



JULY 12, 2024

BAXTER STATE PARK AUTHORITY

ENDOWMENT REVIEW

Mike Daley, CFA
Senior Portfolio Manager
BNY Mellon Wealth Management

Prepared For:

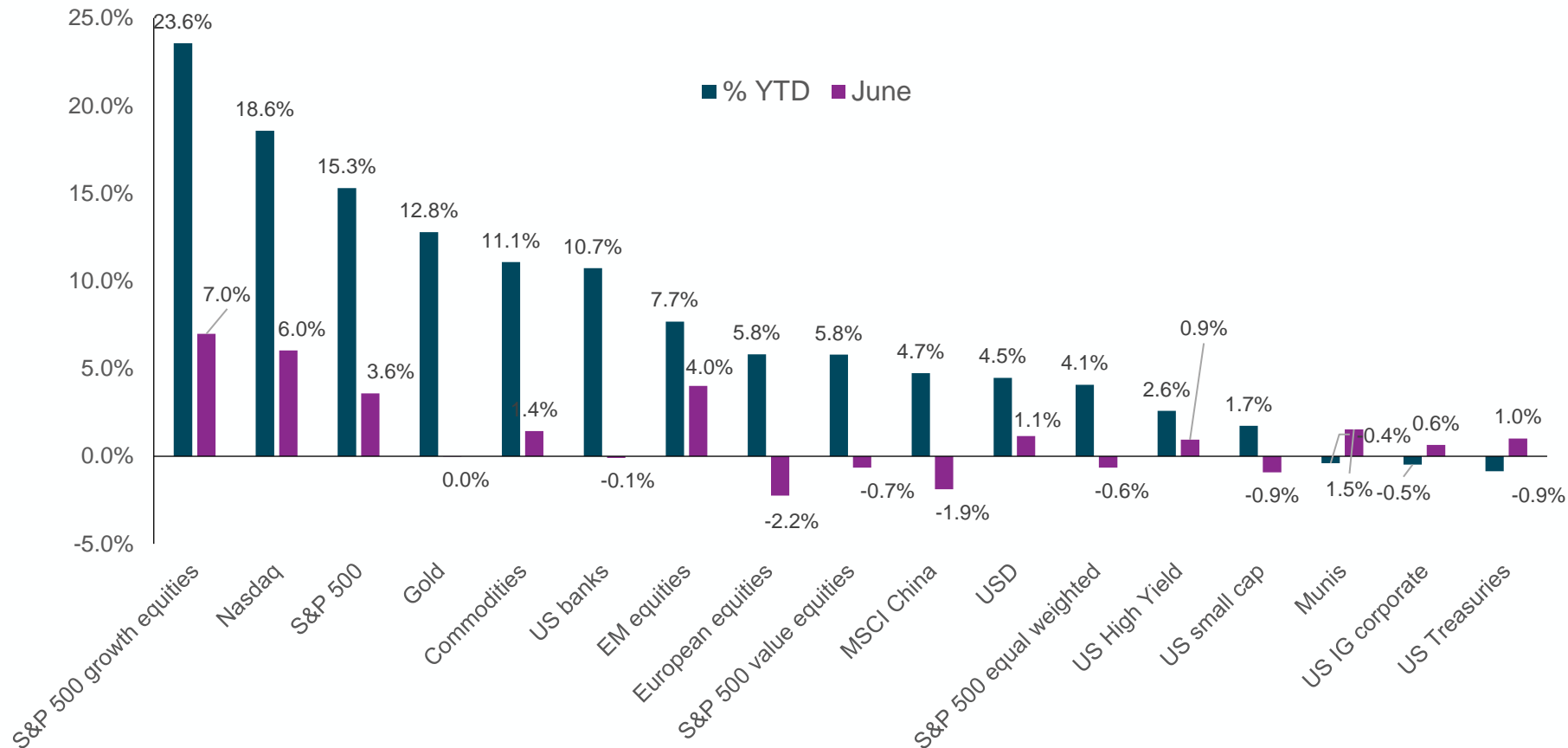
Judy Camuso
Commissioner of Inland Fisheries and Wildlife

Patty Cormier
Chair of BSP Authority
Director, Maine Forest Service

Aaron Frey
Maine Attorney General

Growth and Tech Leadership Persisting

- The S&P 500 gained 3.6% in June and is up 15.3% YTD.
- YTD leaders include growth stocks (23.6%), NASDAQ (18.6%), S&P 500 (15.3%), gold (12.8%), and commodities (11.1%).
- Given the Fed's delayed easing cycle relative to the rest of world, the USD is 4.7% YTD.
- Fixed income and small caps remains marginally negative YTD.





REASONS TO BE POSITIVE

- Global manufacturing upward momentum.
- Job market strong enough.
- Improving earnings and margins.
- Tight credit spreads.
- Consumers still spending.
- ~\$40T increase in consumer net worth since Covid.
- AI's boost to growth.



RISKS

- Increasing oil prices.
- Potential consumer slowdown.
- US debt sustainability.
- Uncertainty with US election outcome.
- Market too reliant on big-tech.
- Geopolitical.



ASSET ALLOCATION

- Staying in cash doesn't work over the long-run. Staying invested and diversified does.
- Cash set to underperform with Fed easing in 2024 and beyond.
- Maintain domestic large cap equity bias as US outperformance expected to continue driven by big tech and AI.

Asset Class Positioning

Investment Strategy Committee Recommendations

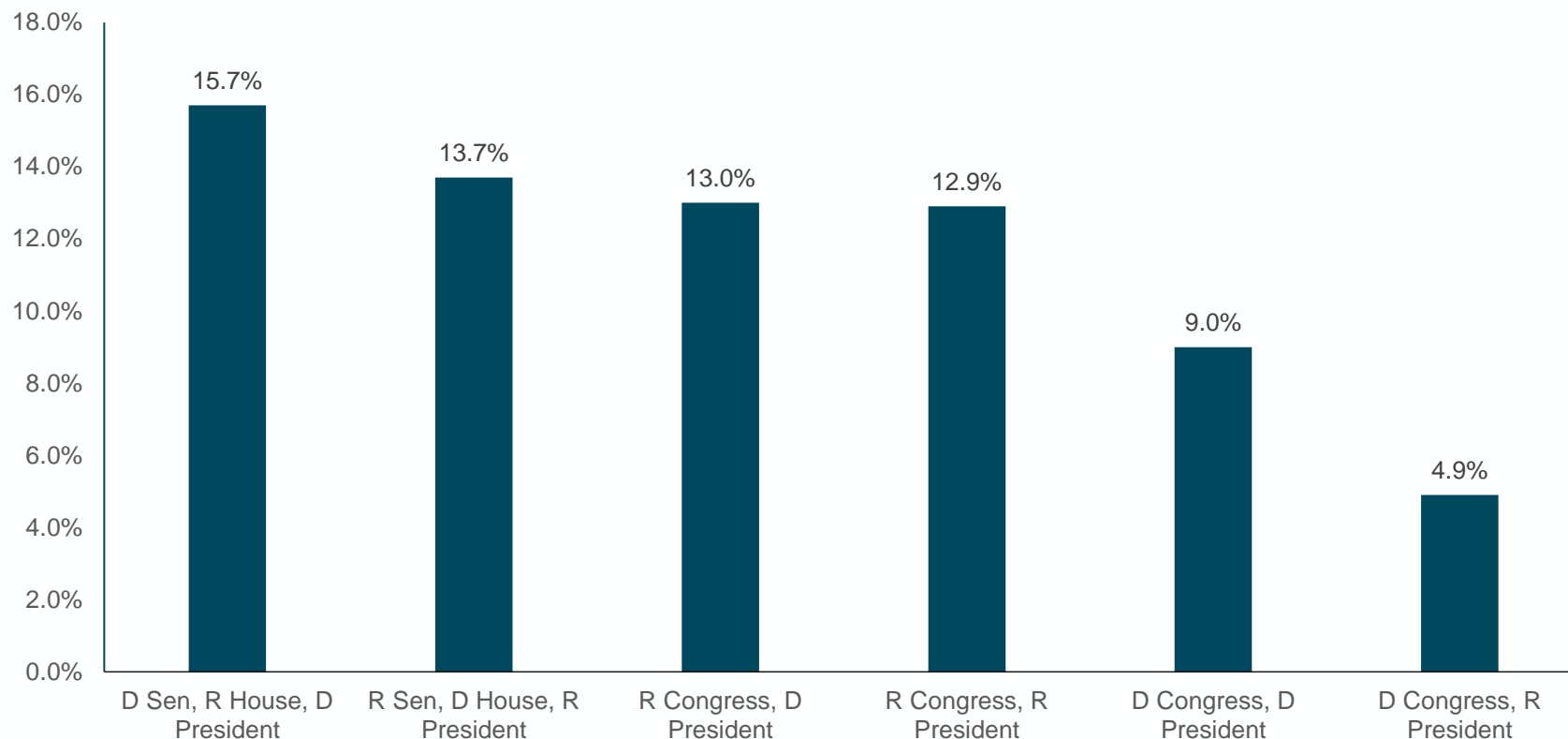
	Underweight	Small Underweight	Neutral	Small Overweight	Overweight
Equity			◆		
Large Cap					◆
Mid Cap			◆		
Small Cap			◆		
International Developed	◆				
Emerging Markets	◆				
Fixed Income			◆		
Treasuries			◆		
Investment-grade Corporate			◆		
Tax-exempt			◆		
High Yield			◆		
Emerging Market Debt	◆				
Diversifiers			◆		
Alternative Growth			◆		
Absolute Return			◆		
Real Assets			◆		
Private Equity					◆

Reflects portfolio positioning within the Fully Diversified Balanced Model for taxable clients. As of 7/3/2024.

Don't Invest With Your Politics

- Markets go up in all types of administrations.

S&P 500 average returns in different presidential years*: 1933-2023



*Data excludes 2001-2002 due to Sen Jeffords changing party mid-2001. Source: Strategas. Data as of 7/2/2024

Portfolio Positioning: Baxter State Park Consolidated

Fund Type	Actual Allocation	Target Allocation	Over / Under (vs Target)	Market Value
Cash				
Cash and Cash Equivalents	1.2%	0.0%	1.2%	\$1,358,653
Total Cash	1.2%	0.0%	1.2%	\$1,358,653
Equities				
U.S. Large Cap	38.3%	38.0%	0.3%	\$44,848,235
U.S. Mid Cap	6.7%	7.0%	-0.3%	\$7,879,133
U.S. Small Cap	3.3%	3.0%	0.3%	\$3,892,023
Developed International	8.9%	9.0%	-0.1%	\$10,406,547
Emerging Markets - Large Cap	4.1%	4.0%	0.1%	\$4,780,001
Total Equities	61.3%	61.0%	0.3%	\$71,805,940
Fixed Income				
Taxable Fixed Income	20.9%	21.0%	-0.1%	\$24,513,173
High Yield	3.9%	4.5%	-0.6%	\$4,529,228
Emerging Mkts - Fixed Income	1.6%	1.5%	0.1%	\$1,833,836
Total Fixed Income	26.3%	27.0%	-0.6%	\$30,876,237
Alternative Investments				
Private Equity	11.2%	12.0%	-0.8%	\$13,156,661
Total Alternative Investments	11.2%	12.0%	-0.8%	\$13,156,661
TOTAL	100%	100%		\$117,197,491

IPS Ranges

Equity: 50%-70% (Policy Target 60%)
 Bonds: 15%-35% (Policy Target 25%)
 Special Opps: 0%-25% (Policy Target 15%)
 Cash: 0%-5% (Policy Target 0%)

Performance

TOTAL PORTFOLIO AS OF 05/31/2024

Annualized Returns	YTD	Annualized				
		One Year	Three Years	Five Years	Ten Years	Fifteen Years
Total Portfolio						
Baxter Trust (Net)	6.8%	18.8%	3.7%	9.1%	7.2%	8.0%
Investment Fund (Net)	4.3%	10.9%	5.0%	11.3%	8.7%	9.8%
Consolidated (Net)	6.0%	16.4%	4.1%	9.7%	7.7%	9.1%
1) Blended Benchmark (70 ACWI / 5 SO / 25 Agg)	6.1%	17.3%	3.2%	8.7%	6.7%	8.3%
2) Blended Benchmark (70 S&P 500 / 5 SO / 25 Agg)	7.6%	20.3%	6.2%	11.4%	9.5%	11.2%
3) Consumer Price Index + 3%	2.7%	6.4%	8.3%	7.3%	5.9%	5.6%

Benchmark Summary

- 1) Blended benchmark using global (est. 60% US / 40% Non-US) equity index, Special Ops (50% ACWI / 50% Tbill + 3%)
- 2) Blended benchmark using US equity (S&P 500) index, Special Ops (50% ACWI / 50% Tbill + 3%)
- 3) Benchmark tracking purchasing power of assets after distributions

Administration

OPERATIONAL SUMMARY: BSP INVESTMENT FUND

Investment Authority

BNY Mellon has full investment authority within the guidelines set out by the Investment Policy Statement.

Statements

Income and principal summary, with asset lists, are mailed quarterly to Carl Gerke, Brian Noyes and Rupert White. Baxter State Park Authority receives monthly and annual statements. Kevin Adam receives monthly statements. The State Treasurer receives annual statements. The Attorney General of Maine receives quarterly statements.

Payments

Upon receipt of authorized instruction.

Fees

On the 24th of each month, one twelfth (1/12) of the annual fee is charged to income based on the following fee schedule:

Advisory Fee Based on Market Value *

.40% on the first \$25,000,000

.25% on the next \$25,000,000

.20% on the next \$100,000,000

* 15% discount to be applied to advisory fee tiers

Administration

OPERATIONAL SUMMARY: BAXTER TRUST

Investment Authority

Boston Safe (BNY Mellon) is sole Trustee for the Percival Baxter Trust.

Statements

Consolidated and individual income and principal summary, with asset lists, are mailed quarterly to Brian Noyes, Rupert White and Carl Gercke for both Trust accounts. Kevin Adam receives monthly statements for both Trust accounts. Baxter State Park Authority receives monthly and annual (calendar year end) statements for the two Trust accounts. The Maine State Treasurer receives annual statements for the Park's fiscal year-end (June) for both Trust accounts. The Maine State Attorney General receives quarterly statements for both accounts.

Payments

At the end of each month, net income is transferred to the Baxter State Park Authority Investment Fund (a/c # 10600421xxx).

Fees

At the end of each month fees are charged 50% to income and 50% to principal based on the following schedule: 5% of Income, in accordance with Amendment to Trust dated May 18, 1966.

Performance Review: Disclosure

Performance shown is total return, expressed as a percentage, including income and gains (realized and unrealized) in the portfolio. For periods of greater than one year, performance is shown as an average annual rate of return. Periods of less than one year are not annualized.

Portfolio Net of Fee returns reflects the deduction of management fees or other fees payable by the account.

In valuing the assets in portfolios, we use data and information supplied by the third party vendors. Although we exercise great care in the selection of such vendors; we do not guarantee the accuracy of the information provided.

Past performance is not necessarily indicative of future results

Information appearing in the "Since Inception" column on your report represents the performance data since the time we began to calculate performance returns for the specific asset classes or subclasses held in your account(s). In some instances, the calculations for portfolio information may pre-date the detail information appearing on your report. Additionally, where the Inception Date for your account(s) is not the first day of the month, there will be a timing mismatch with the underlying benchmarks as benchmark performance is calculated from the first day of the month, regardless of your account(s) Inception Date. Also, it always takes time to align a new account with our agreed upon investment strategy. For example, if an account consists of all cash or legacy securities on Inception Date, the account will need to be fully transitioned before comparison with the underlying benchmark is appropriate.

Actual valuation and performance for the Mellon Optima L/S Strategy Fund as of the month-end indicated on the report may not be available until after the production of this report. In such cases, BNY Mellon Wealth Management may use an estimated valuation calculated using available information.

Benchmarks: Benchmarks used for performance comparison are noted on the report. The Intermediate Municipal Bond Index represents returns of the Constant 5.5 year Duration Blend of the Merrill Lynch Intermediate (U0T0) Municipal Bond Index and the Merrill Lynch 12-22 Year (U4A0) Municipal Bond Index for periods prior to January 2010 and the returns of the S&P Municipal Bond Intermediate Index from January 2010 forward.

For additional performance information, or for any matter pertaining to your account relationship, please contact your Wealth Manager.