

### ABOUT APPLETON

- Founded in 1986 and located in Boston, MA
- 100% employee owned and operated
- Collaborative, team-oriented culture marked by personnel continuity
- Consistent investment philosophy and process emphasizes quality, liquidity and tax efficiency
- Commitment to separate account management
- Assets Under Management of \$12.6 billion as of 12.31.2023

### STRATEGY OVERVIEW AND OBJECTIVE

- Investment Grade Corporates, Taxable Municipals, US Treasuries, TIPs and US Agencies
- Maturity range of 2 – 10 years
- Seeks to preserve and grow capital, while producing high income and competitive returns
- Intensive fundamental research draws upon issuer specific credit risk metrics and proprietary ratings
- Accounts typically hold 20 – 25 positions with average annual turnover of 20 – 25%

### INVESTMENT PHILOSOPHY & PROCESS

Seek to add value through yield curve positioning, sector rotation and security selection, while capitalizing on market inefficiencies and undervalued sectors and credits

#### RESEARCH

Work closely with the portfolio management team to identify specific sector and individual security opportunities

- Proprietary and independent credit analysis
- Access to Moody's, S&P and other 3rd party research
- Coverage from major investment bank research
- Active ongoing credit surveillance

#### PORTFOLIO MANAGEMENT

Seek to protect principal while delivering income and growth opportunities within defined risk parameters

- Formulate broad investment and risk strategies
- Economic inputs help establish overall portfolio structure
- Customize duration targets, scenario analysis, and other risk tools
- Hands-on attention paid to each client account

#### CUSTOMIZED CLIENT PORTFOLIO

### INVESTMENT GUIDELINES

Maturity Range	2 – 10 Years
Duration Range	3.5 – 4.5 Years
Credit Quality	Investment Grade
Diversification	Position sizes reflect round lot execution and ability to efficiently access market liquidity and meet required income needs
Issuer Diversification	5% position target at time of purchase
Benchmark	Bloomberg Intermediate US Govt/Credit Index

#### ACCOUNT REVIEW:

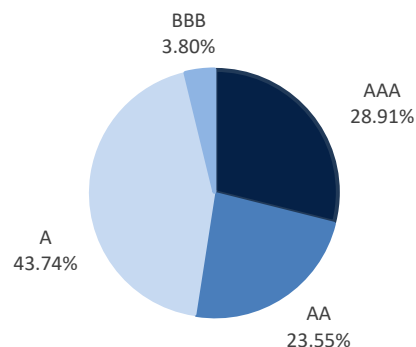
- Integrated portfolio systems help ensure adherence to client and strategy guidelines
- Proprietary technology links trading, settlement, reconciliation and compliance processes
- Sustained engagement with financial advisors and investors

#### PORTFOLIO OPTIMIZATION:

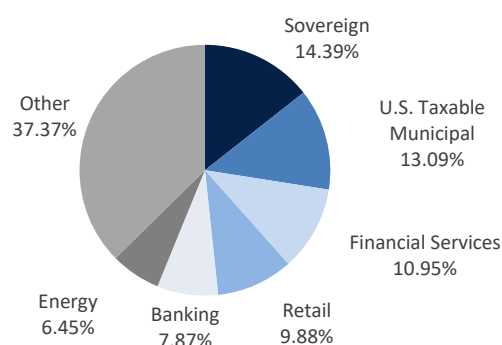
- Discipline and flexibility in changing markets
- Rebalance based on evolving client objectives, security specific outlooks, investment markets and global economies
- Sell discipline triggered by credit and relative value changes, yield curve shifts and sector rotation opportunities

COMPOSITE CHARACTERISTICS<sup>1</sup>

	API	BENCHMARK
Maturity	4.08 Years	4.22 Years
Duration	3.59 Years	3.76 Years
Coupon	3.55%	2.86%
Price	\$97.72	\$95.10
Yield to Worst	4.43%	4.38%
Yield to Maturity	4.00%	4.38%
Current Yield	3.61%	3.01%

CREDIT PROFILE<sup>2</sup>

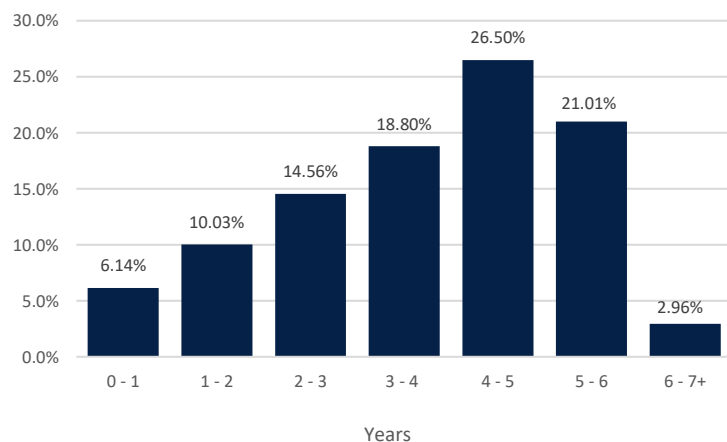
## TOP SECTOR PROFILE



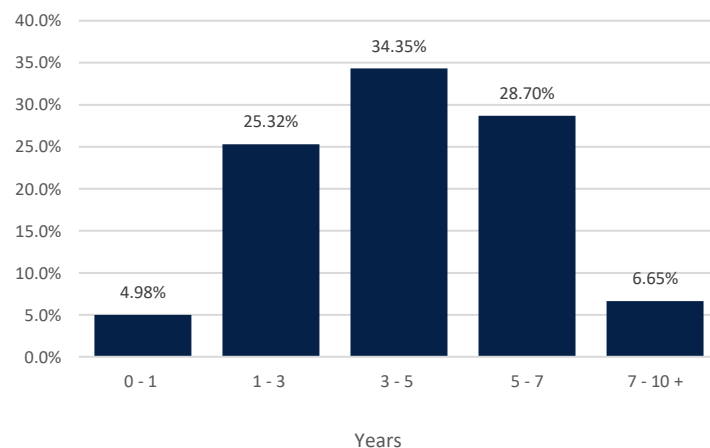
## TOP TEN HOLDINGS

SECURITY	COUPON (%)
Bank of America Corp	5.202
Apple Inc	3.200
Bp Cap Markets America	3.633
Anheuser-Busch Inbev Wor	4.900
Morgan Stanley	3.125
Verizon Communications	4.329
Jpmorgan Chase & CO	3.200
Walmart Inc	3.700
US Treasury N/B	4.000
Comcast Corp	4.150

## DURATION PROFILE



## MATURITY PROFILE



Sources: Appleton Partners, Inc.

<sup>1</sup>Composite data and characteristics as of 12.31.23<sup>2</sup>Credit Profile: AAA includes cash, pre-refunded bonds, and US Treasuries; Credit rating for each security is determined by taking the higher rating of S&P and Moody's.

The composites used to calculate strategy characteristics ("Characteristic Composites") are subsets of the account groups used to calculate strategy performance ("Performance Composites"). Characteristic Composites excludes any account in the Performance Composite where cash exceeds 10% of the portfolio. Therefore, Characteristic Composites can be a smaller subset of accounts than Performance Composites. Inclusion of the additional accounts in the Characteristic Composites would likely alter the characteristics displayed above by the excess cash. Please contact us if you would like to see characteristics of Appleton's Performance Composites.

Yield is a moment-in-time statistical metric for fixed income securities that helps investors determine the value of a security, portfolio or composite. YTW and YTM assume that the investor holds the bond to its call date or maturity. YTW and YTM are two of many factors that ultimately determine the rate of return of a bond or portfolio. Other factors include re-investment rate, whether the bond is held to maturity and whether the entity actually makes the coupon payments. Current Yield strictly measures a bond or portfolio's cash flows and has no bearing on performance.



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