location, but rather upon the broad nature of such investments and of the factors that may influence them. To ensure broad diversification in the long-term investment portfolios among the major categories of investments, asset allocation, as a percent of the total market value of the total long-term portfolio, will be set with the following target percentage and within the following ranges.

ASSET CLASS	MINIMUM	MAXIMUM
Equities	65%	75%
Fixed Income	25%	35%
Cash	0%	5%

In the event of extreme economic circumstances, an act of war, foreign aggression or natural disaster, the investment advisor may suspend the minimums for equities and fixed income and the maximum for cash, however the investment advisor must immediately report such action to the Trustee.

VIII. INVESTMENT GUIDELINES

It is the intention of the Trustee to allow the Investment Manager to have full investment discretion within the scope of these mutually agreed upon investment guidelines. The Investment Manager must adhere to the following investment guidelines unless explicitly modified in writing by the Trustee.

A. Types of Securities:

1. The equity securities shall be domestic or foreign common stocks, preferred stocks, convertible preferred stocks, mutual funds (including exchange traded funds and sector funds), real estate (including REITS but avoiding UBTI), bonds; depending on the investment manager's assignment.
    a. Purchase of stocks with individual share prices less than $5 is prohibited.
    b. Not more than 5% of all equities shall be in new issue stock, defined as having been traded on a major stock exchange for less than one year.
2. The fixed income securities may be comprised of U.S. Treasuries, agencies of the United States Government, domestic and international corporation bonds (rated BBB+ or higher), domestic bank issues (except if the investment manager is affiliated with a bank, such investments are prohibited to avoid conflict of interest rules), other US. Financial institution issues.

The fixed income securities may be comprised of U.S. Treasuries, agencies of the United States Government, sovereign international government bonds, taxable municipal bonds, domestic and international corporation bonds (rated BBB+ or higher), domestic bank issues (except if the investment manager is affiliated with a bank, such investments are prohibited to avoid conflict of interest rules), other US. Financial institution issues. If interest rates are abnormally low, i.e. 30 year treasury yields below 4 ½%, the money manager at his discretion and his desire to return a higher yield may invest in the following classes, high yielding common stock, REITs, (excluding those that generate K-1's) and preferred stock, (optional). The investment Trustee reserves the right to change this policy with 30 days' written notice.

B. **Diversification:** The equity and fixed income portfolio should be well diversified to avoid undue exposure to any single economic sector, industry or individual security.

1. No more than 5% of the equity or fixed income portfolio based on market value shall be invested in the securities of any one issuer other than fixed income pools of investment such as U.S. Government.
2. Except U.S. Treasuries, no more than 10% of the fixed income portfolio based on market value shall be invested in securities of any one issuing corporation at the time of purchase.

C. **Prohibited Investments:** Categories of investment that are not eligible for investment without approval of the Trustee.

1. Margin purchase or other use of lending or borrowing
2. Naked Short sales
3. Private placements
4. Security loans
5. Leveraged derivatives (e.g. floater, inverse floaters, etc.)
6. Hedge funds
7. Warrants
8. Unregistered or restricted stock
9. Limited Partnerships (including those that are public)
10. S-Corps

D. **Trading and Execution:** The Investment Manager shall use their best efforts to obtain best execution or orders through responsible brokerage firms at the most favorable prices and competitive commission rates. If turnover of equity investments exceeds 50% of the equity market value in any calendar quarter, the Investment Manager will promptly submit to the Trustee a detailed explanation of the trading activity. Similar notice will be sent if any Investment Manager purchases a specific holding within 30 days after it has been sold from the Fund.

E. Liquidity: The Trustee has the duty to monitor cash flow on a regular basis, and sufficient liquidity shall be maintained to fund payment outflows. When withdrawal becomes necessary, the Trustee will notify the Investment Manager as far in advance as possible to allow sufficient time to build necessary liquid reserves. The Investment Manager will be expected to review the cash flow requirements with the Trustee and staff as requested, but at least annually.

F. Withdrawal: As part of the Entity's long-term strategy to increase the values of its assets to enable it to carry out its purposes, the intent is to add back to principal a portion of the total investment return. Income available for spending is determined by a total return system.

1. Annually the Trustee will withdraw not more than 5% (net of investment management fees) of the beginning of the year value of the General Investments Fund.
2. Investment returns more than the amount withdrawn shall remain invested.
3. Withdrawals should not be made more frequently than quarterly, with a minimum of two weeks' notice, except for emergencies.

G. Reports: The Investment Manager shall provide the Trustee with month-end reports each month and year-end reports each January. These reports will contain details of the portfolio holdings, market changes and the appropriate benchmarks. If any large or significant events occur requiring the purchase or sale of investments exceeding 10% of the portfolio, the investment manager will notify the Trustee by telephone or email within twenty-four hours.

IX. REBALANCING

In maintaining these asset allocation targets, the Investment Manager will strive to remain within the allocation ranges with the intent of rebalancing to targets as necessary. The appropriateness of this allocation will be reviewed by the Trustee at least annually or on such other basis as deemed necessary due to conditions as part of its review of the Investment Policy Statement.

X. TIME HORIZON

The Trustee seeks to achieve or exceed the targeted expected returns, as defined by the asset allocation decision. The Trustee does not expect that all investment objectives will be attained in each year and recognizes that over various time periods, investment managers may produce significant over or under performance relative to the broad markets. For this reason, long-term investment returns will be measured over a 5-year moving period. The Trustee reserves the right to evaluate and make any necessary changes regarding investment managers over a shorter term using the criteria established under “Manager Evaluation” below.

XI. MANAGER EVALUATION

All investment returns shall be measured net of fees. Each investment manager will be reviewed by the Trustee on an ongoing basis and evaluated upon the following criteria:

- **A.** Avoidance of regulatory actions against the firm, its principals or employees.
- **B.** Adherence to the guidelines and objectives of this Investment Policy.
- **C.** Avoidance of significant deviation from the style and capitalization characteristics defined as “normal” for the manager.
- **D.** Ability to exceed the return of the appropriate benchmark index set no more frequently than annually by the Trustee; and
- **E.** Ability to meet or exceed the median performance of a peer group of managers with similar styles of investing.

Managers will undergo ongoing extensive qualitative and quantitative analysis that will focus on the manager’s personnel, philosophy, portfolio characteristics, and peer group performance to determine whether the manager can implement their defined portion of the overall portfolio structure.

XII. EXCEPTIONS AND MODIFICATIONS

Exceptions and modifications to this policy are authorized when approved in advance and documented in writing by the Trustee.

XIII. ADOPTION

This policy was adopted by vote of the Trustee on May 1, 2025.

Caremor
Cemetery Trust

Melissa A. Stover