



APPLETON *PARTNERS*, INC.

Part 2A of Form ADV: *Firm Brochure*

Appleton Partners, Inc.

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As of March 10, 2014

This brochure provides information about the qualifications and business practices of Appleton Partners, Inc. If you have any questions about the contents of this brochure, please contact us at 617-338-0700 or Michele D. Hubley, SVP, Chief Compliance Officer at mhubley@appletonpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Appleton Partners, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 110049.

Registration with the SEC should not be construed as an endorsement of any specific skill by any regulatory or government agency.

Item 2

MATERIAL CHANGES

This section is used to provide our clients with a summary of any material changes that have taken place since our last annual filing.

Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will provide you with other interim disclosures about material changes as necessary. As well, we may update this brochure from time to time.

ANNUAL UPDATES OF MATERIAL CHANGES

Since the filing of our last annual brochure, we have the following material changes to report:

3/25/13 Change of Address, principal location of Appleton Partners, Inc.:

From: 45 Milk Street, 8th floor, Boston, MA 02109

To: One Post Office Square, 6th floor, Boston, MA 02109

Item 3

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ADVISORY BUSINESS

PRIVATE WEALTH MANAGEMENT SERVICES

Appleton Partners, Inc. (Appleton) is an SEC-registered investment adviser with its principal place of business located at One Post Office Square, 6th floor, Boston, Massachusetts 02109. Appleton began conducting business as a firm in 1987 when it filed its first registration with the SEC. Our firm's principal shareholders are:

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

Appleton provides continuous advice to clients with regard to the investment of their assets, based on their individual needs. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a personal investment policy with our client and further create and manage a portfolio based on those goals. During our data-gathering process, we will discuss the client's individual objectives, time horizons, risk tolerance, tax sensitivities and liquidity needs. When appropriate, we also review prior investment history, as well as family composition and background which may have an effect on the client's finances. Depending on the client's preference of frequency and method of contact, we will make plans to follow-up or provide update on the progress of the portfolio.

We manage our clients' advisory accounts on a discretionary basis. Account supervision is guided by the individual client's stated objectives (for example: maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Cambridge Appleton Trust Program

We also provide private wealth management services to Cambridge Appleton Trust, NA ("CATNA") clients. CATNA is a joint venture between Cambridge Savings Bank and Appleton Partners, providing trust and fiduciary services. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Although domestic fixed income securities and large cap growth stocks comprise the major asset classes for our clients, we will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States government securities

Item 4 (continued)

CONSULTING SERVICES

We also provide consulting services to CATNA which include the following:

- Design and review of investment policy, research, screening and monitoring of existing and potential investment criteria.
- Review and selection of mutual fund investments for the CATNA platform

MUTUAL FUND MANAGEMENT

Appleton provides investment advisory services to the Appleton Equity Growth Fund (The Appleton Funds) which is a mutual fund registered under the Investment Company Act of 1940, begun in 2001.

In certain situations, Appleton provides discretionary portfolio management services to clients using model asset allocation portfolios. This is done on a specific basis and also is the basic structure for the management of securities in The Appleton Funds. As with the management of individual assets in a client's portfolio, the selection of a mutual fund is designed to meet a particular investment goal.

Appleton serves as the investment manager to The Appleton Funds, and continuously manages the fund assets based on the investment goals and objectives as outlined in the Fund's prospectus.

Interested investors should refer to the Mutual Fund's prospectus and Statement of Additional Information ("SAI") for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures. These documents are also available by calling tel: 877. 41. APPLE or on-line at www.appletonfunds.com.

Prior to making any investment in the fund, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment in The Appleton Funds.

AMOUNT OF MANAGED ASSETS

As of 1/15/2014, we were actively managing \$6,063,342,277 of clients' assets on a discretionary basis.

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Item 5
FEES AND COMPENSATION

Private Wealth Management Fees: Our annual fees for these services are based upon a percentage of assets under management and generally range from .50% to 1.00%. 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. The annualized fee for Investment Supervisory Services is charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
<u>Taxable accounts</u>	
First \$2,000,000*	1.00%
Over \$2,000,000	.50%

*For accounts established as of October 1, 1989, the fees are the same as above, except that for assets under management on the first \$250,000 the annual fee is 1.25%.

<u>Tax-exempt accounts</u>	
First \$2,000,000	1.00%
Over \$2,000,000	.50%
Over \$5,000,000*	Negotiated

*For certain institutional sources of managed assets or where other special circumstances apply, such as a limited investment program, the annual fee is negotiable based on the amount of assets under management.

For CATNA private wealth management clients, Appleton has a split-fee arrangement with CATNA. **Consulting Services Fees:** There are no separate consulting fees currently being charged for these services as they fall under the overall CATNA program arrangement.

Mutual Fund Management Fees: Our annual fees for these services are 1.50% of fund assets under management. These fees accrue to the fund's NAV annually and are paid to Appleton on a monthly basis in arrears.

Limited Negotiability of Advisory Fees: Although Appleton has established the fee schedule above, we retain the discretion to negotiate fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These may include the assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, among other factors. The specific annual fee schedule is identified in the Appleton Letter of Agreement, or contract, between Appleton Partners and each client.

We may group certain related client accounts or groups for the purposes of achieving the minimum account size requirements and/or determining the annualized fee.

Item 5 (continued)

Mutual Fund Fees: In some situations, clients will invest in or hold mutual funds in their portfolios managed by Appleton. The fees and expenses for a mutual fund are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could feasibly invest in a mutual fund directly, without our services, and maintain the account separate from the assets managed for that client by Appleton.

All fees paid to Appleton Partners, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. The Appleton Fund's fee arrangement, termination, and refund policies are described in the Fund's prospectus and Statement of Additional Information ("SAI"), available by calling tel: 877.41.Apple or online at www.appletonfunds.com

While Appleton Partners serves as Investment Adviser to the The Appleton Funds, clients who may hold The Appleton Funds in their portfolios are not billed by Appleton on that amount. As well, our clients who may also hold other mutual funds in their portfolios will pay only those fees charged to investors by the particular mutual fund. In other words, the value of the client's investment in any mutual fund is excluded from Appleton's quarterly portfolio management fee calculation.

Wrap Fee Programs and Separately Managed Account Fees: Appleton also acts as a sub-advisor on client portfolios when hired by an outside Investment Advisor (or "Sponsor") working on behalf of a client, to provide a particular expertise in addition to the Sponsor's portfolio program. Clients of these Sponsors, who participate in separately managed account programs that utilize Appleton's portfolio management services may be charged the Sponsor's program fees in addition to an advisory fee charged by Appleton. Such fees may include the investment advisory fees of the Sponsor adviser, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients generally pay a single fee to the Sponsor for advisory, brokerage and custodial services. Depending on the arrangement, the client's portfolio transactions may be executed without commission charge in a wrap fee situation. In evaluating such an arrangement, the client should consider that, depending upon the level of the wrap fee, the amount of portfolio activity in the client's account, and other factors, 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 details directly with their contact at the Sponsor firm.

Additional Fees and Expenses: In addition to our 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 transaction 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.

Item 5 (continued)

Minimum Account Requirements: There are minimum account requirements / recommendations for Appleton's private wealth management services. We typically recommend a starting account balance of \$1.0 million. In most cases, pre-existing advisory clients are subject to Appleton Partners, Inc.'s minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, in some instances, our minimum account requirements / recommendations will differ among clients and will be examined on a case-by-case basis. There is a \$1,000 minimum investment requirement for the Appleton Funds.

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 ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. In these cases, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Appleton only charges an advisory fee for investment management services on assets we manage, and do not receive any sort of additional commissions or 12b-1 fees, if they were to apply.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of our investment advisory fees in excess of \$1200 per client, more than six months in advance of services rendered.

Item 6

PERFORMANCE-BASED FEES

Appleton does not charge performance-based fees.

Item 7

TYPES OF CLIENTS

Appleton Partners, Inc. provides investment advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Trust Companies, Bank & Thrift Organizations
- Investment companies (including mutual funds)
- Pension and profit sharing plans (other than plan participants)
- Other pooled investment vehicles
- Charitable organizations
- Corporations or other businesses not listed above
- State or municipal government entities

Item 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

METHODS OF ANALYSIS

Appleton uses the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting: In this type of technical analysis, we review 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.

Fundamental Analysis: We attempt 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 itself) to determine if the company 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 can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

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.

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

Risks for all forms of analysis: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Item 8 (continued)

INVESTMENT STRATEGIES

Appleton uses the following strategies in managing our client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases: We purchase securities with the intention of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

While our efforts are focused on vigilant monitoring of the markets and economic pressures that may affect our client's portfolios, a potential risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that may be profitable to a client. Moreover, if our predictions are incorrect, and our reaction time delayed, a security may decline in value before we make the decision to sell.

Short-term purchases: When utilizing this strategy, we purchase securities with the intention of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy could pose risks should the anticipated price swing not materialize; we are then 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, this 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.

RISK OF LOSS

Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

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 our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Appleton Funds

As described in previous sections, Appleton Partners is the investment adviser to The Appleton Funds, an investment company registered under the Investment Company Act of 1940. We established the Appleton Funds in 2001 and have continuously been the Investment Adviser to it since that time. The investment and management personnel of Appleton, who work on The Appleton Funds, report to an independent Board of Directors of the fund and meet with them on a quarterly basis.

Further information on The Appleton Funds may be found in the Fund Prospectus and Statement of Additional Information ("SAI") which are available on-line at www.appletonfunds.com or by calling tel: 877-41-APPLE. Prospective investors should review these documents carefully before making any investment in the fund to assess its suitability to their particular needs.

Cambridge Appleton Trust, NA

In January 1999, CATNA was established as a joint venture between Cambridge Savings Bank and Appleton Partners. CATNA's mission is to offer trust and estate planning services along with portfolio management services to the individual or family group seeking this combination from one firm. Appleton serves as the investment adviser to CATNA, as described in Item 4 of the brochure, and has a minority ownership stake in the organization. Both Appleton and CATNA are operationally independent, maintaining separate management and technology systems, personnel, Board of Directors and corporate ownership structure. CATNA is governed by the Office of the Comptroller of the Currency ("OCC") and is a registered National Trust Association without depository account (checking or savings) services.

Further Information

While no Appleton client is obligated to use the services of either of the two related companies ("Affiliates"), where appropriate, we may present and/or recommend the services of The Appleton Funds and the investment-related services of CATNA to our advisory clients. Likewise, these related companies and their employees may also recommend the advisory services of Appleton to their clients. The services provided by The Appleton Funds and CATNA are separate and distinct from our advisory services, and are billed under separate fee and compensation arrangements from Appleton's advisory fee.

Item 10 (continued)

Potential Conflicts of Interest

Because Appleton receives asset based compensation for managing the Appleton Funds, it may have an incentive to recommend the Appleton Funds to its advisory clients. To mitigate this conflict of interest, if a wealth management client does own the Appleton Fund, Appleton will not include those assets in the billed market value of the wealth management account. Appleton endeavors at all times to put the interest of its clients first and foremost and does not impose or obligate clients to seek either of these additional services. As part of our fiduciary duty as a registered investment adviser; we take the following steps to address this potential conflict:

- we disclose to clients the existence of material conflicts of interest, including the ability of our firm to earn compensation from our Affiliates through a client's relationship with that Affiliate, listed above;
- we disclose to clients that they are not obligated to invest in any recommended investment service from our Affiliates;
- we collect, maintain and solicit relevant client background information, including the client's financial goals, objectives, risk tolerance, and any changes which might have an effect on their financial situation;
- our portfolio management team conducts regular reviews of client accounts to verify that the recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees disclose any relationship or obligations to an outside firm or Board that may conflict with or compromise their fiduciary responsibilities to our clients
- we sponsor education to our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11

CODE OF ETHICS

Participation or Interest in Client Transactions and Personal Trading

Appleton has adopted a Code of Ethics (“Code”) which sets forth high ethical standards of business conduct that we require of our 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 on an annual basis.

As a firm and as employees of Appleton, we owe a duty of loyalty, fairness and good faith towards our 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.

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

Included in Appleton's Code is the firm's policy governing the mis-use of material non-public information. While we do not believe that we at Appleton 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.

A copy of our Code is available by calling us at 617.338.0700 or by an email to our Chief Compliance Officer, Michele Hubley at [mhuley@appletonpartners.com](mailto:mhubley@appletonpartners.com).

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

Per the provisions in our Code, Appleton employees may buy or sell securities identical to, or different from, those recommended to our 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 our clients.

Item 12

BROKERAGE PRACTICES

Appleton will endeavor to select those brokers or dealers that provide the best services at the lowest prices and commission rates, where applicable. The reasonableness of prices and commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help us in providing investment management services to clients. The determining factor in the selection of a broker to execute transactions for our clients' accounts is not necessarily the lowest possible transaction cost, but whether the broker can provide what is, in our view, the best qualitative execution for your account.

Consistent with obtaining best execution for clients, Appleton may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Appleton and, indirectly, to clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done at our discretion and without a client's prior understanding or approval. Research services obtained through this use of soft dollars may be developed by the broker to whom brokerage is directed, or by third-parties which are compensated by the broker. We do not attempt to put a specific dollar value on these services rendered or to allocate the relative costs or benefits of those services among clients as we believe that the research received will help us to fulfill our overall duty to our clients. We may not use each particular research service, however, to service each client's account. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we may select may charge commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged. However, we may determine in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to our clients' accounts.

Potentially, certain items obtainable with soft dollars may be used for services outside of execution or research services. The cost of such "mixed-use" products or services would be fairly allocated and we would make a good faith effort to determine the percentage of such products or services that may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services would be paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

If and when we use client brokerage commissions to obtain research or brokerage services, we receive a benefit, in that we, as a firm, do not have to produce such products internally, or compensate third-parties with our own money for the delivery of such services. Therefore, this use of client brokerage commissions may be a conflict of interest, as we may have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the lowest price or commission rates for our clients.

Item 12 (continued)

A client may direct us 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. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances, a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not. Clients may make changes to this brokerage arrangement as they wish by notifying us in writing.

Within our last fiscal year, through soft dollar arrangements, we have obtained several independent research sources and financial analysis software tools.

When trading for our clients, we will "bunch" or "block" trades where possible and when advantageous to clients. This 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 this trading of aggregate blocks of a security from 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 us to execute equity trades in a more timely and equitable manner, at an average share price. We will typically aggregate trades among clients whose accounts can be traded at a given broker. We are not obligated to include any client account in a blocked trade, however blocked trades are placed when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. 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.

When contemplating a trade, the client's portfolio manager will determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and any investment guidelines or restrictions applicable to the client's account.

The portfolio manager will also determine that the order aggregation (blocking the trade) will benefit, and will enable us 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. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective.

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 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.

Appleton's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account. Funds and securities for aggregated orders are clearly identified on Appleton records and to the broker-dealers or other intermediaries handling the transactions.

Item 12 (continued)

No client or account will be favored over another.

When appropriate, we 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 we 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 companies.

For our 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 us manage and further develop various facets of our 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, we may take into account the availability of some of the above mentioned services as part of the total mix of factors we consider 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.

Item 13

REVIEW OF ACCOUNTS

PRIVATE WEALTH MANAGEMENT AND MUTUAL FUND MANAGEMENT SERVICES

While the underlying securities held by our clients are continually monitored, our clients' portfolio management team is responsible for cash reviews and related daily management. The portfolio management team typically consists of the client's Portfolio Manager and Client Service Manager, who works in conjunction with our Operations Department. From an investment standpoint, the Portfolio Manager generally reviews the client account on at least a monthly basis. The account reviews take into consideration the effectiveness of strategy and suitability in meeting the client's objectives, given prevailing market conditions, as we perceive 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, our clients receive, at least quarterly, a reconciled appraisal of their assets from us, summarizing account performance, balances, holdings, transactions during the period, and a gains/loss summary. With this quarterly appraisal from Appleton, clients also receive an overview letter with our insight and commentary on current economic, global and market conditions.

Appleton reviews and monitors The Appleton Fund's holdings in accordance with the investment objectives outlined in the Fund's Prospectus. The individual securities held in the fund are monitored in the same way as those held in the individual client accounts. Clients will find information regarding regular reports to the fund by Appleton in the Fund's prospectus, as well as information provided to Shareholders. Clients may refer to the Fund's website at www.appletonfunds.com or by calling 877.41.APPLE.

CONSULTING SERVICES

We review mutual fund selections within the Cambridge Appleton Trust program on a regular basis and at least quarterly. Mutual fund selections start with Appleton's top down view of the markets, identifying those asset classes which should be emphasized. Quantitative screens are then deployed using Lipper, Morningstar and S&P databases highlighting those funds stacking up favorably against their peers in the areas of performance, risk, expenses and management continuity. Quantitative output is further examined along with qualitative factors by engaging in dialogue with fund management to develop comfort and confidence with the sustainability of process and results.

Item 14

CLIENT REFERRALS

We currently pay referral fees to individuals and/or entities for referring advisory clients to our firm. If a client is introduced to us by a solicitor, we may pay that solicitor an ongoing referral fee constituting a percentage of the referred client's advisory fee paid to our firm 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, we have established the following restrictions in order to ensure our fiduciary responsibilities:

- All such referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements;
- Any such referral fee will be paid solely from our investment management fee, and will not result in any additional charge to the client;
- If the client is introduced to us 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 our Form ADV Part 2 Brochure, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between our firm and the solicitor, including the compensation to be received by the solicitor from us; and
- All referred clients will be carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives.

Charles Schwab & Co., Inc.

Appleton Partners, Inc. (Appleton) receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Appleton's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Appleton Partners, Inc. Schwab does not supervise Appleton and has no responsibility for Appleton's management of clients' portfolios or Appleton's other advice or services. Appleton Partners, Inc. 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 Appleton 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.

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The Participation Fee is billed to Appleton quarterly 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 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. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at 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. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Appleton will have 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 Partners, Inc. will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Appleton's fees directly from the accounts.

For accounts of Appleton's clients maintained in custody at Schwab, 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 Partners, Inc. 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 custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

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CUSTODY

Although we do not take physical possession of client funds or securities, under current SEC rules, we are deemed to have constructive custody over certain client assets. On at least a quarterly basis, the 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 us directly if they believe there may be a discrepancy between a custodial statement and their Appleton statement

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INVESTMENT DISCRETION

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

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell,
- determine the timing.
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Clients give us discretionary authority when they enter into a relationship with Appleton and sign our contract, which is a discretionary Letter of Agreement with our firm. 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 us with written instructions.

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VOTING CLIENT SECURITIES

We vote proxies for all Appleton client accounts. However, our clients always have the right to vote proxies themselves, and can exercise this right by instructing us in writing to not vote proxies in their account.

We have retained a third-party proxy voting service and have adopted its voting guidelines which, after review, we have determined to be in the best interest of our clients. Through this proxy voting service, our firm 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 currently complete proxy voting policies and procedures by contacting the Chief Compliance Officer ("CCO") at Appleton (listed on the Cover Page of this Brochure), in writing. Clients may also request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our proxy policies and procedures or how we voted proxies for their account, we will promptly provide that information.

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

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

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FINANCIAL INFORMATION

Appleton is not required to include a Financial Statement in this Brochure as we, under no circumstance, require or solicit payment of our 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, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations with our clients. Appleton has no additional financial circumstances to report.

Further, we are required to disclose that Appleton has not been the subject of a bankruptcy petition at any time during the past ten years.