

## ABOUT APPLETON

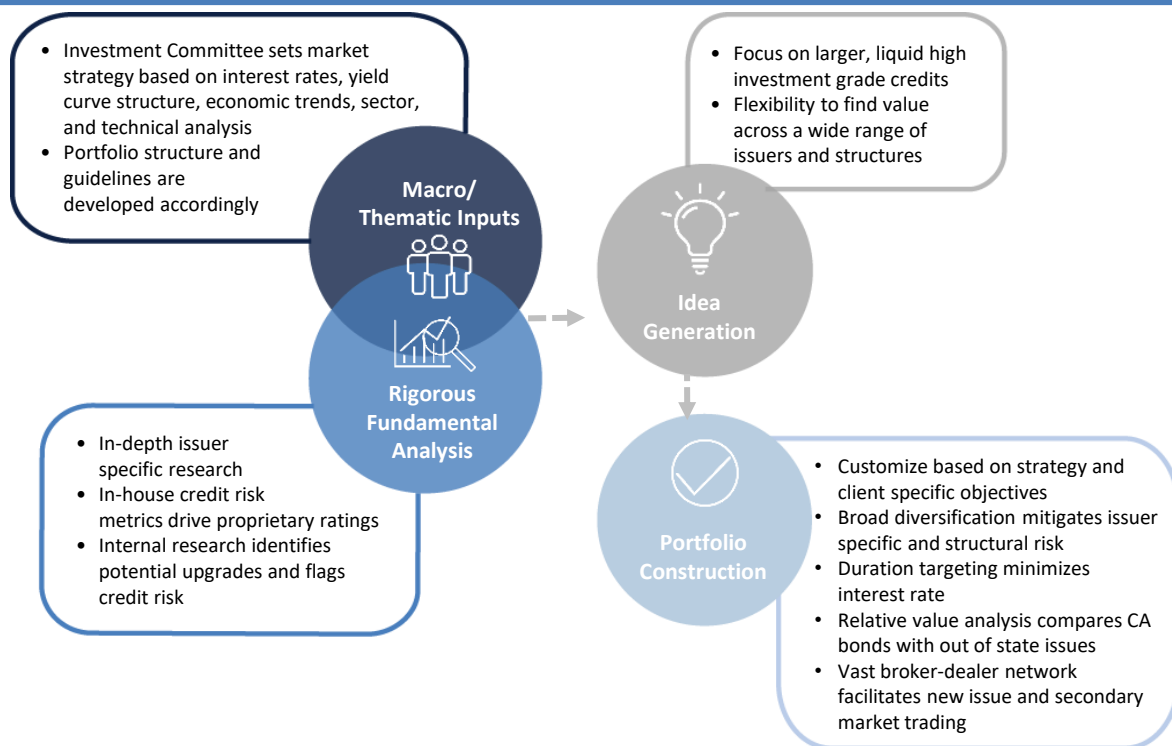
- Founded in 1986 and located in Boston, MA
- 100% employee owned and operated
- Collaborative, team-oriented culture marked by personnel continuity
- Consistent investment philosophy and process emphasizes quality, liquidity and tax efficiency
- Commitment to separate account management
- Assets Under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

## SUB-STRATEGY OVERVIEW AND OBJECTIVE

- Investment grade tax-exempt municipal bonds
- Maturity range of 3 – 12 years
- Research intensive, customized process managed in accordance with clients' preference for CA issuer exposure, as well as individual tax needs and risk profile.
- Seeks to tax efficiently preserve and grow capital while focusing on the intermediate end of the muni yield curve with disciplined management of liquidity, interest rate and credit risks
- Accounts typically hold 20 – 25 positions with average annual turnover of 15 – 20%

## INVESTMENT PHILOSOPHY &amp; PROCESS

Seeks to capture value across the intermediate maturity areas of the yield curve by capitalizing on market inefficiencies and matching the interest rate sensitivity to the given rate cycle.



## INVESTMENT GUIDELINES

Maturity Range	3 – 12 Years
Duration Range	4 – 6 Years
Credit Quality	High Investment Grade
Geographic Diversification <sup>1</sup>	Sub-Strategy consists of discretionary accounts that typically have at least 50% of portfolio assets invested in bonds of CA issuers.
Issuer Diversification	5% single position target; 15% exposure to any one obligor
Benchmark	Bloomberg Managed Money Short/Intermediate 1-10 Year

<sup>1</sup>% of CA exposure is dependent on client needs, bond availability, and relative value considerations.

## DYNAMIC MANAGEMENT &amp; OVERSIGHT

## ACCOUNT REVIEW:

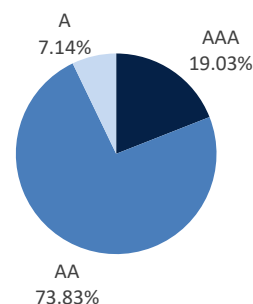
- Integrated portfolio systems help ensure adherence to client and strategy guidelines
- Proprietary technology links trading, settlement, reconciliation and compliance processes
- Sustained engagement with financial advisors and investors

## PORTFOLIO OPTIMIZATION:

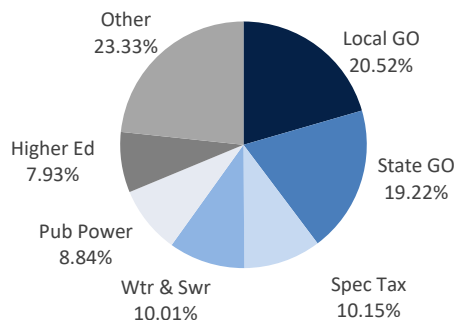
- Discipline and flexibility in changing markets
- Rebalance based on evolving client objectives, security specific outlooks, investment markets and global economies
- Sell discipline triggered by credit and relative value changes, yield curve shifts and sector rotation opportunities

COMPOSITE CHARACTERISTICS<sup>2</sup>

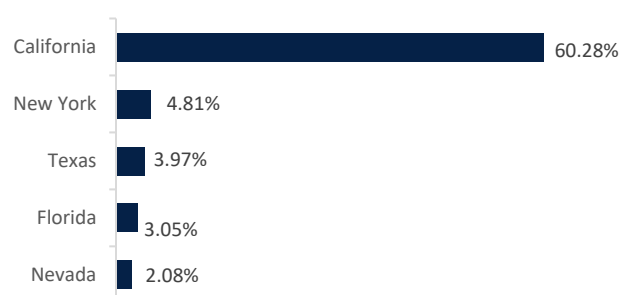
	API	BENCHMARK
Maturity	6.89 Years	5.51 Years
Duration	4.65 Years	4.42 Years
Coupon	4.80%	4.78%
Price	\$112.93	\$111.35
Yield to Worst	2.35%	2.40%
Yield to Maturity	2.80%	2.51%
Current Yield	4.25%	4.29%

CREDIT PROFILE<sup>3</sup>

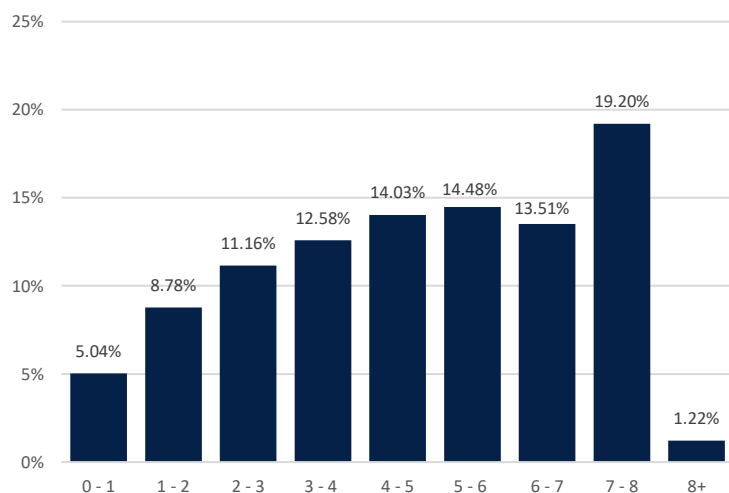
## TOP SECTOR PROFILE



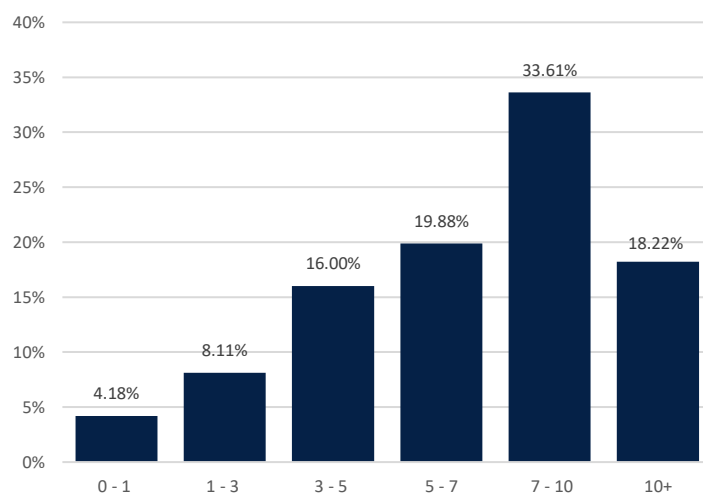
## TOP STATE EXPOSURE



## DURATION PROFILE



## MATURITY PROFILE



Sources: Appleton Partners, Inc.

<sup>2</sup>Composite data and characteristics as of 12.31.2023<sup>3</sup>Credit Profile: AAA includes cash and pre-refunded bonds; Credit rating for each security is determined by taking the higher rating of S&P and Moody's.

The CA Preference Sub-Strategy composite is comprised of a subset of accounts extracted from the larger Intermediate Municipal composite and includes only accounts where clients have identified a preference for CA bonds. Consequently, individual portfolio characteristics or the larger Intermediate Municipal Strategy composite may differ significantly from the extracted characteristics shown based on each client's investment objectives, restrictions and asset allocation. The composite characteristics of the entire Intermediate Municipal Strategy are available upon request.

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.



One Post Office Square  
Boston, MA 02109  
[www.appletonpartners.com](http://www.appletonpartners.com)

Source: Appleton Partners, Investortools: Perform, and/or Bloomberg Finance L.P. Evaluations and market averages subject to change based on market conditions. This piece is intended for informational purposes only, and not to suggest any specific performance or results, nor should it be considered investment, financial, tax or other professional advice. Investors should be aware that the referenced benchmark funds may have a different composition, volatility, risk, investment philosophy, holding times, and/or other investment-related factors that may affect the benchmark funds' ultimate performance results. Investment process, strategies, philosophies, allocations, performance composition, target characteristics and other parameters are current as of the date indicated and are subject to change without prior notice. Investments in securities are not insured, protected or guaranteed and may result in loss of income and/or principal.