Appleton Partners
Municipal Value Fixed Income

Q3 2026

About Appleton

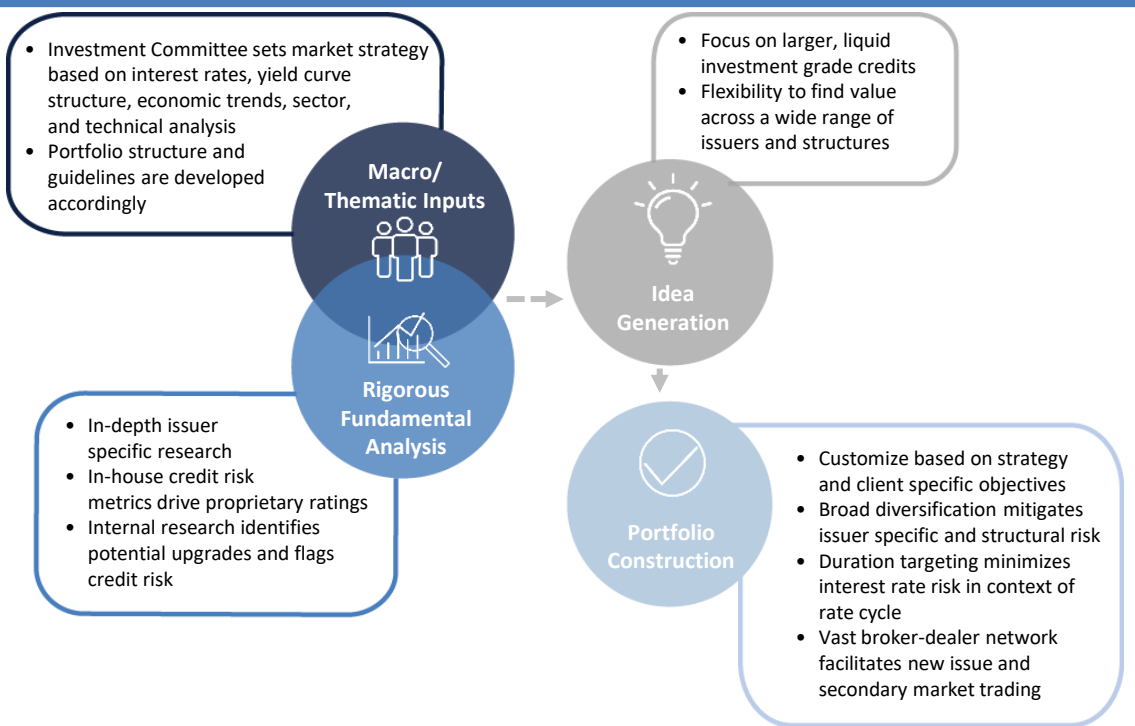
- Founded in 1986 and located in Boston, MA
- 100% employee owned and operated
- Collaborative, team-oriented culture marked by personnel continuity
- Consistent investment philosophy and process emphasizes quality, liquidity and tax efficiency
- Commitment to separate account management
- Assets Under Management of $12.1 billion as of 9.30.2026

Strategy Overview and Objective

- Investment grade tax-exempt municipal bonds
- Maturity range of 1 – 17 years
- Research intensive strategy designed to pursue value across the intermediate to longer end of the yield curve, and among investment grade credits and bond structures.
- Accounts typically hold 20 – 30 positions with average annual turnover of 15 – 25%
- State preference or state specific portfolios are available for certain states of residence[1]

Investment Philosophy & Process

Seeks to capture incremental yield and total return across the intermediate to longer maturity areas of the yield curve by capitalizing on market inefficiencies and credit opportunities.



Investment Guidelines

Maturity Range	1 – 17 Years
Duration Range	5.5 – 7.5 Years
Credit Quality	Investment Grade
Geographic Diversification	20 – 50% in-state exposure for clients in select taxable states[1]
Issuer Diversification	2 - 5% single position target; 15% exposure to any one obligor
Benchmark	Bloomberg Municipal Bond Index[2]

[1]% of state exposure dependent on availability of bonds in state of residence.

Dynamic Management & 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:

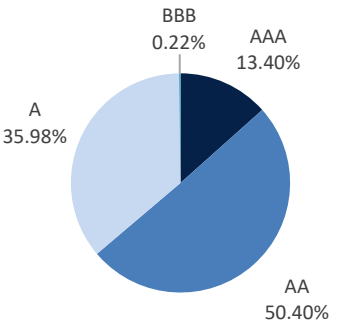
- Discipline and flexibility in changing markets
- Rebalance based on evolving client objectives, security specific outlooks, investment markets and global economies
- Sell discipline triggered by credit and relative value changes, yield curve shifts and sector rotation opportunities

[2]The benchmark for the strategy was updated to the Bloomberg U.S. Municipal Index on 1/1/2023. Prior to 1/1/2023, the benchmark was the Bloomberg Barclays Managed Money Intermediate. The Bloomberg Municipal Bond Index more accurately aligns with how the Long strategy has evolved, in particular with regards to weightings in A and BBB credits

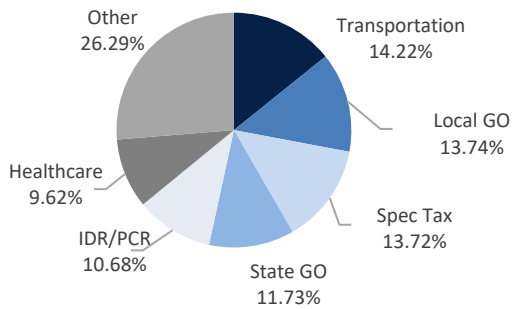
COMPOSITE CHARACTERISTICS[1]

	API	BENCHMARK
Maturity	11.35 Years	13.18 Years
Duration	6.25 Years	7.50 Years
Coupon	5.00%	4.61%
Price	$102.15	$95.60
Yield to Worst[2]	4.61%	4.77%
Tax-Equivalent Yield to Worst[3]	7.79%	8.06%
Yield to Maturity[2]	4.71%	4.84%
Current Yield[4]	4.89%	4.82%

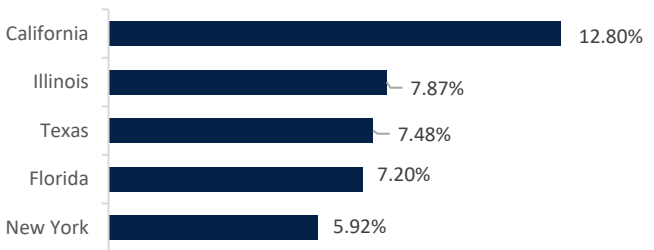
CREDIT PROFILE[5]



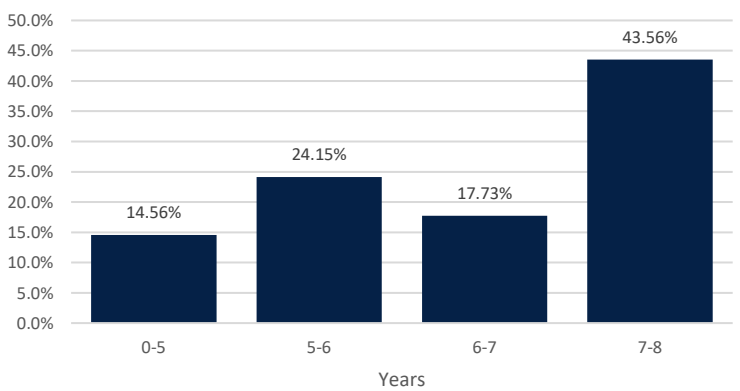
TOP SECTOR PROFILE



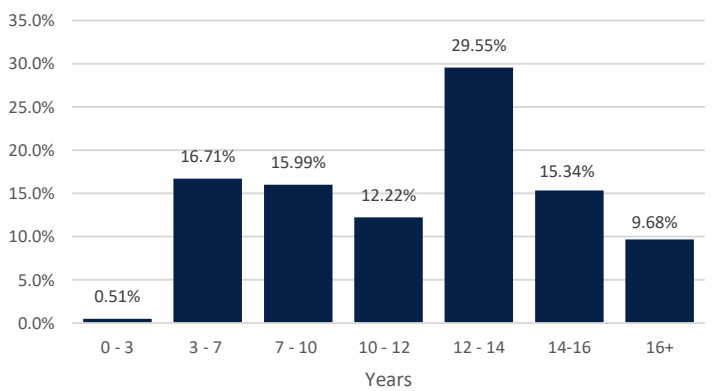
TOP STATE EXPOSURE



DURATION PROFILE



MATURITY PROFILE



[1]Composite data and characteristics as of 9.30.26. The composite used to calculate strategy characteristics (Characteristic Composite) is a subset of the account group used to calculate strategy performance (Performance Composite). The Characteristic Composite excludes any account in the Performance Composite where cash exceeds 10% of the portfolio. Inclusion of the additional accounts in the Characteristic Composite 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. [2]Yield to Worst (YTW) and Yield to Maturity (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. [3]Taxable-Equivalent YTW is based on the YTW and the highest marginal federal income tax rate of 37% plus 3.8% tax on net investment income (40.8% total). This calculation is intended for illustrative purposes only to demonstrate the effect of tax-free treatment of municipal bonds on yields. [4]Yield is a moment-in-time statistical metric for fixed income securities that helps investors determine the value of a security, portfolio or composite. Current Yield strictly measures a bond or portfolio's cash flows and has no bearing on performance. For calculation purposes, Appleton uses an assumed cash yield which is updated on the last day of each quarter to match that of the Schwab Municipal Money Fund. [5]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. [6]Source: Appleton Partners, Investortools: Perform, and Bloomberg Financial L.P. Evaluations and market averages subject to change based on market conditions. This piece is intended for information 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 benchmarks may have a different composition, volatility, risk, investment philosophy, holding times, and/or other investment-related factors that may affect the benchmark's characteristics. Appleton's investment process, strategies, philosophies, allocations, 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 guarantees and may result in loss of income and/or principal.

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