

## 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
- Entrusted with over \$9.4 billion of investor assets

## STRATEGY OVERVIEW AND OBJECTIVE

- Investment Grade Corporates, Taxable Municipals, US Treasuries, TIPs and US Agencies
- Maturity range of 2 – 10 years
- Objective 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	Merrill Lynch US Corp. & Gov't TR 1 – 10Yr. A-AAA

### 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

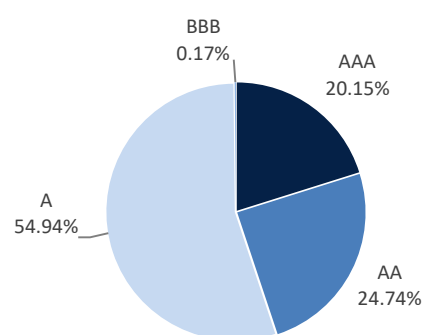
### PORTFOLIO OPTIMIZATION:

- 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

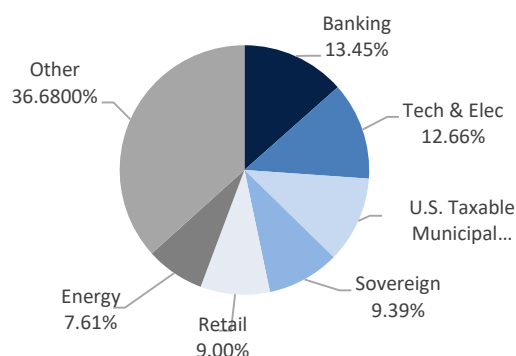
## COMPOSITE CHARACTERISTICS\*

	API	BENCHMARK
Maturity	4.34 Years	4.11 Years
Duration	3.81 Years	3.72 Years
Coupon	3.96%	2.45%
Price	\$102.21	\$98.38
Yield to Worst	3.21%	2.86%
Current Yield	3.85%	2.45%

## CREDIT PROFILE



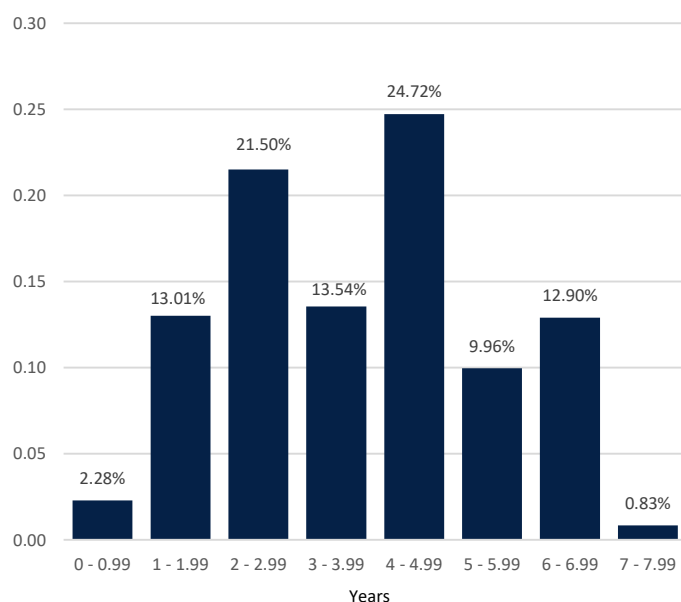
## TOP SECTOR PROFILE



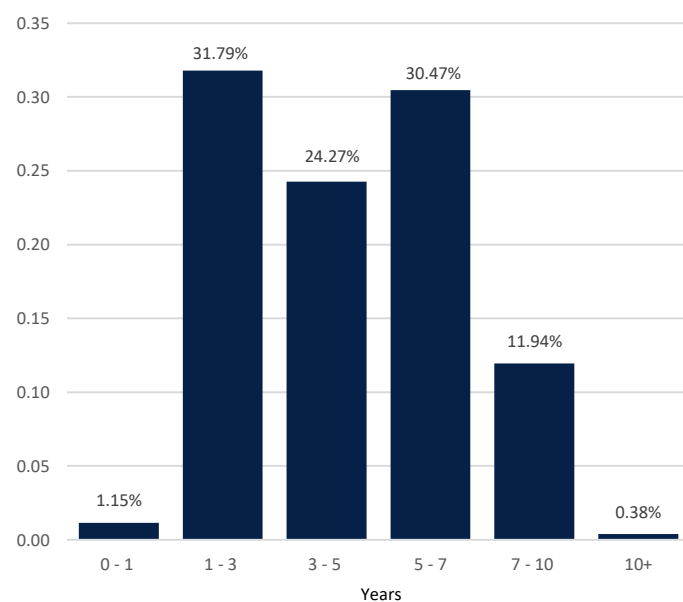
## TOP TEN HOLDINGS

SECURITY	COUPON
Amazon Com Inc	5.200
Union Pac Corp	4.163
Goldman Sachs Group Inc Sr Global Nt	5.250
Intercontinental Exchange Inc	4.000
Bp Cap Mkts P L C	3.994
Jpmorgan Chase & CO	4.500
Midamerican Energy CO	3.500
Microsoft Corp Fxd Rt Sr Nt	3.125
Pepsico Inc Sr Nt	3.600
Wells Fargo & CO	4.600

## DURATION PROFILE



## MATURITY PROFILE



\*Composite data and characteristics as of 06/30/2018; Credit Profile: AAA includes cash

Not FDIC Insured - Not Bank Guaranteed - May Lose Value

Contact: Jeff Johnson, 617-338-0700

[www.appletonpartners.com](http://www.appletonpartners.com)



Appleton Partners Composite data as of 06/30/2018; 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.