

March 27, 2026

BAXTER STATE PARK AUTHORITY

INVESTMENT REVIEW

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Temporary oil disruption?

- Oil is up 47%+, yet energy stocks are up just 6% and the S&P 500 down only 4%, suggesting investors don't expect sustained higher oil prices.
- Gold is down while yields and the USD are higher. Volatility has been contained, which is not a typical pattern seen during crises.

Asset classes since Iran strike*

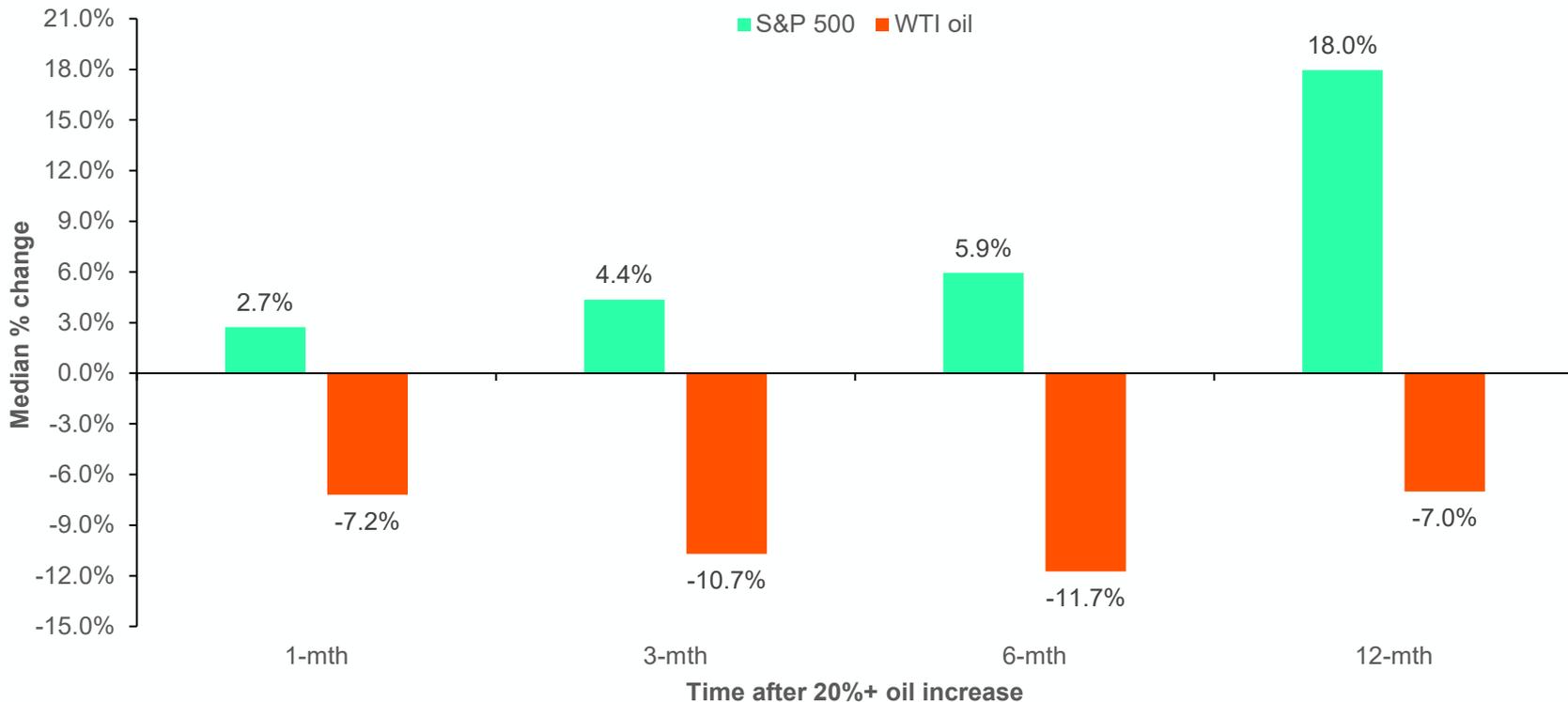
	Change	Level
Gold (\$/troy oz.)	(11.2%)	4,687
Brent oil (\$/barrel)	47.8%	107.1
WTI oil (\$/barrel)	40.8%	94.2
European natural gas**	88.0%	60.1
USD	1.8%	99.4
10-yr Treasury %	0.36	4.30
2-yr Treasury %	0.47	3.85
High yield	(1.1%)	2901.92
EM USD dbet	(2.3%)	1376.52
S&P 500	(4.0%)	6,606
NASDAQ	(2.5%)	22,091
Energy sector	5.9%	906
Tech sector	(0.8%)	5,321
Russell 2000	(5.2%)	2,495
MSCI EAFE	(9.6%)	2,875
MSCI EM	(8.3%)	1,476
Growth	(2.6%)	4,695
Value	(5.4%)	2,070
VIX Index	5.0	24.8
*Since 2/27/2026 close		
**Eur/MWh		
Source: Bloomberg		

*Since 2/27/2026 close. **Eur/MWh. Source: Bloomberg. Data as of 3/19/2026. Past performance is no guarantee of future results.

Oil spikes are typically short-term

- Oil has jumped as ships avoid the Strait of Hormuz, which carries 20% of the world's oil, due to risk of being attacked from Iran.
- While WTI oil is up more than 30% since the first attack, the S&P 500 is only 1.7% lower and energy stocks just 1.0% higher.
- This suggests markets are signaling a temporary supply shock not an economic or financial crisis.
- In addition, in the periods following short-term oil shocks, stocks historically move higher while oil decreases.
- For example, during the six months after oil shocks the median S&P 500 return is 6% while oil is -12% lower.
- Historically, markets price out oil shocks and geopolitical events which we expect in 2026 as shipping resumes and markets refocus on an oversupplied oil market with structurally lower long-term demand.

S&P 500 and Oil: % change after oil spikes*



*5-day oil increases of 20% or higher since 1986. Source: Bloomberg. Data as of 3/11/2026.

Geopolitics & Markets

S&P 500 Returns Following Start of War

- Stocks typically recover from geopolitical crises.

	S&P 500 return following geopolitical event				
	Start Date	+ 1-mth.	+ 3-mth.	+ 6-mth.	+ 12-mth.
World War II - Germany invades Poland	Sep-39	13.2%	8.8%	6.7%	-7.1%
World War II - Pearl Harbor	Dec-41	-3.4%	-12.4%	-10.2%	-0.2%
Korean War	Jun-50	-10.0%	1.5%	4.9%	11.2%
Vietnam war	Nov-55	7.3%	4.1%	13.9%	10.0%
Cuban Missile Crisis	Oct-62	5.4%	13.3%	21.1%	27.8%
Arab oil embargo	Oct-73	-8.6%	-13.3%	-14.9%	-34.4%
President Nixon resigns	Aug-74	-12.4%	-8.2%	-3.6%	5.5%
Iranian hostage crisis	Nov-79	4.2%	11.6%	3.0%	25.9%
USSR in Afghanistan	Dec-79	5.5%	-7.9%	8.4%	26.2%
Fall of Berlin Wall	Nov-89	3.6%	-0.9%	1.9%	-6.8%
Gulf war - Iraq invades Kuwait	Aug-90	-8.2%	-11.3%	-2.4%	10.2%
Sept. 2001	Sep-01	0.4%	4.0%	6.9%	-16.8%
U.S. invades Afghanistan	Oct-01	5.3%	9.2%	5.9%	-24.8%
U.S. invades Iraq	Mar-03	2.0%	13.7%	18.3%	26.7%
Russia invades Crimea	Feb-14	1.8%	1.8%	8.0%	14.7%
Brexit	Jun-16	2.9%	2.4%	7.1%	15.4%
Russia invades Ukraine	Feb-22	5.4%	-8.1%	-3.4%	-7.4%
Hamas attacks Israel	Oct-23	1.6%	9.0%	20.8%	32.2%
U.S. bombs Iran	Jun-25	5.7%	12.2%	15.3%	
U.S. captures Maduro in Venezuela	Jan-26	0.9%			
U.S.-led strike on Iranian leadership	Feb-26				
Avg.		1.1%	1.6%	5.7%	6.0%
Median		2.5%	2.4%	6.7%	10.1%
Max		13.2%	13.7%	21.1%	32.2%
Min		-12.4%	-13.3%	-14.9%	-34.4%

Source: Bloomberg and BNY Wealth. Data through 3/1/2026. Past performance is no guarantee of future results.

Outlook

- ~2.3% U.S. GDP growth with broadening earnings.
- Unemployment stays contained despite mixed job market.
- Substantial wealth effect and fiscal stimulus maintain consumer spending.
- Despite Supreme Court ruling, tariffs remain but are lower.
- Iran conflict an issue if leads to sustained spike in oil which don't see.
- Higher margins and capex remain positive and in an uptrend.
- Risks:
 - Higher inflation and yields.
 - Tighter, not easier, Fed policy.
 - Uneven consumer spending and softer labor market.
 - Weaker than expected returns on AI-related capex.
 - Longer than anticipated oil shock.

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 Moderate Growth for taxable clients. As of 3/11/2026.

Change in Assets

	YTD	2025
Beginning Market Value	\$132,453,021	\$119,271,882
Net Flows	(\$517,514)	(\$3,558,489)
<i>Portfolio Additions</i>	\$1,687	\$17,179
<i>Withdrawals</i>	(\$519,201)	(\$3,575,668)
Investment Return*	\$4,036,348	\$16,739,628
Ending Market Value	\$135,971,856	\$132,453,021

*Investment Return (Net of Fees)

Data as of February 28, 2026

Portfolio Positioning: Consolidated Trust / IM Account

Fund Type	Actual Allocation	Market Value
Cash		
Cash and Cash Equivalents	0.6%	\$785,945
Total Cash	0.6%	\$785,945
Equities		
U.S. Large Cap	36.6%	\$49,762,895
U.S. Mid Cap	7.1%	\$9,625,414
U.S. Small Cap	3.4%	\$4,678,279
Developed International	11.4%	\$15,522,802
Emerging Markets - Large Cap	5.9%	\$7,985,179
Total Equities	64.4%	\$87,574,569
Fixed Income		
Taxable Fixed Income	20.4%	\$27,787,484
High Yield	0.8%	\$1,094,800
Emerging Mkts - Fixed Income	1.6%	\$2,124,283
Total Fixed Income	22.8%	\$31,006,567
Alternative Investments		
Private Equity	12.2%	\$16,604,776
Total Alternative Investments	12.2%	\$16,604,776
TOTAL	100%	\$135,971,856

IPS Ranges

Equity: 50%-70% (Policy Target 60%)

Bonds: 15%-35% (Policy Target 25%)

Alternatives: 0%-25% (Policy Target 15%)

"Risk asset" cap: 80% of portfolio (equities / alternatives / HY bonds / EM fixed income)

Note: Private Equity line item includes Fugio PE/VC Funds, Commonfund PE Funds, Fortress Lending Fund III, and Ares Strategic Income Fund

Performance

TOTAL PORTFOLIO AS OF 2/28/2026

Annualized Returns	YTD	Annualized				
		One Year	Three Years	Five Years	Ten Years	Fifteen Years
Total Portfolio						
Baxter Trust (Net)	3.3%	16.5%	15.1%	8.5%	10.2%	8.1%
Investment Fund (Net)	2.5%	13.8%	9.8%	8.8%	10.8%	8.8%
Consolidated (Net)	3.1%	15.8%	13.5%	8.6%	10.4%	8.3%
1) Blended Benchmark (70% MSCI ACWI / 5% SO / 25% Agg)	3.6%	19.5%	16.8%	9.2%	10.5%	8.4%
2) Blended Benchmark (70% S&P 500 / 5% SO / 25% Agg)	1.2%	14.6%	17.1%	10.5%	11.8%	10.6%
3) Consumer Price Index + 3%	0.8%	5.4%	5.8%	7.5%	6.3%	5.7%

Benchmark Summary

- 1) 70% Global Equity Benchmark (MSCI ACWI), 25% Bloomberg Agg Bond Index (Bonds), 5% CPI + 3% (Special Opportunities)
- 2) 70% S&P 500 / 25% Bloomberg Agg Bond Index / 5% (50% 90 day Tbill + 3% / 50% MSCI ACWI)
- 3) Benchmark tracking purchasing power of assets after distributions

This information is being provided for information purposes only, based on sources we believe to be accurate. It is not to be considered as an official statement of the account(s).

Administration

OPERATIONAL SUMMARY: BSP INVESTMENT FUND

Investment Authority

BNY Wealth 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 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 Wealth) 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 and Rupert White 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.