Appleton Partners
Variable Rate Demand Notes (VRDNs)

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
- Commitment to private client wealth management and financial planning
- Personalized, high-touch client service backed by recognized asset management expertise
- Assets under management of $12.1 billion as of 9.30.2026

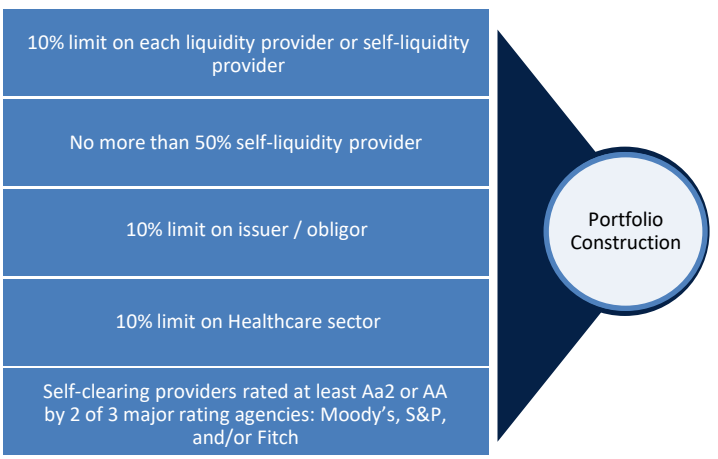
Strategy Overview and Objective

- Active short-term cash management strategy that seeks to preserve capital while maintaining liquidity and tax-exempt income in excess of cash or money market alternatives.
- VRDNs are municipal instruments with a coupon that resets periodically (daily or weekly), and a put option allowing the investor to put the asset back to the remarketing agent at par.
- While VRDNs typically have a long stated maturity, the put feature creates a very short, effective maturity, which enables VRDNs to act as a liquid, tax-exempt cash alternative.
- The coupon rate is set at a market clearing level, which is a function of investor demand and the prevailing Securities Industry and Financial Markets Association (SIFMA) index.

Investment Process

- VRDNs trade through a broker-dealer or Remarketing Agent responsible for buying and selling of specific issues.
- VRDNs often gain enhanced credit and liquidity via third-party agreements (Letters of Credit or Standby Bond Purchase Agreements) approved by Appleton's credit research team.
- VRDNs may also be issued by large obligated entities that provide their own self-liquidity, provided their credit quality and liquidity have been approved by Appleton's credit research team.
- For diversification purposes, VRDN portfolios generally require $1 mm or more, as individual issues trade in minimum $100,000 increments.

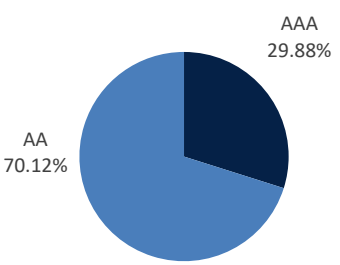
Diversification Guidelines



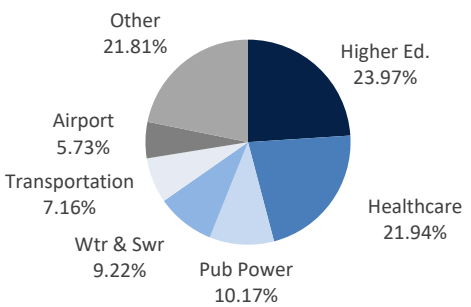
Composite Characteristics[1]

Current Yield	3.61%
Yield to Worst[2]	3.60%
Portfolio Reset Periods	Daily: 6.31% Weekly: 93.69%
Average Duration	0.02

Credit Profile[3]



Sector 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) assumes that the investor holds the bond to its call date or maturity. YTW is one 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. 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. [3]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. [4]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.

APPLETON PARTNERS, INC.

One Post Office Square
Boston, MA 02109
www.appletonpartners.com

Not FDIC Insured
Not Bank Guaranteed
May Lose Value

HL Jeffrey Johnson
617-338-0700

www.appletonpartners.com