

## ABOUT APPLETON

- Founded in 1986 and located in Boston, MA
- 100% employee owned and operated
- Collaborative, team-oriented culture marked by personnel continuity
- Commitment to private client wealth management and financial planning
- Personalized, high-touch client service backed by recognized asset management expertise
- Assets Under Management of \$11.9 billion as of 6.30.2023

## STRATEGY OVERVIEW AND OBJECTIVE

- BetaCore is a diversified asset allocation strategy built around a core of passive and strategic beta ETFs that can be complimented by Appleton's active satellites, including: investment grade taxable or municipal bonds, and large cap growth or dividend equity strategies.
- The goal is to deliver a comprehensive, tailored solution pursuing broad market exposure with attractive risk-adjusted returns and dampened volatility.
- Traditional passive ETFs provide market cap weighted index returns at low cost and with high levels of transparency and liquidity.
- Strategic Beta ETFs apply rules-based methodologies to indices to capture market factors such as size, value, quality, profitability, and momentum. At Appleton, we utilize a multi-factor approach in select asset classes.
- Active strategies offer the potential for enhanced diversification and excess returns.

## INVESTMENT PHILOSOPHY & PROCESS

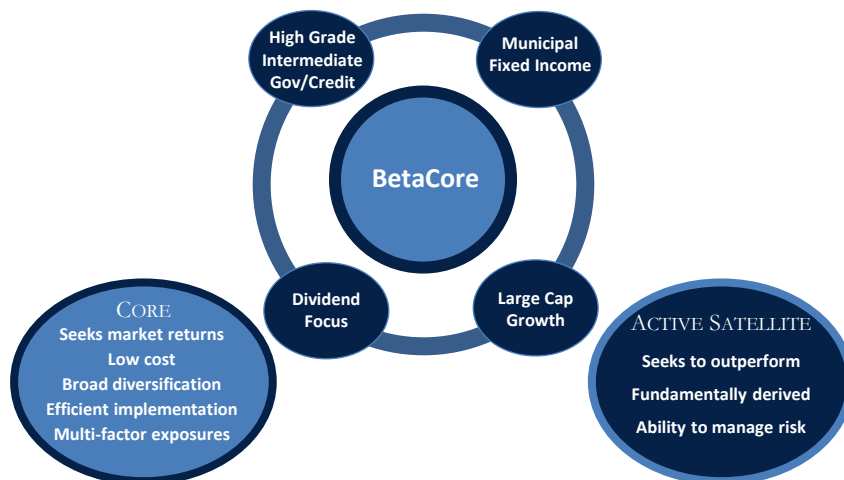
Our ETF models offer efficient access to desired asset class or strategy exposures and incorporate traditional passive and strategic beta strategies.

Appleton's active stock strategies combine fundamental analysis, macroeconomic insight, and quantitative screening in seeking to identify the most attractive stocks in the most favorable sectors.

Appleton's active fixed income aims to capture value across the yield curve, while matching interest rate sensitivity to the given rate cycle.

### Core-Satellite Portfolio Management

Seeks to combine the benefits of active and passive investment strategies



## CHARACTERISTICS AND ATTRIBUTES

### Low Volatility

Utilizing lower correlation asset classes can reduce overall portfolio volatility.

### Tax Efficiency

ETFs enjoy two tax advantages over active mutual funds. The vast majority of ETFs are index-based which can lead to low turnover due to infrequent reconstitution of the underlying index. The structure of ETFs also allows for the transfer of low-cost basis holdings to primary market dealers via in-kind redemptions.

### Cost Effective

Management and trading costs are relatively low. The average management fee of index based and strategic beta ETFs continues to decline.

### Transparent

Unlike mutual funds, ETF holdings are available daily and typically track a published index.

### Liquidity

In both core and satellite strategies, the Appleton team emphasizes liquid securities. ETFs trade throughout the day, offering greater liquidity than traditional active mutual funds which trade once a day at a closing NAV.

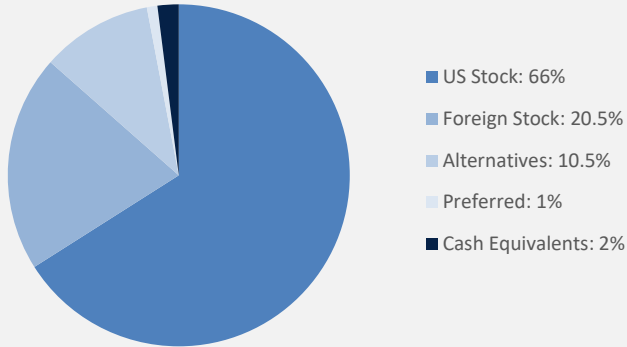
### Potential to Outperform

Utilizing active management in the satellites provides the portfolio the potential to outperform its benchmark through security selection. Using solely index ETFs typically does not provide the opportunity to outperform, but does create lower tracking error.

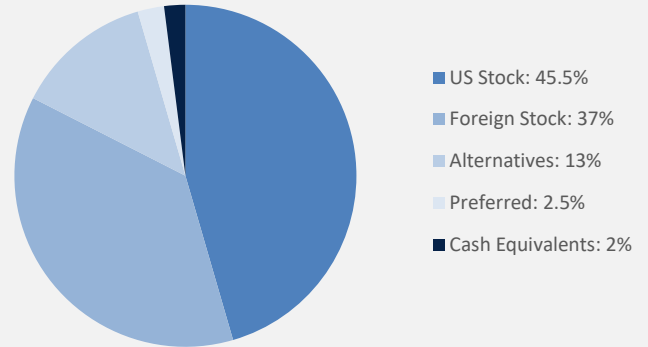
BETACORE STRATEGIES - CUSTOMIZED, COMPREHENSIVE ASSET ALLOCATION SOLUTIONS

The below diagrams depict target asset allocations for our BetaCore ETF strategies as of 6.30.23. Actual client account exposures will vary.

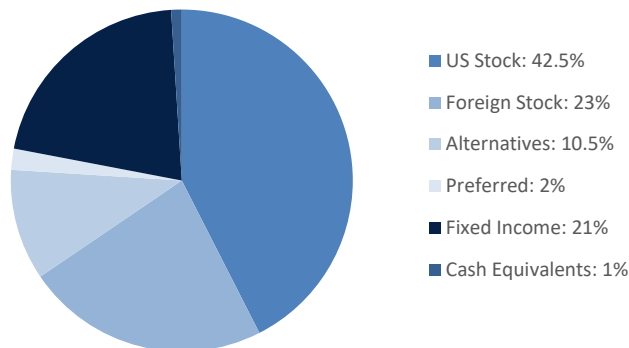
U.S. Focus Equity Only



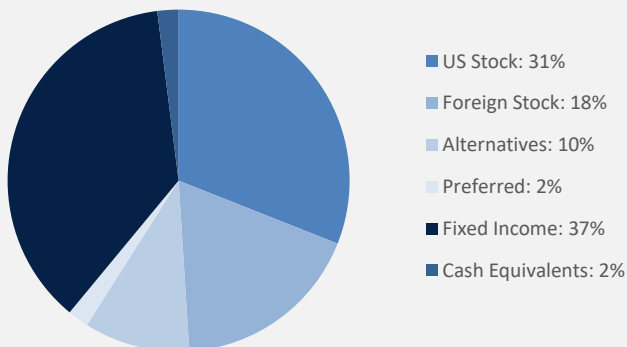
Diverse Equity Only



Aggressive Balanced



Moderate Balanced



Conservative Balanced

