



APPLETON *PARTNERS*, INC.

**Form ADV Part 2A *Firm Brochure***

**Appleton Partners, Inc.**

One Post Office Square  
6th Floor  
Boston, Massachusetts 02109  
Telephone: (617) 338-0700  
Email: [mhuley@appletonpartners.com](mailto:mhubley@appletonpartners.com)  
Web Address: [www.appletonpartners.com](http://www.appletonpartners.com)

As of March 23, 2017

This brochure provides information about the qualifications and business practices of Appleton Partners, Inc. ("Appleton" or the "Firm"). If you have any questions about the contents of this brochure, please contact Michele D. Hubley, Chief Compliance Officer, at the telephone number or e-mail address listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC" or the "Commission") or by any state securities authority.

Additional information about Appleton is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with the Firm who are registered, or who are required to be registered, as investment advisor representatives of Appleton. You may search the SEC website by using a unique identifying number, known as a CRD number. Appleton's CRD number is: 110049.

Although Appleton is registered as an investment advisor under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), such registration with the SEC should not be construed as an endorsement of any specific skill or training by any regulatory or government agency.

## **ITEM 2 - MATERIAL CHANGES**

This section is used to provide clients with a summary of any material changes that have taken place since Appleton last filed its Form ADV, Part 2A Firm Brochure (the “Brochure”) on October 26, 2016.

Appleton may update the Brochure from time-to-time. Consistent with the Form ADV disclosure requirements, the Firm will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of Appleton’s fiscal year, and will provide clients with other interim disclosures regarding material changes, as necessary.

### **MUTUAL FUND LIQUIDATION**

On January 19, 2017, the Board of Trustees of the Series Portfolios Trust (the “Trust”) (SEC No. 811-23084; CIK 0001650149) discussed and approved the full closure and liquidation of the Appleton Equity Growth Fund (Series 000054431, Class C000170953) (the “Appleton Fund”), a series of the Trust of which Appleton served as the investment adviser. Pursuant to the Plan of Liquidation, the Fund was closed to new investors as of the close of trading on the New York Stock Exchange on January 31, 2017, and was liquidated on February 28, 2017.

This updates information concerning the Appleton Fund included in the amendment to the Brochure filed with the Commission on October 26, 2016.

### **CAMBRIDGE APPLETON TRUST, N.A. ACQUISITION**

This also updates information included in the amendment to the Brochure filed with the Commission on October 26, 2016.

Substantially all of the accounts acquired by Appleton in this transaction have been transferred and the transaction has been substantially completed.

### ITEM 3 – TABLE OF CONTENTS

ITEM 2 - MATERIAL CHANGES .....	1
ITEM 4 - ADVISORY BUSINESS.....	3
ITEM 5 - FEES AND EXPENSES.....	5
ITEM 6 - PERFORMANCE BASED FEES.....	8
ITEM 7 - TYPES OF CLIENTS .....	9
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	10
ITEM 9 - DISCIPLINARY INFORMATION .....	14
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	15
ITEM 11 - CODE OF ETHICS.....	16
ITEM 12 - BROKERAGE PRACTICES.....	17
ITEM 13 - REVIEW OF ACCOUNTS .....	20
ITEM 14 - CLIENT REFERRALS.....	21
ITEM 15 - CUSTODY .....	24
ITEM 16 - INVESTMENT DISCRETION .....	25
ITEM 17 - VOTING CLIENT SECURITIES.....	26
ITEM 18 - FINANCIAL INFORMATION .....	27

## **ITEM 4 – ADVISORY BUSINESS**

Appleton is an SEC-registered investment adviser with its principal place of business located at One Post Office Square, 6<sup>th</sup> Floor, Boston, Massachusetts 02109. Appleton began conducting business as a firm in 1987 when it filed its first registration with the Commission.

Appleton's principal shareholders are:

- Douglas Campbell Chamberlain, CFA, President
- Appleton Partners Business Trust, Unit Trust Shareholder

### **PRIVATE WEALTH MANAGEMENT SERVICES**

Appleton Private Wealth Management, with the support of its various industry partners and relationships, offers its diverse client base a comprehensive menu of wealth management solutions, primarily discretionary investment management and general financial planning services. Through a relationship-driven and customized approach, Appleton works to identify and address a client's individual needs and provide services based on those unique set of circumstances. During the information-gathering process at the outset of the client relationship, Appleton will discuss a wide range of issues, including the client's individual investment objectives, time horizons, risk tolerances, tax sensitivities and liquidity needs. Periodically thereafter, the Firm may, in consultation with the client, review and revise the investment objectives and strategy, where deemed necessary and appropriate.

Appleton specializes in Municipal Bond, Taxable Bond, and Equity strategies, with domestic fixed income securities, large cap equities, mutual funds and exchange-traded funds ("ETFs") generally comprising the major asset classes held by clients. Appleton manages client advisory accounts on a discretionary basis. Account supervision is guided by the individual client's stated objectives (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Appleton's advisory recommendations are not limited to any specific product or service offered by a broker-dealer, investment company or insurance company.

### **SEPARATELY MANAGED ACCOUNTS & THIRD-PARTY ADVISORY PROGRAMS**

Pursuant to individual agreements with certain brokerage firms, investment banks, and investment advisers (commonly referred to as "program sponsors"), Appleton manages "separately managed accounts," some of which may be considered "wrap fee accounts," for individual and institutional clients. Under these arrangements, separately managed account holders typically enter into an agreement directly with the program sponsor, who in turn enters into an agreement with Appleton in order to offer Appleton's investment services to their clients. Appleton typically manages these separately managed accounts in a manner consistent with those other accounts not under such a portfolio management arrangement and receives a portion of the fee paid to the program sponsor for the management of the separately managed account. Typically, in cases where Appleton manages

separately managed accounts, the Firm receives the suitability determination, investment objective, and any restrictions directly from the program sponsors with which the client has a primary relationship. Upon receiving an account, the separately managed account may already be funded and include securities inconsistent with the ultimate strategy objective. In such instances, Appleton will realign the portfolio positions in a manner consistent with the determined and agreed upon objective. Further details of Appleton's advisory services with respect to separately managed accounts may be found in Item 5 – "Fees and Expenses."

#### **SUB-ADVISORY RELATIONSHIPS**

Appleton has executed sub-advisory agreements with various investment advisers and financial services firms, including banks and trust companies (each, a "Sub-Advising Firm" and together, the "Sub-Advising Firms"), for the management of certain client accounts. The fees Appleton receives for these sub-advisory services are established in the relevant sub-advisory agreements, and are described in greater detail in Item 5 – "Fees and Expenses." Typically, in cases where Appleton serves as a sub-advisor, the Firm receives the suitability determination, investment objective, and any restrictions directly from the Sub-Advising Firm with which the client has a primary relationship.

#### **AMOUNT OF MANAGED ASSETS**

As of December 31, 2016, Appleton actively managed approximately \$8,279,729,129.07 of client assets on a discretionary basis.

.

## **ITEM 5 – FEES AND EXPENSES**

### **PRIVATE WEALTH MANAGEMENT FEES**

Appleton typically recommends a starting account balance of \$1 million, and the Private Wealth Management fee is based upon a percentage of the assets under management. Though Appleton's Private Wealth Management Fees are negotiable based on the size and nature of the accounts, the standard fee assessed for management of a Private Wealth account is 1.00% up to \$2 million and 0.50% on the remaining balance.<sup>1</sup> Appleton retains the discretion to negotiate fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the applicable fee. Items for consideration may include: the assets to be placed under management; anticipated future assets; related accounts; portfolio style; account allocation; and other relevant factors. The specific annual fee is identified in the investment management agreement between Appleton and each client. Appleton may group certain related client accounts or groups for the purposes of determining the annualized fee.

These fees are billed on a quarterly basis, in advance, based on the account's market value on the last day of the previous calendar quarter. For new accounts, the first payment shall be prorated to cover the period from the date of the account inception through the end of the next full calendar quarter. An investment advisory agreement with Appleton may be terminated by either the Firm or the client at any time without penalty following 30 days' written notice. Upon termination of a client account, any prepaid client fees will be prorated and the unused portion shall be returned to the client. For accounts closed within the last 15 days of a quarter, the account will not be rebated a prorated amount.

Appleton's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. In some situations, clients will invest in or hold mutual funds and/or ETFs in portfolios managed by Appleton. The fees and expenses for a mutual fund or ETF are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If a fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could feasibly invest in a mutual fund or ETF directly, without Appleton's services, and maintain the account separate from the assets managed by Appleton for that client. All fees paid to Appleton for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. All mutual fund and ETF holdings within an Appleton client's portfolio will be included within the Private Wealth Management Fee calculation.

### **SEPARATELY MANAGED ACCOUNT AND THIRD-PARTY ADVISORY PROGRAM FEES**

Outside investment advisors, or program sponsors, may hire Appleton as investment manager for certain client portfolios to provide a particular expertise in addition to the program sponsor's portfolio program. Clients of these program sponsors, who participate in separately managed account programs which utilize Appleton's portfolio management services, may be charged the program sponsor's program fees in addition to an advisory fee charged by Appleton. Such fees may include the investment

---

<sup>1</sup> For certain accounts established as of October 1, 1989, Appleton charges an annual fee of 1.25% on the first \$250,000 in assets under management. For certain institutional sources of managed assets, or where special circumstances apply, such as a limited investment program, the annual fee is negotiated based on the amount of assets under management.

advisory fees of the program sponsor, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients generally pay a single fee to the program sponsor for advisory, brokerage, and custodial services. Depending on the arrangement, the client's portfolio transactions may be executed without commission charges. In evaluating such wrap fee arrangements, the client should consider, depending upon the level of the wrap fee, the amount of portfolio activity in the client's account and other relevant factors. Client should note that the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. Clients should discuss any particulars of the wrap fee directly with their contact at the program sponsor's firm.

#### **SUB-ADVISORY RELATIONSHIPS**

Appleton has executed sub-advisory agreements with various investment advisers and financial services firms, including banks and trust companies (each, a "Sub-Advising Firm" and together, the "Sub-Advising Firms"), for the management of certain client accounts. The fees Appleton receives for providing sub-advisory services on such client accounts are established in the relevant sub-advisory agreements executed with the Sub-Advising Firms. These fees may be included within a single fee charged to the client by the Sub-Advising Firm, who subsequently remits Appleton's fee for sub-advisory services.

#### **ERISA ACCOUNTS**

Appleton may be deemed a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts ("IRAs") as guided by the Employee Retirement Income and Securities Act of 1974, as amended ("ERISA"), and regulations under the Internal Revenue Code of 1986, as amended (the "IRS Code"), respectively. With regard to these client accounts, Appleton is subject to specific duties and obligations under ERISA and the IRS Code, which may include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Appleton only charges an advisory fee for investment advisory services of assets managed, and does not receive any sort of additional commissions, if they were to apply.

As part of Appleton's advisory services, the Firm may recommend that a client withdraw assets from an employer's (or former employer's) retirement plan and roll those assets over into an individual retirement account (an "IRA") managed by Appleton. In such instances, Appleton will assess a management fee for the discretionary management services provided. Appleton's recommendation to rollover assets from an employer's (or former employer's) retirement plan to an IRA may present a conflict of interest, as the Firm would then be entitled to collect a management fee. The client should note that certain, low-expense investment options may be available through an employer's (or former employer's) retirement plan that may not be available to an IRA. There may also be other advantages to maintaining assets with an employer's (or former employer's) retirement plan. The client should speak with Appleton regarding the advantages and disadvantages of rolling over retirement assets into an IRA prior to making an investment decision.

#### **ADDITIONAL FEES AND EXPENSES**

In addition to Appleton's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers. These charges may include, but are not limited to, any transactional charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

#### **LIMITED PREPAYMENT OF FEES**

Under no circumstances does Appleton require or solicit payment of our investment advisory fees in excess of \$1,200 per client, more than six months in advance of services rendered.



## **ITEM 6 – PERFORMANCE BASED FEES**

Appleton does not charge performance-based fees for management of client accounts.

## **ITEM 7 – TYPES OF CLIENTS**

Appleton provides portfolio management services to the following types of clients:

- Individuals (other than high net worth individuals);
- High net worth individuals;
- Banks or thrift institutions;
- Pension and profit sharing plans (other than plan participants);
- Charitable organizations, foundations or endowments;
- State or municipal government entities;
- Other investment advisers; and
- Corporations or other businesses not listed above.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### METHODS OF ANALYSIS

Appleton employs the following methods of analysis in formulating investment advice and in managing of client assets:

**Fundamental Analysis:** Appleton attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company or municipality itself) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security may move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

**Relative Value Analysis:** In both equity and fixed income strategies, Appleton attempts to compare securities of a similar risk profile, fundamental performance and (in the case of fixed income) duration in order to identify the most promising investment alternatives amongst similar investment opportunities.

**Technical Analysis:** Appleton analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movements. Examples of technical analysis Appleton employs include:

Charting: In this type of technical analysis, Appleton reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Cyclical Analysis: In this type of technical analysis, Appleton measures the movements of a particular security against the overall market in an attempt to predict the price movement of the security.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Risks for All Forms of Analysis:** In determining which securities to purchase or sell, Appleton assumes that the companies of traded securities, the rating agencies reviewing these securities, and other publicly-available sources of information regarding these securities are providing accurate and unbiased data. While Appleton is alert to indications that data may be incorrect, there is always a risk that any analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

Appleton is a discretionary investment adviser managing both Fixed Income and Equity strategies. Appleton clients typically are invested in one or more of the following Municipal Bond, Taxable Bond, or Equity strategies employed by the Portfolio Management team. Appleton uses the following strategies to manage client accounts: (i) provided that such strategies are appropriate to the needs of the individual client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations; or (ii) when the Firm is contracted on a sub-advisory basis. To meet a client's specific investment goals, Appleton will often combine two (2) or more of the Equity and Fixed Income strategies listed below to create a balanced portfolio.

### **Appleton Investment Grade Fixed Income Strategies**

Appleton's Fixed Income strategies are developed based upon a client's interest rate concerns and risk tolerances, as well as a client's tax status.

Short-Term Municipal: The Short-Term Municipal strategy seeks the preservation and growth of capital in a tax-efficient manner with disciplined management of liquidity risk, credit risk, and limited rate risk. Supported by intensive research, the customized portfolio design process reflects an individual client's state preferences, tax needs, and risk profile. The Short-Term Municipal strategy focuses on bonds maturing between one (1) and six (6) years, and positions are investment grade.

Intermediate Municipal: The Intermediate Municipal strategy seeks the preservation and growth of capital in a tax-efficient manner with disciplined management of liquidity risk, interest rate risk, and credit risk. Supported by intensive research, the customized portfolio design process reflects an individual client's state preferences, tax needs, and risk profile. The Intermediate Municipal strategy focuses on bonds maturing between three (3) and twelve (12) years, and positions are investment grade.

Long Term Municipal: The Long Term Municipal strategy seeks the preservation and growth of capital in a tax-efficient manner with disciplined management of liquidity risk, credit risk and rate risk. Supported by intensive research, the customized portfolio design process reflects an individual client's state preferences, tax needs, and risk profile. The Long Term Municipal strategy focuses on bonds maturing between five (5) and fifteen (15) years, and positions are investment grade.

4-Year Municipal: The 4-Year Municipal strategy seeks the preservation and growth of capital in a tax-efficient manner with disciplined management of liquidity risk, credit risk, and rate risk. Supported by intensive research, the customized portfolio design process reflects an individual client's state preferences, tax needs, and risk profile. The 4-Year Municipal strategy focuses on bonds maturing between two (2) and eight (8) years, and positions are investment grade.

Intermediate Taxable: Through extensive research and market expertise focused on positioning portfolios to benefit from high-grade asset classes (*i.e.*, U.S. Treasury Notes/TIPS, Government-sponsored Entities, Investment Grade Corporates, and Investment Grade Taxable Municipals), the Intermediate Taxable strategy seeks to preserve and grow capital by focusing on yield curve positioning,

sector rotation, and security selection within management guidelines to mitigate interest rate risk and credit risk. The Intermediate Taxable strategy focuses on bonds maturing between two (2) and ten (10) years, and positions are investment grade.

Strategic Municipal Crossover Fixed Income: The customized Strategic Municipal Crossover Fixed Income strategy, formerly known as the Tactical Intermediate Fixed Income, seeks to achieve preservation and growth of capital with disciplined management of liquidity risk, interest rate risk, and credit risk utilizing a combination of taxable and tax-exempt securities. The portfolio design process combines the attributes of both the Intermediate Municipal strategy and Intermediate Taxable strategy to optimize an individual client's after-tax returns and increase portfolio diversification. The Strategic Municipal Crossover Fixed Income strategy focuses on bonds maturing between two (2) and twelve (12) years, and positions are investment grade.

Variable Rate Demand Notes ("VRDNs"): The VRDN strategy seeks to offer clients a liquidity solution that provides incremental yield opportunities, while also mitigating interest rate and credit risk. All Appleton approved VRDNs are required to have liquidity and remarketing providers (*i.e.*, intermediaries) that have been vetted through the Firm's credit process. VRDNs feature a demand or put feature, which allows the holder to return the security to an intermediary with notice; generally, that rolling put feature will be in place for either 1- or 7- days. Portfolios deploying the strategy generally have a national versus individual state focus; however, best efforts will be employed to utilize issuers of higher taxed states, where appropriate.

## **Appleton Equity Strategies**

Large Cap Growth Equity: The Large Cap Growth Equity strategy seeks to earn returns in excess of the S&P 500 and Russell 1000 Growth indices by investing primarily in domestic large-cap companies with the prospect of robust and sustainable relative growth. The portfolio design process employs a layered approach to generate a diversified portfolio, whereby macroeconomic themes are combined with company-specific fundamental and technical analyses to form buy/sell decisions and determine the timing of entry and exit points.

Dividend Focus Equity: The Dividend Focus Equity strategy seeks to earn returns in excess of the S&P 500 Index by developing a separately managed account that focuses on income generation, resulting in a high-quality, income yielding portfolio with growth potential. The portfolio design process utilizes a customized blend of large-cap stocks with above-market and growing dividends, plus strong fundamentals providing principal growth potential. ETFs, with holdings including master limited partnerships, real estate investment trusts, preferred stock, and international funds that may be used to enhance yield and provide diversification.

Value Opportunities Equity: The Value Opportunities Equity strategy seeks to preserve capital while generating attractive, absolute risk-adjusted returns. Through fundamental research in areas known to generate mispricing, including under-covered companies, spin-offs, post-reorganization equities, and transformational mergers and acquisitions, best value is sought across industries and market capitalizations.

## **BetaCore**

BetaCore is a core-satellite approach to investing and portfolio construction utilizing a core of ETFs that may be combined with any number of active, satellite strategies. The core of the portfolio consists of both passive and “strategic beta” ETFs designed to track the performance of a number of asset classes while seeking to minimize costs, tax liability, and overall portfolio volatility. The active satellite strategies may consist of any of the strategies listed above and are designed to increase the potential to deliver higher returns and offer further portfolio diversification.

### **RISK OF LOSS**

Securities investments are not guaranteed and clients may lose money on investments. Stock markets and bond markets fluctuate over time and the market value of a specific stock or bond may decline due to general market conditions unrelated to the specific company or issuer. Factors that could contribute to market fluctuations include, but are not limited to, changes in real or perceived economic conditions, changes in interest rates, or changes in investor sentiment.

While Appleton seeks to monitor the markets for economic pressures that may affect a security’s value, long-term and short-term purchase strategies could also potentially pose risks to a client’s portfolio. A long-term purchase strategy assumes that by holding a security for an extended period of time, Appleton may not take advantage of short-term gains that may be profitable to a client. Moreover, if Appleton’s predictions prove incorrect and the reaction time delayed, a security may decline in value before a decision is made to sell the position.

Conversely, in certain asset classes, a short-term purchase strategy may pose a risk should the anticipated price swing not materialize. Appleton would then be left with the option of having a long-term investment in a security that was designed to be a short-term purchase or potentially taking a loss. In addition, a short-term purchase strategy potentially involves more frequent trading than does a longer-term strategy, and may result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Clients should work with Appleton to continually understand and determine an appropriate risk tolerance for client accounts.

## **ITEM 9 – DISCIPLINARY INFORMATION**

Appleton is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of advisory services or the integrity of the Firm's management. There are no applicable legal or disciplinary events relating to the Firm.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Broker-Dealer Registration Status**

Neither Appleton nor any of the Firm's management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status**

Neither Appleton nor any of the Firm's management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

### **Material Relationships or Arrangements with Related Parties which are Industry Participants**

Neither Appleton nor any of the Firm's management persons has any relationship or arrangement that is material to its advisory business or to its clients with any related person who is: (i) a broker-dealer, municipal securities dealer, or government securities dealer or broker; (ii) an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company, and off-shore fund); (iii) other investment adviser or financial planner; (iv) futures commission merchant, commodity pool operator, or commodity trading adviser; (v) banking or thrift institution; (vi) accountant or accounting firm; (vii) lawyer or law firm, insurance company or agency; (viii) pension consultant; (ix) real estate broker or dealer; or (x) sponsor or syndicator of limited partnerships.

### **Material Conflicts of Interest Relating to Other Investment Advisers**

Appleton does not recommend or select other investment advisers for its clients.



## **ITEM 11 – CODE OF ETHICS**

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Appleton has adopted a Code of Ethics (the “Code”), which sets forth high ethical standards of business conduct required of all employees, including compliance with applicable federal securities laws. Employees are required to agree to and sign a copy of Appleton's Code as a condition of employment, and reaffirm adherence to the Code on an annual basis.

Appleton and its employees owe a duty of loyalty, fairness, and good faith towards all clients, and have an obligation to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code.

The Code includes policies and procedures governing the review of Appleton employees' securities transactions, as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Among other things, the Code requires pre-clearance approval for a purchase or sale of a private placement or an initial public offering. Appleton's Code also provides for oversight, enforcement, and recordkeeping provisions.

The Code also includes a policy governing the misuse of material non-public information. While Appleton believes its employees do not have any particular access to non-public information, all employees are reminded that should such information be revealed in some fashion, it may not be used in a personal or professional capacity.

The Code is designed to monitor employees' personal securities transactions, activities, and interests so as to promote their fulfillment of Appleton's fiduciary responsibilities to clients. The premise of the Code is to guide employees in making decisions in the best interests of advisory clients and implementing such decisions while, at the same time, allowing employees to invest for their own personal accounts.

Per the provisions in our Code, Appleton employees may buy or sell securities identical to, or different from, those recommended to clients for their own personal accounts. In addition, the Code permits that employees may have an interest or position in securities which may also be recommended and held by clients.

To obtain the most current version of the Code, or to discuss the Code in further detail, please call Appleton at (617) 338-0700 or send an email to Michele D. Hubley, Chief Compliance Officer, at [mhubley@appletonpartners.com](mailto:mhubley@appletonpartners.com).

## **ITEM 12 – BROKERAGE PRACTICES**

Appleton will endeavor to select those brokers or dealers that provide the best execution at the lowest prices and commission rates, where applicable. When selecting a brokerage firm, Appleton may consider a number of factors, including but not limited to: the nature of the security being traded; the size and type of the transaction; the nature and character of the market for the security; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality, including trade anonymity; the quality of the execution, clearance and settlement services; research; financial stability of the broker-dealer, and the broker's execution capabilities, including block positioning; the ability to obtain best price and execution; and other services which will support Appleton in providing investment management services to clients. The determining factor in the selection of a broker to execute transactions for client accounts is not necessarily the lowest possible transaction cost, but whether the broker can provide what the Firm believes to be the best qualitative execution.

The Fixed Income and Equity Best Execution Committees (the "Best Execution Committees") each meet periodically to review the Appleton's brokerage relationships to help ensure the Firm continues to meet its duty of best execution. The Best Execution Committees are comprised of portfolio managers and traders, who undertake both qualitative and quantitative analyses of the Firm's brokerage relationships. These reviews include, but are not limited to, completions of broker evaluations, broker allocation reports, and any trade errors.

### **AGGREGATION**

When trading for client accounts, Appleton will "bunch" or "block" trades, where possible and when advantageous to clients. Bunching or blocking trades is the practice of buying or selling of a security for the accounts of multiple clients in a single transaction. The blocking of trades permits the trading of aggregate blocks of a security for multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow Appleton to execute equity trades in a more timely and equitable manner, at an average share price. Appleton will typically aggregate trades among clients whose accounts can be traded at a given broker. Appleton is not obligated to include any client account in a blocked trade; however, blocked trades are placed when the portfolio manager reasonably believes that the combination of the transactions will benefit, and enable the Firm to seek best execution, for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution, and does not mean that the determination made in advance of the transaction must always prove to be correct in the light of hindsight perspective. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Appleton.

Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions, as applicable, on a pro rata basis in proportion to the client's participation. Under the client's agreement with the

custodian/broker, transaction costs may be based on the number of shares traded for each client.

#### **SOFT DOLLARS**

Appleton does not engage in any contractual soft dollar arrangements.

#### **DIRECTED BROKERAGE**

A client may direct Appleton to use a particular broker-dealer to execute some or all of the transactions in his/her account. In this case, the client is responsible for negotiating the terms and arrangements for the account with that broker-dealer. In these instances, Appleton may not be able to negotiate commissions, obtain volume discounts, or best execution. Additionally, under these circumstances, commission charges may differ between the commissions charged to clients who direct Appleton to use a particular broker or dealer and those other clients who do not. Clients may make changes to this brokerage arrangement as they wish by notifying Appleton directly in writing.

When appropriate, Appleton may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, or with National Financial Services LLC and Fidelity Brokerage Services LLC ("Fidelity") to maintain custody of their assets and to effect trades for their accounts. Although Appleton may make this recommendation, it is the client's decision to custody assets with Schwab or Fidelity. Appleton is independently owned and operated and not affiliated with either of these two custodians.

For Appleton client accounts maintained in their custody, Schwab and Fidelity generally do not charge separately for custody services, but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through them or that settle into accounts held by them.

From time to time, Schwab and Fidelity may offer services intended to help Appleton manage and further develop various facets of the Firm's business. These services may include publications, conferences, and educational seminars on pertinent industry related issues or specific product information as they apply to asset classes, best practice management, compliance, and hot topics in the marketplace.

In evaluating whether to recommend that clients custody their assets at Schwab or Fidelity, Appleton may take into account the availability of some of the above mentioned services as part of the total mix of factors the Firm considers and not solely on the nature, cost or quality of custody and brokerage services provided by either company which may create a potential conflict of interest.

Appleton also participates in the TD Ameritrade Institutional Program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers independent investment advisers various services including the custody of securities, trade execution, clearance, and

settlement of transactions. Investment advisers receive some benefits from TD Ameritrade through its participation in the program.

For further information regarding these relationships, please refer to the disclosure contained under Item 14 regarding Client Referrals.

### **ITEM 13 – REVIEW OF ACCOUNTS**

The Appleton portfolio management team monitors the underlying securities held by clients and is responsible for monitoring cash levels and asset allocation. The portfolio management team typically consists of the client's Portfolio Manager and Client Service Manager, who works in conjunction with the Firm's Operations Department. From an investment standpoint, the Portfolio Manager reviews the client accounts on an on-going basis, but generally no less than monthly. The account reviews take into consideration the investment strategy and its current suitability in meeting the client's investment objectives, given prevailing market conditions, as the Firm perceives them to be. More frequent reviews may be triggered by material changes in variables, such as the client's individual circumstances, the market, political or economic environment. The accounts are also reviewed with the client directly, with the method, frequency and location at his/her discretion.

In addition to the statements and confirmations of transactions that clients receive directly from their custodian and/or broker-dealer, direct clients also receive, at least quarterly, a reconciled appraisal of their assets from Appleton, summarizing account performance, balances, holdings, transactions during the period, and a gains/loss summary. With this quarterly appraisal from Appleton, clients also receive a market overview with our insight and commentary on current global economic and market conditions.

## **ITEM 14 – CLIENT REFERRALS**

Appleton currently pays referral fees to individuals and/or entities for referring advisory clients to the Firm. If a client is introduced to Appleton by a solicitor, the Firm may pay that solicitor an ongoing referral fee constituting a percentage of the referred client's advisory fee paid to Appleton for the duration of the advisory relationship.

Payment of referral fees for prospective client referrals creates a potential conflict of interest to the extent that such a referral is not unbiased and the solicitor is, at least partially, motivated by financial gain. As these situations represent a potential conflict of interest, Appleton has established the following restrictions in order to ensure the Firm's fiduciary responsibilities are upheld:

- All such referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Advisers Act, and any corresponding state securities law requirements;
- Any such referral fee will be paid solely from Appleton's investment management fee, and will not result in any additional charge to the client;
- If the client is introduced to Appleton by an unaffiliated solicitor, the solicitor, at the time of the solicitation, will disclose the nature of his/her/its solicitor relationship and provide each prospective client with a copy of Appleton's Form ADV Part 2 Brochure, together with a copy of the written disclosure statement from the solicitor to the client. The solicitor's written disclosure statement must disclose the terms of the solicitation arrangement between the Firm and the solicitor, including the compensation to be received by the solicitor from Appleton; and
- All referred clients will be carefully screened to ensure that Appleton fees, services, and investment strategies are suitable to their investment needs and objectives.

### **CHARLES SCHWAB & CO., INC.**

Appleton receives client referrals from Schwab through Appleton's participation in the Schwab Advisor Network<sup>®</sup> (the "Service"). The Service is designed to help investors find an independent investment adviser. Schwab is a broker-dealer independent of and unaffiliated with Appleton. Schwab does not supervise Appleton and has no responsibility for Appleton's management of clients' portfolios or Appleton's other advice or services. The Firm pays Schwab fees to receive client referrals through the Service. Appleton's participation in the Service may raise potential conflicts of interest described below.

Appleton pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Appleton is a percentage of the fees the client owes to the Firm, or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Appleton pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab.

The Participation Fee is billed to Appleton on a quarterly basis and may be increased, decreased or

waived by Schwab from time to time. The Participation Fee is paid by Appleton and not by the client. Appleton has agreed not to charge clients referred through the Service any fees or costs greater than the fees or costs Appleton charges clients with similar portfolios who were not referred through the Service.

Appleton generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab, and does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees an adviser generally would pay in a single year. Thus, Appleton has an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Appleton's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Appleton will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab.

Clients will instruct Schwab to debit Appleton's fees directly from the accounts. For accounts of Appleton's clients maintained in custody at Schwab through the Service, Schwab will not charge the client separately for custody, but will receive compensation from Appleton's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab.

Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Appleton may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Appleton, nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Appleton's other clients. Thus, trades for accounts with custody at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

#### **TD AMERITRADE**

As also disclosed under Item 12, Appleton participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Appleton's participation in the program and the investment advice it gives to its clients, although Appleton may receive economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits may include: (i) receipt of duplicate client statements and confirmations; (ii) research related products and tools; consulting services; access to a trading desk serving adviser participants; (iii) access to block trading; (iv) the ability to have advisory fees deducted directly from client accounts; (v)

access to an electronic communications network for client order entry and account information; (vi) access to mutual funds with no transaction fees and to certain institutional money managers; and (vii) potentially discounts on compliance, marketing, research, technology, and practice management products or services provided to Appleton by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Appleton's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit Appleton, but may not benefit the Firm's client accounts. These products or services may assist Appleton in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services that may be available by TD Ameritrade could be intended to help Appleton manage and further develop its business enterprise.

The benefits received by Appleton through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of the Firm's fiduciary duties to clients, Appleton endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Appleton in and of itself may create a potential conflict of interest and may indirectly influence Appleton's choice of TD Ameritrade for custody and brokerage services.



## **ITEM 15 - CUSTODY**

Although Appleton does not maintain physical possession of client funds or securities, which must be maintained in an account at a “qualified custodian,” the Firm may be deemed to have custody of certain client assets in instances where the Firm has authority to withdraw or transfer assets from client accounts, such as when one of our associated persons acts in a trustee capacity on your trust account or where Appleton has such similar authority with respect to client assets. Appleton has retained an independent public accountant to conduct an annual surprise examination of client assets for which the Firm is deemed to have custody.

On at least a quarterly basis, the qualified custodian is required to send directly to the client's address a statement showing all transactions within the account during the reporting period. It is important for clients to review their custodial statements to verify their accuracy. Clients should contact Appleton directly if they believe there may be a discrepancy between a custodial quarterly statement received and their Appleton quarterly statement.

## **ITEM 16 – INVESTMENT DISCRETION**

Clients who would consider hiring Appleton to manage their portfolio investments should understand that the Firm provides discretionary asset management services. In this practice, with the authority of investment discretion from our client, Appleton buys or sells securities in a client's account without contacting the client prior to each trade to obtain their permission.

Appleton's discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell;
- Determine the amount of the security to buy or sell; and/or
- Determine the timing of such transactions.

Clients grant Appleton discretionary authority when they enter into a relationship with the Firm by signing the investment management agreement. Only in particular circumstances may a client limit this authority and such limitation is agreed upon by both parties and in writing. Clients may also change/amend such limitations by once again providing Appleton with written instructions.

## **ITEM 17 – VOTING CLIENT SECURITIES**

Appleton votes proxies for all client accounts. However, Appleton clients always retain the right to vote proxies themselves, and may exercise this right by instructing the Firm in writing to not vote proxies on behalf of their account.

Appleton has retained a third-party proxy voting service, and has concurrently adopted voting guidelines determined to be in the best interest of Firm clients. Through this proxy voting service, Appleton retains the proxy voting books and records for the requisite period of time and a record of votes cast.

Clients may obtain a copy of Appleton's complete proxy voting policies and procedures by contacting Michele Hubley, Chief Compliance Officer, in writing at the contact information listed on the cover of the Brochure. Clients may also request, in writing, information on how proxies for account shares were voted. If any client requests a copy of Appleton's proxy policies and procedures or how proxies for their account were voted, the Firm will promptly provide that information.

Appleton will neither advise nor act on behalf of clients in legal proceedings involving companies whose securities are held in a client's account. This also includes, but is not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Appleton to send copies of class action notices directly to them or to a third party. Upon such direction, Appleton will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, Appleton will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct Appleton to vote a proxy in a particular manner, clients should contact Michele Hubley, Chief Compliance Officer, by telephone, email, or in writing.

## **ITEM 18 – FINANCIAL INFORMATION**

Appleton is not required to include a Financial Statement in this Brochure, as the Firm, under no circumstances, requires or solicits payments of the investment advisory fees in excess of \$1200 per client, more than six months in advance of services rendered.

As an SEC registered investment advisory firm, Appleton is also required to disclose any financial condition that is reasonably likely to impair the Firm's ability to meet its contractual obligations with clients. Appleton has no additional financial circumstances to report.

Further, Appleton is required to disclose that the Firm has not been the subject of a bankruptcy petition at any point during the previous ten (10) years.



APPLETON *PARTNERS*, INC.

**Part 2B of Form ADV: Brochure Supplement**

**Appleton Partners, Inc.**

One Post Office Square  
6th Floor  
Boston, Massachusetts 02109  
Telephone: (617) 338 0700  
Email: [mhabley@appletonpartners.com](mailto:mhubley@appletonpartners.com)  
Web Address: [www.appletonpartners.com](http://www.appletonpartners.com)

As of March 23, 2017

This brochure supplement provides information about the individual(s) listed on the next page that supplements the Appleton Partners, Inc. brochure. You should have also received a copy of that brochure.

If you did not receive our Firm's brochure, or if you have any questions about the contents of this supplement, please contact Michele D Hubley, Chief Compliance Officer, by telephone at (617).338.0700 or via at [mhabley@appletonpartners.com](mailto:mhubley@appletonpartners.com). Additional information about our personnel is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). #

<b>JASON D. AUDETTE .....</b>	<b>2</b>
<b>JAMES LOCKWOOD BOSLAND .....</b>	<b>3</b>
<b>DANIEL THOMAS ANTHONY BUCKLEY .....</b>	<b>4</b>
<b>KATHLEEN MARY BURGE .....</b>	<b>5</b>
<b>DOUGLAS CAMPBELL CHAMBERLAIN .....</b>	<b>6</b>
<b>GEOFFREY DANIEL CHAMBERLAIN .....</b>	<b>7</b>
<b>ANSON CRAWFORD CLOUGH.....</b>	<b>8</b>
<b>JASON R. COOK .....</b>	<b>9</b>
<b>GARY BRUCE CROFTON .....</b>	<b>10</b>
<b>WHITNEY PEARCE FITTS.....</b>	<b>11</b>
<b>NATHAN WALSH HARRIS .....</b>	<b>12</b>
<b>H.L. JEFFREY JOHNSON .....</b>	<b>13</b>
<b>JANET MARY KELLIHER .....</b>	<b>14</b>
<b>JAMES IRA LADGE.....</b>	<b>15</b>
<b>GREGORY ADAM LALLY.....</b>	<b>16</b>
<b>KELLY C. MCKERNAN.....</b>	<b>17</b>
<b>ANDREW JAMES PETERSON.....</b>	<b>18</b>
<b>NANCY HACKER PLACE.....</b>	<b>19</b>
<b>JAMES CHRISTOPHER QUEALY .....</b>	<b>20</b>
<b>WALTER ZAGROBSKI .....</b>	<b>21</b>

**Jason D. Audette**  
*Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1977

**Formal Education:** Suffolk University; BS, Finance; 2005  
D'Amore-McKim School of Business at Northeastern University; Masters  
Business Administration; 2016

**Business Experience:** 2011 – Present: Appleton Partners, Inc.

**Item 3 - Disciplinary Information**

Mr. Audette has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Audette is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Audette does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

Mr. Audette is supervised by Anson C. Clough, CFA, Managing Director, Fixed Income. Mr. Clough may be reached by calling (617) 338-0700.

**James Lockwood Bosland**  
*Senior Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1962

**Formal Education:** Boston University; BA, Economics; 1984  
FW Olin Graduate School of Business at Babson College; Masters Business Administration; 1986

**Business Experience:** 2001 – Present: Appleton Partners, Inc.

**Designations:** Chartered Financial Analyst\*(CFA) since 1993

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

**Item 3 - Disciplinary Information**

Mr. Bosland has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Bosland is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Bosland does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

Mr. Bosland is supervised by Anson C. Clough, CFA, Managing Director, Fixed Income. Mr. Clough may be reached by calling (617) 338-0700.



**Daniel Thomas Anthony Buckley**  
*Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1975

**Formal Education:** Boston College; BA, Economics; 1997  
Boston University; MS Investment Management; 2006

**Business Experience:** 2003 – Present: Appleton Partners, Inc.

**Designations:** Chartered Financial Analyst\*(CFA) since 2011

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

**Item 3 - Disciplinary Information**

Mr. Buckley has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Buckley is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Buckley does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

Mr. Buckley is supervised by James M. O'Neil, Esq., Senior Vice President, Managing Director of National Wealth Planning Advisory Services. Mr. O'Neil may be reached by calling (617) 338-0700.

**Kathleen Mary Burge**  
*Executive Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1950

**Formal Education:** Graham Junior College; AA, Business; 1974

**Business Experience:** 1987 – Present: Appleton Partners, Inc.

**Item 3 - Disciplinary Information**

Ms. Burge has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Ms. Burge is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. She is not engaged in any other business or occupation that provides compensation or involves a substantial amount of her time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Ms. Burge does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

Ms. Burge is supervised by Douglas C. Chamberlain, President. Mr. Chamberlain may be reached by calling (617) 338-0700.

**Douglas Campbell Chamberlain**  
*President, CEO*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1947

**Formal Education:** Boston University; BA, Business; 1970  
Boston University; Masters, Business Management; 1976

**Business Experience:** 1987 – Present: Appleton Partners, Inc.

**Designations:** Chartered Financial Analyst \*(CFA) since 1981

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

**Item 3 - Disciplinary Information**

Mr. Chamberlain has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Chamberlain is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Chamberlain does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

Appleton's Executive Committee provides oversight on behalf of Mr. Chamberlain and may be reached by calling James I. Ladge, Chief Operating Officer, at (617) 338-0700.

**Geoffrey Daniel Chamberlain**  
*Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1979

**Formal Education:** Bowdoin College; BA, Economics; 2001  
Boston University; MS, Investment Management; 2006

**Business Experience:** 2001 – Present: Appleton Partners, Inc.

**Designations:** Chartered Financial Analyst \*(CFA) since 2007

\* The program is administered by the CFA Institute (formerly the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

**Item 3 - Disciplinary Information**

Mr. Chamberlain has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Chamberlain is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Chamberlain does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 – Supervision**

Mr. Chamberlain is supervised by James M. O’Neil, Esq., Senior Vice President, Managing Director of National Wealth Planning Advisory Services. Mr. O’Neil may be reached by calling (617) 338-0700.

**Anson Crawford Clough**  
*Managing Director, Fixed Income*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1970

**Formal Education:** Bates College; BA, Economics; 1992

**Business Experience:** 2000 – Present: Appleton Partners, Inc.

**Designations:** Chartered Financial Analyst \*(CFA) since 1997  
Certified Financial Planner\*\* (CFP) since 2005

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

\*\* The program is administered by the Certified Financial Planner Board of Standards, Inc. Those with the CFP designation have demonstrated competency in all areas of finance related to financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. In addition to passing the CFP certification exam, candidates must also complete qualifying work experience and agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards.

**Item 3 - Disciplinary Information**

Mr. Clough has no reportable disciplinary history

**Item 4 - Other Business Activities**

Mr. Clough is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Clough does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 – Supervision**

Mr. Clough is supervised by Douglas C. Chamberlain, President. Mr. Chamberlain may be reached by calling (617) 338-0700.

**Jason R. Cook**  
*Assistant Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1983

**Formal Education:** Harvard University; BA, Economics; 2005  
Carroll School of Management at Boston College; Masters Business Administration; 2013

**Business Experience:** 2013 – Present: Appleton Partners, Inc.  
2008 – 2011: Hercules Capital

**Designations:** Chartered Financial Analyst\*(CFA) since 2015

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

**Item 3 - Disciplinary Information**

Mr. Cook has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Cook is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Cook does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

is supervised by James M. O'Neil, Esq., Senior Vice President, Managing Director of National Wealth Planning Advisory Services. Mr. O'Neil may be reached by calling (617) 338-0700.

**Gary Bruce Crofton**  
*Senior Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1956

**Formal Education:** Lafayette College; BS, Biology; 1978

**Business Experience:** 2009 – Present: Appleton Partners, Inc.

**Item 3 - Disciplinary Information**

Mr. Crofton has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Crofton is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Crofton does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 – Supervision**

Mr. Crofton is supervised by Anson C. Clough, Managing Director, Fixed Income. Mr. Clough may be reached by calling (617) 338-0700.

## **Whitney Pearce Fitts**

*Vice President*

### **Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1979

**Formal Education:** Colby College; BA, Mathematics - Economics; 2002

**Business Experience:** 2003 – Present: Appleton Partners, Inc.

**Designations:** Chartered Financial Analyst \*(CFA) since 2007

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

### **Item 3 - Disciplinary Information**

Ms. Fitts has no reportable disciplinary history.

### **Item 4 - Other Business Activities**

Ms. Fitts is not engaged in any other investment-related activities nor does she receive commissions, bonuses or other compensation on the sale of securities or other investment products. She is not engaged in any other business or occupation that provides compensation or involves a substantial amount of her time outside of Appleton Partners, Inc.

### **Item 5 - Additional Compensation**

Ms. Fitts does not receive any additional economic benefit from third parties for providing advisory services.

### **Item 6 – Supervision**

Ms. Fitts is supervised by Anson C. Clough, Managing Director, Fixed Income. Mr. Clough may be reached by calling (617) 338-0700.



## **Nathan Walsh Harris**

*Vice President*

### **Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1983

**Formal Education:** Bentley College; B.S. Finance, Minor Law; 2005

**Business Experience:** 2012 – Present: Appleton Partners, Inc.  
2006 – 2012: BNY, Standish Mellon Asset Management

**Designations:** Chartered Financial Analyst \*(CFA) since 2011

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

### **Item 3 - Disciplinary Information**

Mr. Harris has no reportable disciplinary history.

### **Item 4 - Other Business Activities**

Mr. Harris is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

### **Item 5 - Additional Compensation**

Mr. Harris does not receive any additional economic benefit from third parties for providing advisory services.

### **Item 6 - Supervision**

Mr. Harris is supervised by Janet Kelliher, Senior Vice President. Ms. Kelliher may be reached by calling (617) 338-0700.

**H.L. Jeffrey Johnson**  
*Senior Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1959

**Formal Education:** Middlebury College; BA, Economics; 1982

**Business Experience:** 2009 – Present: Appleton Partners, Inc.

**Item 3 - Disciplinary Information**

Mr. Johnson has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Johnson is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Johnson does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

Mr. Johnson is supervised by Douglas C. Chamberlain, President. Mr. Chamberlain may be reached by calling (617) 338-0700.

**Janet Mary Kelliher**  
*Senior Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1960

**Formal Education:** Fitchburg State College; BS, Education; 1982

**Business Experience:** 2009 – Present: Appleton Partners, Inc.

**Item 3 - Disciplinary Information**

Ms. Kelliher has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Ms. Kelliher is not engaged in any other investment-related activities nor does she receive commissions, bonuses or other compensation on the sale of securities or other investment products. She is not engaged in any other business or occupation that provides compensation or involves a substantial amount of her time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Ms. Kelliher does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

Ms. Kelliher is supervised by Douglas C. Chamberlain, President. Mr. Chamberlain may be reached by calling (617) 338-0700.

**James Ira Ladge**  
*Chief Operating Officer*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1968

**Formal Education:** Syracuse University; BA, Economics; 1990  
Boston University; Masters Business Administration; 1997

**Business Experience:** 1993 – Present: Appleton Partners, Inc.

**Designations:** Chartered Financial Analyst \*(CFA) since 1995

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

**Item 3 - Disciplinary Information**

Mr. Ladge has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Ladge is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Ladge does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 – Supervision**

Mr. Ladge is supervised by Douglas C. Chamberlain, President. Mr. Chamberlain may be reached by calling (617) 338-0700.

**Gregory Adam Lally**  
*Senior Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1973

**Formal Education:** Boston College; BA, Economics; 1996  
Boston University; MS, Investment Management; 2001

**Business Experience:** 1996 – Present: Appleton Partners, Inc.

**Item 3 - Disciplinary Information**

Mr. Lally has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Lally is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Lally does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 – Supervision**

Mr. Lally is supervised by Anson C. Clough, Managing Director, Fixed Income. Mr. Clough may be reached by calling (617) 338-0700.

**Kelly C. McKernan**  
*Senior Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1970

**Formal Education:** State University of New York; BS, Management Science and Marketing; 1992  
Boston College; MS, Finance; 1997

**Business Experience:** 2015 – Present: Appleton Partners, Inc.  
2011– 2015: Boston Private Bank & Trust

**Item 3 - Disciplinary Information**

Ms. McKernan has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Ms. McKernan is not engaged in any other investment-related activities nor does she receive commissions, bonuses or other compensation on the sale of securities or other investment products. She is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Ms. McKernan does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 – Supervision**

Ms. McKernan is supervised by James M. O’Neil, Esq., Senior Vice President, Managing Director of National Wealth Planning Advisory Services. Mr. O’Neil may be reached by calling (617) 338-0700.

## **Andrew James Peterson**

*Assistant Vice President*

### **Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1981

**Formal Education:** Middlebury College, BA, American Literature; 2003

**Business Experience:** 2012 – Present: Appleton Partners, Inc.  
2010 – 2012: Brown Brothers Harriman

**Designations:** Chartered Financial Analyst \*(CFA) since 2013  
Certificate in Investment Performance Measurement\*\* (CIPM) since 2009

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

\*\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CIPM certificate, candidates must successfully complete two difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in ethical and professional standards, investment performance, and risk analysis.

### **Item 3 - Disciplinary Information**

Mr. Peterson has no reportable disciplinary history.

### **Item 4 - Other Business Activities**

Mr. Peterson is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

### **Item 5 - Additional Compensation**

Mr. Peterson does not receive any additional economic benefit from third parties for providing advisory services.

### **Item 6 - Supervision**

Mr. Peterson is supervised by Anson C. Clough, Managing Director, Fixed Income. Mr. Clough may be reached by calling (617) 338-0700.

**Nancy Hacker Place**  
*Senior Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1959

**Formal Education:** Bentley College; BS, Finance; 1981  
Simmons College; Masters Business Administration; 1991  
Boston University; Certificate in Financial Planning; 2001

**Business Experience:** 2003 – Present: Appleton Partners, Inc.

**Item 3 - Disciplinary Information**

Ms. Place has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Ms. Place is not engaged in any other investment-related activities nor does she receive commissions, bonuses or other compensation on the sale of securities or other investment products. She is not engaged in any other business or occupation that provides compensation or involves a substantial amount of her time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Ms. Place does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 – Supervision**

Ms. Place is supervised by James M. O’Neil, Esq., Senior Vice President, Managing Director of National Wealth Planning Advisory Services. Mr. O’Neil may be reached by calling (617) 338-0700.



**James Christopher Quealy**  
*Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1974

**Formal Education:** Boston College; BA, Finance/Marketing; 1997  
Boston University; MS, Investment Management; 2002

**Business Experience:** 2004 – Present: Appleton Partners, Inc.

**Designations:** Chartered Financial Analyst \*(CFA) since 2003

\* The program is administered by the CFA Institute (formerly, the Association for Investment Management and Research - AIMR). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

**Item 3 - Disciplinary Information**

Mr. Quealy has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Quealy is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Quealy does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 – Supervision**

Mr. Quealy is supervised by Anson C. Clough, Managing Director, Fixed Income. Mr. Clough may be reached by calling (617) 338-0700.

**Walter Zagrobski**  
*Senior Vice President*

**Item 2 - Educational Background and Business Experience**

**Year of Birth:** 1950

**Formal Education:** University of New Hampshire; BS, Business; 1972  
Babson College; Masters Business Administration; 1977

**Business Experience:** 1997 – Present: Appleton Partners, Inc.

**Item 3 - Disciplinary Information**

Mr. Zagrobski has no reportable disciplinary history.

**Item 4 - Other Business Activities**

Mr. Zagrobski is not engaged in any other investment-related activities nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products. He is not engaged in any other business or occupation that provides compensation or involves a substantial amount of his time outside of Appleton Partners, Inc.

**Item 5 - Additional Compensation**

Mr. Zagrobski does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

Mr. Zagrobski is supervised by James M. O’Neil, Esq., Senior Vice President, Managing Director of National Wealth Planning Advisory Services. Mr. O’Neil may be reached by calling (617) 338-0700.



APPLETON *PARTNERS*, INC.

## **Additional Information and Documents**

### **Appleton Partners, Inc.**

One Post Office Square  
6th Floor  
Boston, Massachusetts 02109  
Telephone: (617) 338 0700  
Email: [mhabley@appletonpartners.com](mailto:mhubley@appletonpartners.com)  
Web Address: [www.appletonpartners.com](http://www.appletonpartners.com)

As of March 23, 2017

For additional information or if you have any questions about the contents of this supplement, please contact Michele D. Hubley, Chief Compliance Officer, by telephone at 617.338.0700 or via email at [mhubley@appletonpartners.com](mailto:mhubley@appletonpartners.com).



## APPLETON PARTNERS, INC.

### FACTS

What does Appleton Partners, Inc. ("Appleton") do with your personal information?

### WHY?

Financial companies choose how they share your personal information. Federal law provides consumers the right to limit some, but not all, sharing. Federal law also requires Appleton to tell you how our firm collects, shares, and protects your personal information. Please read this notice more carefully to further your understanding.

### WHAT?

The types of personal information Appleton collects and shares depends on the product or service you have with our firm. This information may include:

- Social Security numbers and identifying information, including date of birth, address, phone numbers, and e-mail;
- Custodial accounts and account holdings, balances, family composition, and background; and
- Security transactions and investment objectives, net worth, income, and payment history.

When you are *no longer* an Appleton customer, we continue to share your information as described within this notice.

### HOW?

All financial companies need to share client personal information to run their everyday business. In the section below, we list the reasons financial companies can share their client personal information, the reasons Appleton chooses to share this personal information, and whether you can limit our firm's ability to share.

### REASONS APPLETON MAY SHARE YOUR PERSONAL INFORMATION

### DOES APPLETON SHARE?

### CAN YOU LIMIT THIS SHARING?

**For our everyday business purposes—**  
such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus

YES

NO

**For our marketing purposes—**  
to offer our products and services to you

YES

NO

**For joint marketing with other financial companies**

NO

N/A

**For our affiliates' everyday business purposes—**  
information about your transactions and experiences

N/A

N/A

**For our affiliates' everyday business purposes—**  
information about your creditworthiness

N/A

N/A

**For non-affiliates to market to you**

NO

N/A

### QUESTIONS

Call (617) 338-0700 or please visit [www.appletonpartners.com](http://www.appletonpartners.com)

## WHO WE ARE

Who is providing this notice?

APPLETON PARTNERS, INC. ("APPLETON")

## WHAT WE DO

How does Appleton protect my personal information?

To protect your personal information from unauthorized access and use, our firm utilizes security measures which comply with federal law. These measures include computer safeguards and secured files and buildings.

Appleton restricts access to your non-public personal information only to those employees who need to know that information to service your account.

How does Appleton collect my personal information?

Our firm collects your personal information, for example, when you:

- Sign an Appleton investment management agreement or open a brokerage/custodial account;
- Communicate with our firm or purchase or sell securities;
- Deposit or withdraw funds, provide or update your investment profile; and/or
- Instruct your broker, custodian, or bank to forward your statements to Appleton or grant our firm access to your statements.

Why can't I limit all sharing?

Federal law grants you the right to limit only:

- Sharing for affiliates' everyday business purposes— information about your credit worthiness;
- Affiliates from using your information to market to you; and
- Sharing for non-affiliates to market to you.

State laws and individual companies may give you additional rights to limit sharing.

## DEFINITIONS

Affiliates

Companies related by common ownership or control. They may be financial and non-financial companies.

*Appleton has no affiliates.*

Non-Affiliates

Companies not related by common ownership or control. They can be financial and non-financial companies

*Appleton will not share client information with any non-affiliates unless such sharing is necessary to service a client account or is required by law.*

Joint Marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

*Appleton has not entered any joint marketing agreements.*

## OTHER IMPORTANT INFORMATION

Appleton considers the protection of your privacy to be an issue of great importance.

Our firm will send all existing clients an updated Privacy Notice on an annual basis.

**Appleton Partners, Inc. One Post Office Square, 6th Floor, Boston, MA 02109 Tel. (617) 338-0700**