TAX STABILIZATION FUND

Waterbury voters established a Tax Stabilization Fund in 1997. The equity payment made by the Town of Duxbury to the Town of Waterbury at the inception of the Waterbury-Duxbury School District was used to start the fund. The principal amount of $644,000 was invested in 1997 to generate interest, dividends and capital appreciation. Since inception, transfers have been made to the general fund to "stabilize taxes" over the long term.

After recommendation by the municipal manager and select board, voters at Town Meeting in 2019 approved a policy for transferring earnings in the Tax Stabilization Fund to the General Fund, allowing for a transfer of up to 5% of the year end value of the Fund.

In 2025, the realized and unrealized loss in the value of securities was $21,308. Interest earnings were $45,388. Re-balancing the portfolio must be done once a year to keep the portfolio in line with the goals of the fund's investment policy. The holdings at Edward Jones were re-balanced in June. Fixed income and equities held there are in approximately a 50%--50% balance. For the fund as a whole, equities make up about 20% of the total value.

A total of $879,221 has been transferred from the Tax Stabilization Fund to the General Fund since 1998. The average amount transferred over the 28 years since the fund's creation in 1997 is $31,400 and that includes 10 years when no transfer occurred.

A summary of the portfolio follows:

January 1, 2026	Cash, CD's, Money Mkt.	$ 284,261
	Equity and Bond Funds:	395,163
	Corporate Bonds:	5,502
	Loans to CIP Funds	350,833
	Balance:	$1,035,759
June 30, 2026	Cash, CD's, Money Mkt.	$ 287,730
	Equity and Bond Funds	418,371
	Corporate Bonds:	5,354
	Loans to CIP Funds	350,833
	Balance:	$ 1,062,288
	Budgeted 2026 Transfer	$ 50,000

All numbers are rounded to whole numbers.

8/3/26

Edward Jones

Diversification by Investment Category

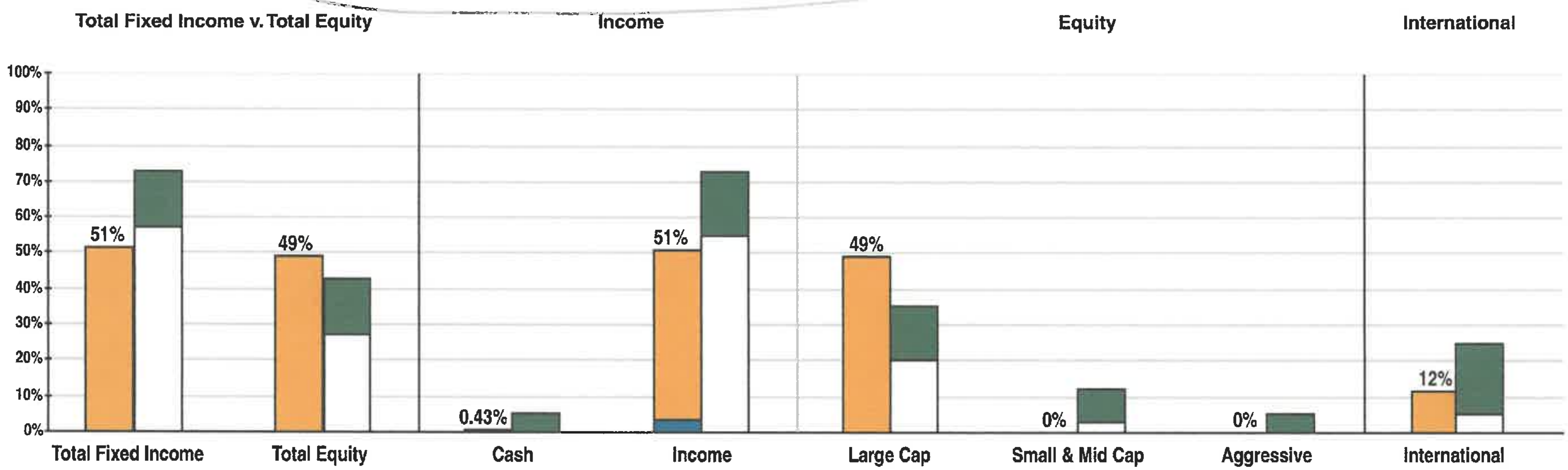
Portfolio Objective: Balanced Toward Income

1

August 3, 2026

Bruce K Walbridge
Financial Advisor

Prepared for: WATERBURY TAX STABALIZATION FUND
Account Number: 812-04193



Investment Category	Value	Actual	Suggested Range	Recommended Target
Fixed Income				
Cash	$1,882	0.43%	0–5%	Middle
Income	$222,729	50.73%	55–73%	Low
Total Fixed Income	$224,612	51.16%	57–73%	Low
Equity				
Large Cap	$214,475	48.85%	20–35%	Middle
Small & Mid Cap	$0	0.00%	3–12%	High
Aggressive	$0	0.00%	0–5%	High
Total Equity	$214,475	48.85%	27–43%	High
Portfolio total with unsettled trades	**$439,087**			
International	$51,993	11.84%	5–25%	Low
Aggressive Income (included in Income)	$15,759	3.59%	0–18%	Middle

The Suggested Range reflects the Edward Jones Investment Policy Committee's recommended weightings for each investment category based on your Portfolio Objective. To take advantage of timely market opportunities and risks, we also recommend specific Targets within those Suggested Ranges.