Appleton Partners
Taxable Fixed Income

Q3 2018

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	ICE BofAML 1-10 Year AAA-A US Corporate & Government 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

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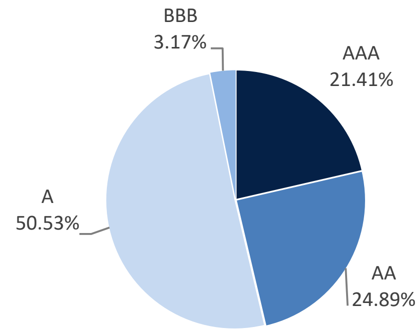
COMPOSITE CHARACTERISTICS*

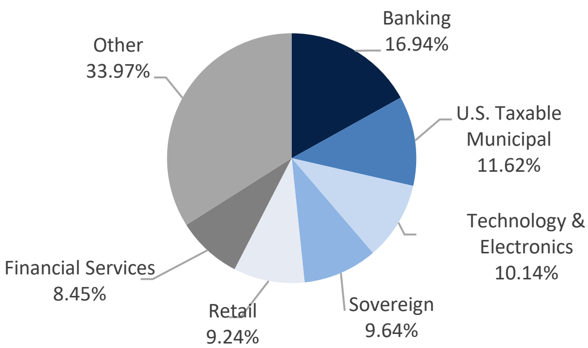
	API	BENCHMARK
Maturity	4.45 Years	4.05 Years
Duration	3.92 Years	3.71 Years
Coupon	3.96%	2.46%
Price	$101.76	$97.92
Yield to Worst	3.34%	3.07%
Current Yield	3.81%	2.51%

CREDIT PROFILE**



Source: Appleton Partners, Inc.

TOP SECTOR PROFILE

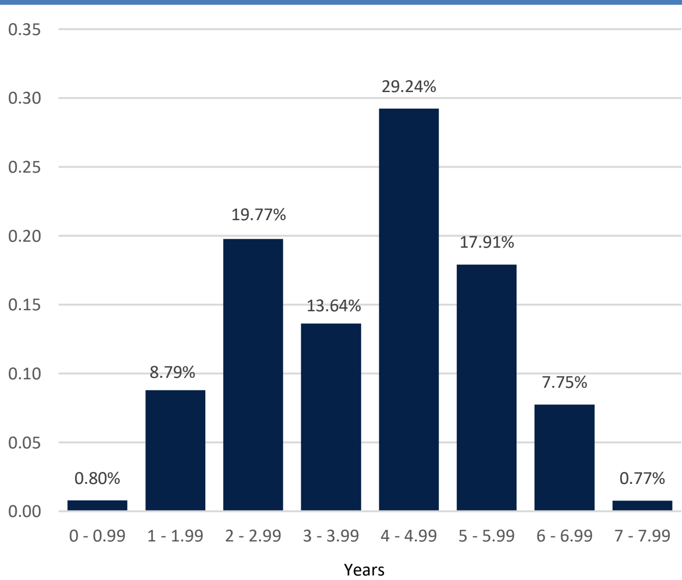


TOP TEN HOLDINGS

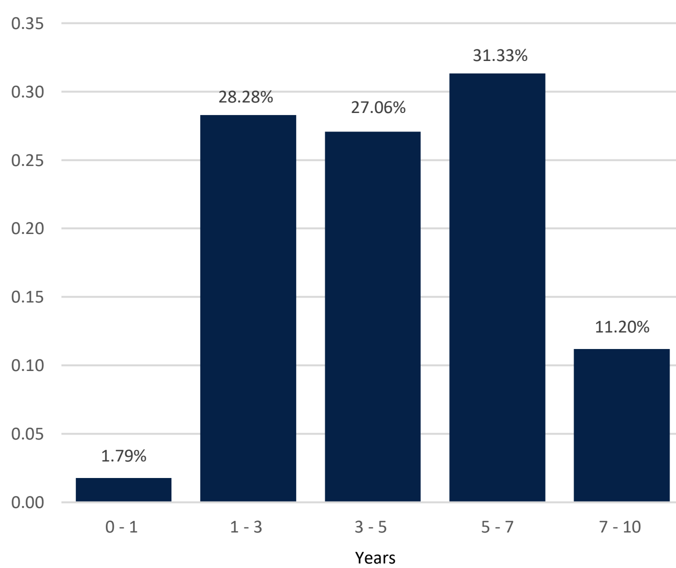
SECURITY	COUPON
Amazon Com Inc Fxd Rt Sr Nt	5.200
Goldman Sachs Group Inc Sr Global Nt	5.250
Union Pac Corp Nt	4.163
Intercontinental Exchange Inc	4.000
Midamerican Energy CO 1St Mtg Bd	3.500
Bp Cap Mkts P L C Gts Sr Fxd Rt	3.994
Jpmorgan Chase & CO Fixed Rt Notes	4.500
Microsoft Corp Fxd Rt Sr Nt	3.125
Pepsico Inc Sr Nt	3.600
Bank Amer Corp Fxd Rt Ser L	4.125

Source: Appleton Partners, Inc.

DURATION PROFILE



MATURITY PROFILE



Source: Appleton Partners, Inc.

*Composite data and characteristics as of 09.30.18

**Credit Profile: AAA includes cash, pre-refunded bonds, and US Treasuries

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