

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 \$11.2 billion as of 12.31.2019

STRATEGY OVERVIEW AND OBJECTIVE

- Investment grade tax-exempt municipal bonds
- Maturity range of 7 -20 years
- Seeks to leverage the economic impact of the Opportunity Zone program while tax efficiently growing capital with disciplined management of liquidity, duration and credit risks
- Research intensive, focused on fundamental stability with an emphasis on credit improvement potential
- Accounts typically hold 15 – 25 positions with average annual turnover of 15 – 20%

INVESTMENT PHILOSOPHY & PROCESS

Seeks to give HNW clients access to targeted investments in liquid, investment grade tax-exempt bonds where we anticipate Opportunity Zone-related potential is greatest

STRATEGY THESIS	VALUE ASSESSMENT	OPPORTUNITY ZONE IMPACT
<ul style="list-style-type: none"> <li>• Within targeted jurisdictions, we anticipate increased capital flow, particularly in urban areas</li> <li>• Should this occur, property values and tax revenue could be positively impacted, improving issuer credit quality and creating a price catalyst for lower investment grade municipal bond issues</li> </ul>	<ul style="list-style-type: none"> <li>• All investments are drawn from a universe of approved Appleton credits</li> <li>• Risk-return profile and yield are evaluated on an absolute and relative basis</li> <li>• Client capital is deployed based on value at the time of investment, not according to a predefined model</li> </ul>	<ul style="list-style-type: none"> <li>• Exclusively invest in credits with an ability to benefit from Opportunity Zone investment and private capital flow</li> <li>• Focus on local governments with high number of Opportunity Zones and/or above average concentration</li> <li>• Issuers are likely to be urban in nature given the anticipated volume and scale of Opportunity Zone capital</li> </ul>



INVESTMENT GUIDELINES

Maturity Range	7 – 20 Years
Duration Range	6 – 8 Years
Credit Quality	Investment Grade
Geographic Diversification	Portfolios are national and will be geographically diversified
Issuer Diversification	5% single position target; 15% exposure to any one obligor
Benchmark	Bloomberg Barclays Managed Money Intermediate

DYNAMIC MANAGEMENT & OVERSIGHT

ACCOUNT REVIEW:

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

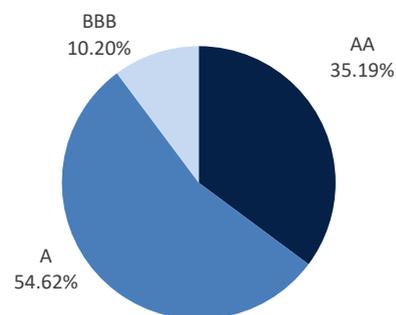
PORTFOLIO OPTIMIZATION:

- A liquid, credit-driven, lower investment grade strategy that leverages our longstanding strengths in the tax-exempt markets
- Sell discipline triggered by credit and relative value changes, yield curve shifts and sector rotation opportunities

TARGET PORTFOLIO CHARACTERISTICS\*

TARGET PORTFOLIO CREDIT PROFILE\*\*

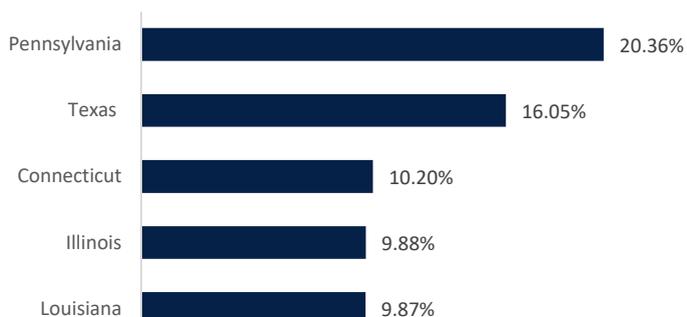
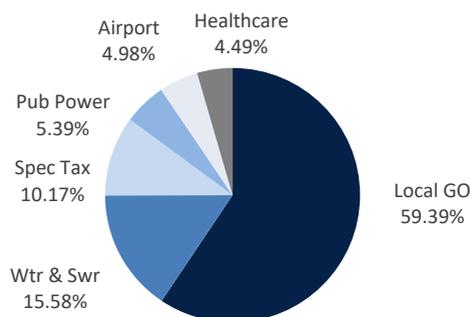
	API	BENCHMARK
Maturity	13.87 Years	8.92 Years
Duration	6.37 Years	5.17 Years
Coupon	4.64%	4.69%
Price	\$117.53	\$117.17
Yield to Worst	2.10%	1.47%
Yield to Maturity	3.06%	N/A
Current Yield	3.95%	4.01%



Source: Appleton Partners, Inc.

TARGET PORTFOLIO TOP SECTOR PROFILE

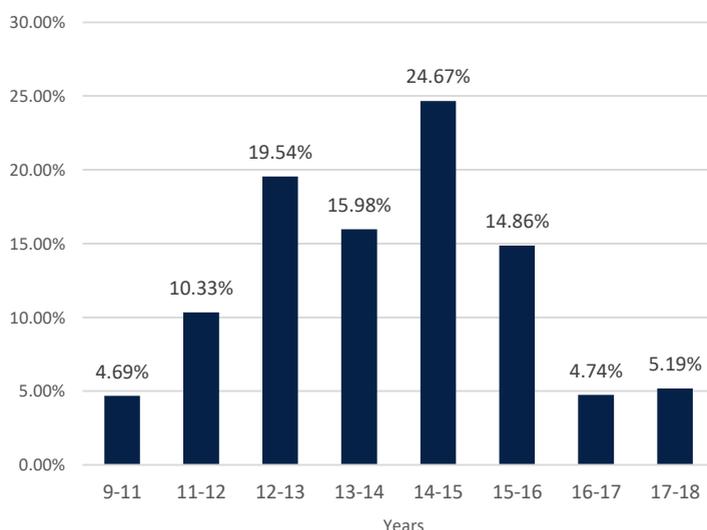
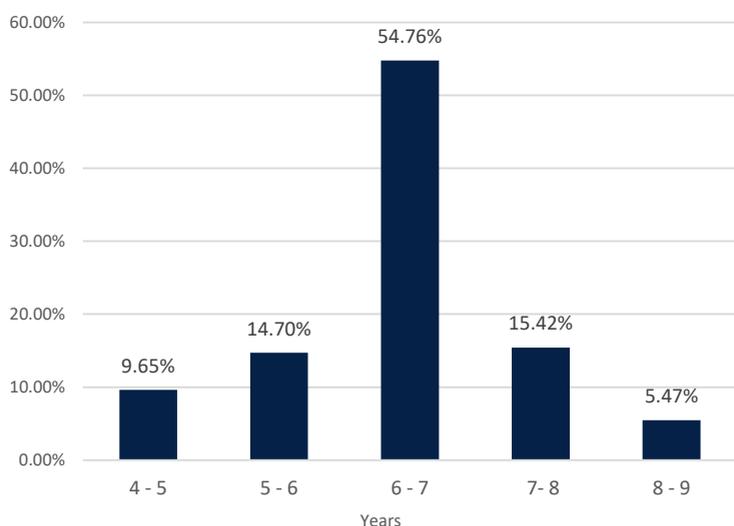
TARGET PORTFOLIO TOP STATE EXPOSURE



Source: Appleton Partners, Inc.

TARGET PORTFOLIO DURATION PROFILE

TARGET PORTFOLIO MATURITY PROFILE



Source: Appleton Partners, Inc.

\* The Target Portfolio was constructed to most closely resemble the one that Appleton Partners would attempt to construct as of 12.31.2019 for prospective clients in this strategy. The ultimate portfolio characteristics may differ initially and over time from the portfolio shown based on client specific objectives and market driven conditions. Client performance may vary based on many factors. It should not be assumed that all of Appleton's client accounts have the same characteristics, holdings, concentrations or performance results. Characteristics for the portfolio example are provided for illustrated purposes only.

\*\*Credit Profile: AAA includes cash and pre-refunded bonds. All ratings are based on the lower of S&P and Moody's.



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.