CHILTON TRUST

Third Quarter 2022

Quarterly Commentary

Introduction

Pepper Anderson – President & Chief Executive Officer

Readers may note the increased length of this quarter's letter. If you presume that this is a reflection of the complexity of the global economy and financial markets, you are partly right. Generally, we use this letter to share with you a synopsis of the factors influencing your portfolios as well as our views. This quarter, we dive more deeply into several key positions held broadly across portfolios.

The word "unprecedented" is perhaps one of the more overused in our vocabulary but seems quite fitting as we survey the current landscape. With the breadth of factors moving markets, the view in the rearview mirror can be both informative and distracting. While we do not feel that market volatility and downside risk are behind us, there are green shoots of opportunity that have begun to emerge in the form of higher fixed income yields and attractive valuations. As we approach year-end, our teams will remain focused on identifying those opportunities as well as working with you to plan for tax optimization and liquidity needs. We are grateful for your partnership and your continued confidence in Chilton Trust.

Market Overview

A Year of Big Market Swings

The third quarter of 2022 amplified the volatility experienced in markets during the first and second quarters of the year, ending in the third consecutive quarterly decline for U.S. equities. There was seemingly no place to hide: global equities declined; bond prices fell, exacerbating the pain in fixed income markets; and commodities sank from highs hit during the previous quarter. Despite a relatively strong bear market rally early in the third quarter, markets quickly reversed, as persistently high inflation readings drove rates higher and markets lower. Chair Jay Powell and his colleagues at the Fed, together with Central Bankers abroad, made very clear a whatever-it-takes commitment to moving rates higher to tackle inflation, rattling markets across the globe.

Richard Lockwood Chilton, Jr.
Chairman & Chief Investment Officer: Equities

Jennifer L. Foster
Co—Chief Investment Officer & Portfolio Manager: Equities

Timothy W. A. Horan
Executive Vice President & Chief Investment Officer: Fixed Income

Louisa M. Ives
Managing Director & Head of Manager Research

Equity Markets

Too much inflation is indeed a scourge and needs to be eliminated...The effects have been severe on the stock market, and it remains to be seen whether the bottom has been reached.

In his now famous Jackson Hole speech, Jerome Powell conveyed in just a few words that the Federal Reserve will "keep at it until the job is done," taming inflation irrespective of resulting damage to the economy. Chairman Powell's comments, which took a page out of the Paul-Volcker-playbook (in fact, "Keeping at It" is the title of Volcker's biography published in 2018), caused equity markets to implode. While Chairman Powell's comments aren't out of line—the Federal Reserve's primary role is to balance monetary policy and be the vigilante for inflation—one must wonder where the Fed has been over the last two years while easing interest rates perhaps too dramatically only now to be increasing them so rapidly to subdue their own handy-work.

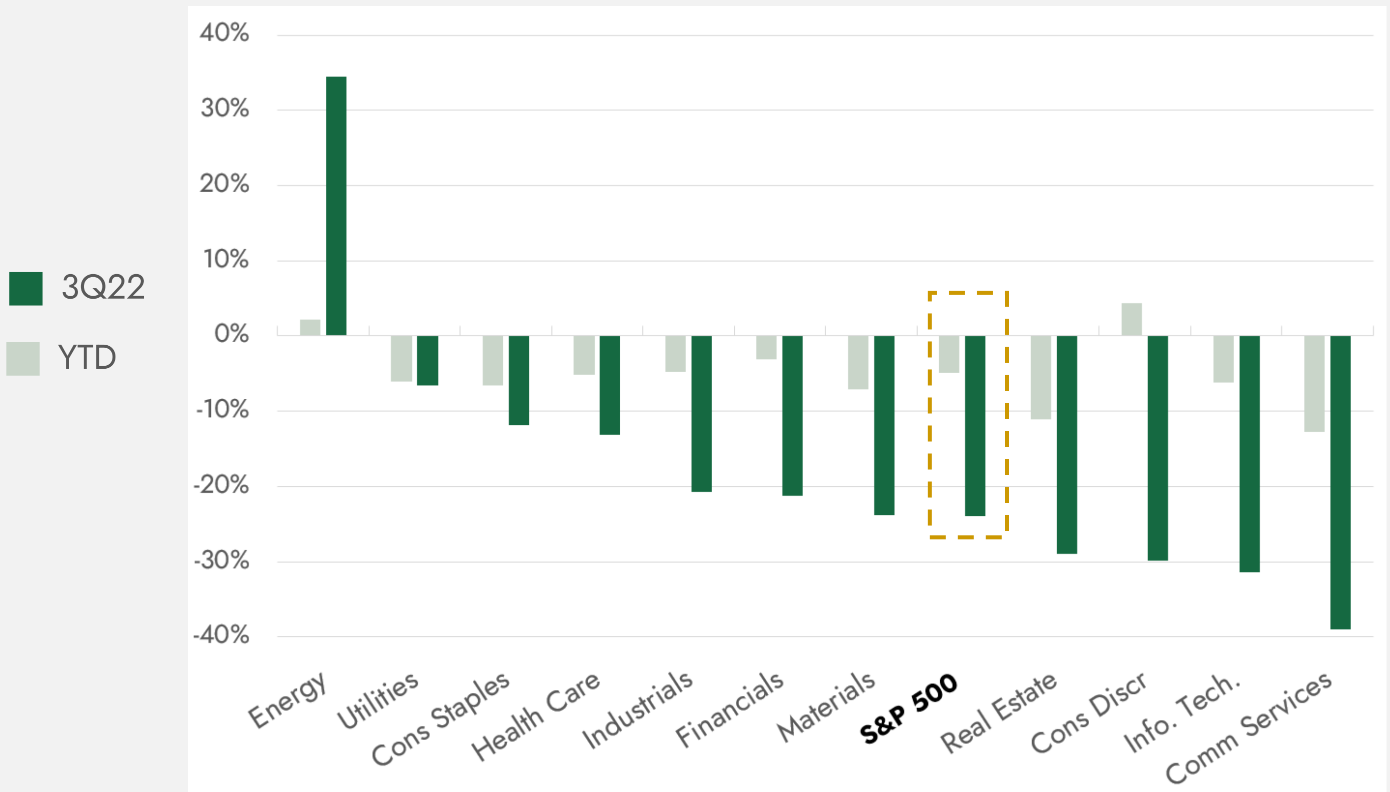
Too much inflation is indeed a scourge and needs to be eliminated; however, the unprecedented speed of these interest rate increases is doing its job as the economy is slowing dramatically and inflation (which is a lagging indicator) is coming down. The effects have been severe on the stock market, and it remains to be seen whether the bottom has been reached. Bear markets begin to bottom when fewer and fewer names participate in the downside and make new lows, as was the case with 2002/2003 and late 2008/2009. We believe prices for quality business models are discounting significantly at this point.

Because of the Fed's vow to continue monetary tightening, the US Dollar has strengthened to new highs against other currencies, and FX headwinds will be a pressure point for large multi-nationals as well as Emerging economies. Recent battlefield victories for Ukraine have inspired Russia to announce plans for troop escalation and further limit supplies of natural gas to countries in Western Europe. In this environment, we could see some negative earnings revisions ahead due to these macro cross currents. While valuations have come down meaningfully in the equity markets, until we achieve clarity on future earnings power, it is hard to make a case for valuations to rise just yet.

Unlike the first two quarters of 2022, equities in the third quarter saw declines regardless of market cap or style box. In the U.S., the S&P 500 fell -4.9%, the Nasdaq fell -3.9%, and the Russell 2000 fell – 2.2%. Markets abroad had even worse results, with the MSCI All Country World ex-U.S. falling -9.8%, and MSCI Emerging Markets falling -11.4% in the third quarter alone. Year-to-date returns across the globe are painful: the S&P 500 is down -23.9%, the Nasdaq has declined -32.0%, and the MSCI All Country World ex-U.S. has fallen -26.2% through the end of the third quarter.

As the graphic below illustrates, every sector remains in negative territory this year, with the exception of energy which maintains its strong relative and absolute performance thanks to a surge in prices earlier this year.

S&P 500 Performance by Sector



Source: Bloomberg

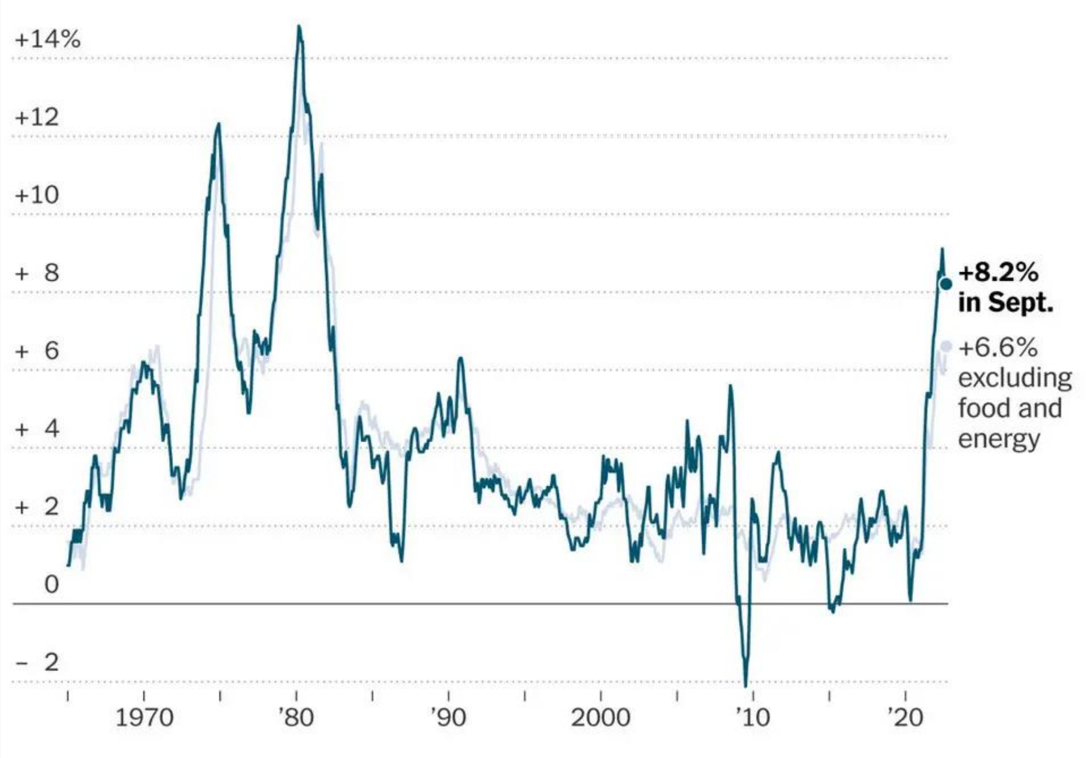
Fixed Income Markets

The Fed's "medicine" has been administered, but it has yet to work its way fully through the patient; the market reaction demonstrated that rates would need to test higher levels before finding buyers.

Fixed Income markets continued to grapple with the primary reality of an increasingly aggressive Federal Reserve and its tightening regime throughout the Third Quarter. The Federal Funds Target Rate now stands at 3.25%, the highest level since 2007, and inflation has scarcely showed signs of slowing down. The Consumer Price Index (the "CPI") peaked at 9.1 % year-over-year in the second quarter, the highest level since 1981. The CPI has since declined to 8.2% in September; however, this is still very high from a historical perspective and at a level that will force the Fed to respond. In comparison, over the last 20 years the average CPI was 2.4%.

US Inflation

12-month percentage change in the Consumer Price Index



Note: Not seasonally adjusted **Source**: NYTimes, Bureau of Labor Statistics

Despite the debate about whether the US may have already slipped into recession, the continual release of strong data points—particularly the ear-popping 528,000 July Non-Farm Payroll revised up to 537,000—seemed to suggest slowing down the US economy would take a longer and even headier effort than initially expected even by the Fed.

As Fed Regional Presidents, including some long-standing Doves like Mary Daly of San Francisco and Neel Kashkari of Minneapolis, became even more committed to the need for an aggressive tightening of rates, the monetary die was cast for 0.75% moves both at the July and September Fed meetings. At the Jackson Hole Fed Economic Policy Symposium in August, Chair Powell reiterated the Fed's unwavering commitment to bringing inflation back down to the Fed's target level of 2% but added that this would likely not be achievable without "pain" for many Americans, particularly in anticipated job losses. While Headline CPI year-on-year moved down modestly during the quarter from 8.5% in July to 8.2% in September, Core CPI year-on-year moved up from 5.9% in July to 6.6% in September—a multi-year high.

To ensure that inflation would not become persistent or that the US would not slip into a wage-price spiral, Powell's Fed continued to project throughout the quarter a singular message of commitment to dampening down demand. The housing sector, perhaps more than any other, got the memo as the jump-up in mortgage interest rates significantly slowed down housing, the very sector that had led the economy in the V-shaped recovery following the COVID-19 collapse.

However, with consumer spending and balance sheets still healthy, businesses still hiring, and pent-up demand following the reopening of the economy continuing to propel airline fares, new car prices and other consumer purchases, the Fed medicine of rate hikes, though historically muscular and rapid, was still operating with its usual lag time. The medicine has been administered, but it has yet to work its way fully through the patient; the market reaction demonstrated that rates would need to test higher levels before finding buyers.

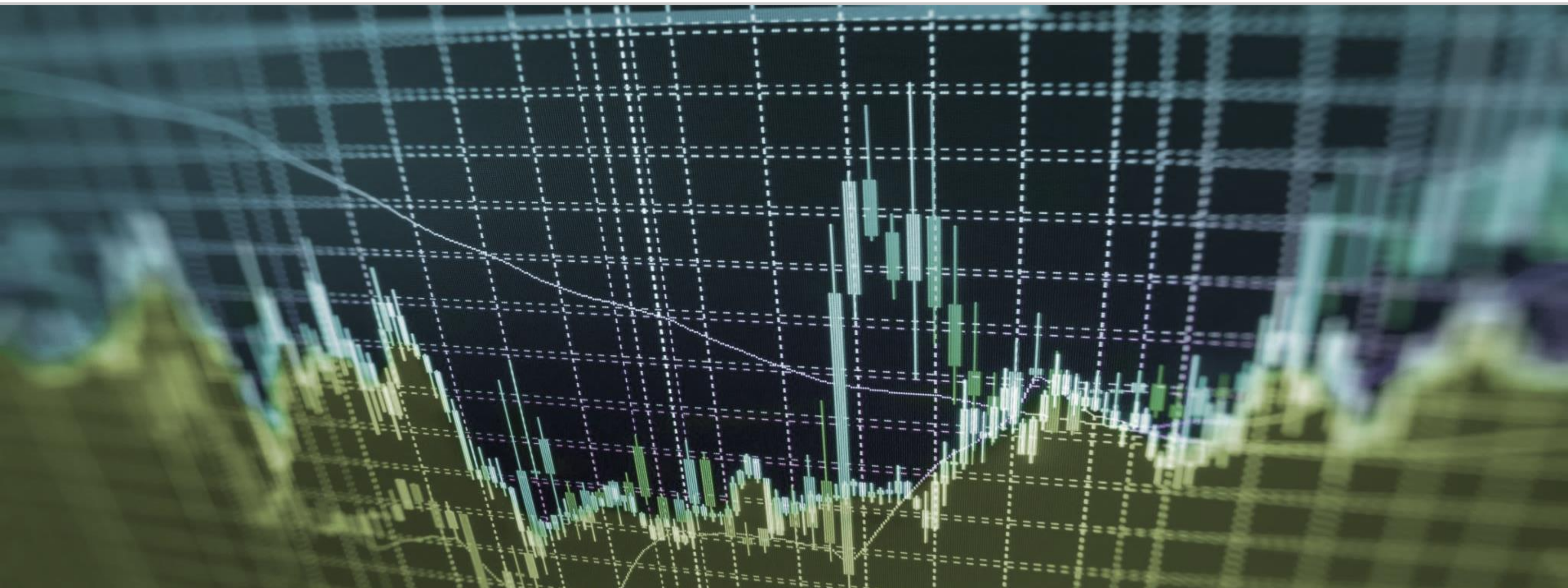
Our Portfolios

Equities: A Focus on Fundamentals

We are positioning portfolios for additional volatility in the months ahead and staying true to high quality.

After a historic bear-market bounce in July, during which many of our holdings performed exceedingly well, the market continued its downward decline fueled by concerns of the very real threat of an economic recession. In terms of sector contribution for the third quarter, we made money in Retailing and Consumer Discretionary; and we lost money in Materials, Consumer Staples, Information Technology, Industrials and Communication.

As we have previously discussed, we perceive that the most fundamentally sound businesses are getting dramatically stronger by improving their business models and increasing market share. They stand ready to benefit from this period of uncertainty, emerging better positioned and more dynamic and thereby able to generate excellent returns and stock price performance. The following example illustrates our conviction in the names in on our portfolios:



What's Impacting Performance?

Ball Corp's (BALL) results continued to disappoint as the company navigates a bit of a perfect storm exiting profitable Russian operations as mandated by international sanctions, managing cost inflation in non-aluminum cost inputs (aluminum is procured by their customers), and experiencing weaker than expected North American volumes as a few large customers shift to taking price at the expense of volume to manage their own inflation challenges.

Coming out of Ball Corp's recent two-day investor event, we are encouraged by the long-term growth opportunity outlined by management but also frustrated by the stock's reaction to the still-uncertain, near-term fundamentals. We, along with many investors, were hoping that this would be a clearing event for sentiment and for consensus expectations. Unfortunately, the messaging from management did not provide clarity for the balance of 2022 or early 2023, as demand in North America remains pressured and the cost environment in Europe worsens.

Despite the overwhelmingly negative sentiment around the stock, we still see several reasons to be bullish going forward:

1) Ball remains confident in its 4-6% volume growth trajectory through 2027, which it believes it will achieve mainly by extracting strong returns on investments made over the last several years, coupled with highly targeted future footprint investments;

2) Ball believes multiple cost savings initiatives will add $300+ million to operating income in 2023, more than offsetting the lost earnings from Ball's recently-exited Russian business;

3) The case for sustainability-based growth in beverage cans over the next decade is compelling, driven by the advantages of aluminum packaging circularity and increased compliance with international policy; and

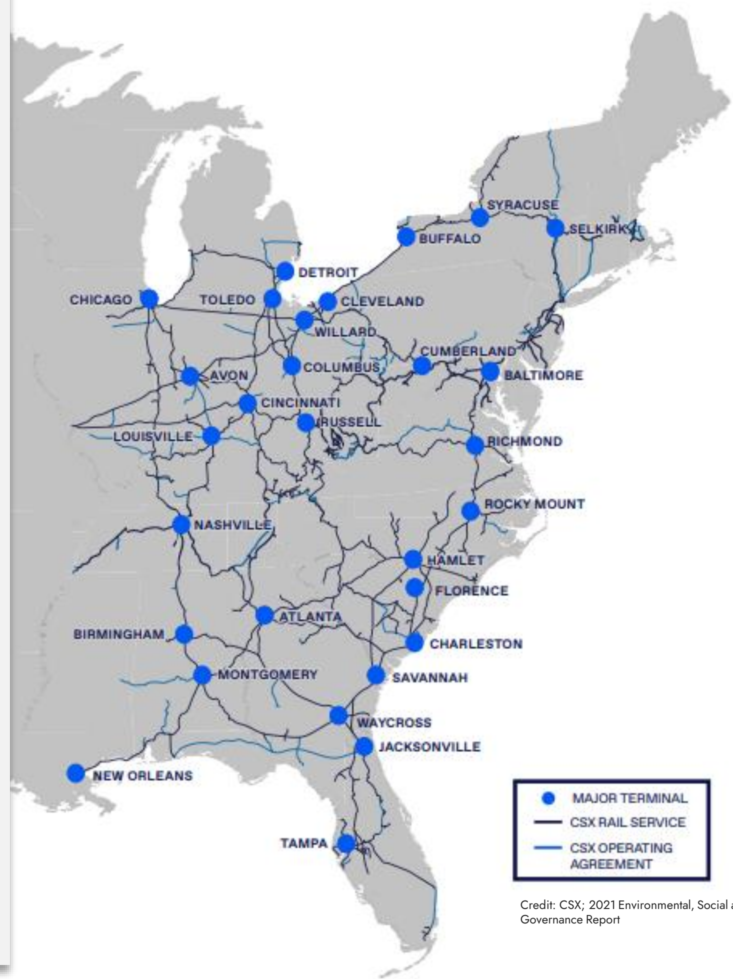
4) Ball still intends to double its 2020 operating cash flow by ~2025, allowing significant capital return via share buybacks. As a result of the worsening sell-off, the stock now trades below 14x (conservative) 2024 earnings, which we believe is too discounted for a proven cash-compounder in a stable and structurally growing industry. We are confident there is a path to ~15%+ earnings per share growth and $1.5+ billion of free cash flow by 2024; unfortunately, the first steps on this route seem the most precarious and the stock may struggle to find more immediate footing.

During periods of extreme market volatility, we continue to view businesses over a long-term time horizon, and we value a successful business primarily with an eye to analyzing the growth and durability of its future free cash flow streams—investment success is tantamount to the price you pay for the free cash flow that you generate from that investment. Absent this free cash flow is why gold and Bitcoin are speculations rather than investments, and this is also why the dot.com and latest supernova-growth stock busts were so severe. Revenue growth alone does not make for a successful long-term investment but rather converting revenues into free cash flow is what makes for successful investments.

In the midst of bear markets, fear takes over and most people just want out of stocks, as is certainly the case today. But as we look at our portfolio of businesses, bargains are starting to emerge in those companies that generate the highest free cash flow, have the best free cash flow conversion, typically 100% or more, and have consistent capital allocation policies.

Portfolio Spotlight: CSX Corp

North America has six Class 1 railroads that each have their own separate trade areas. That's it—period—no more will ever be built. CSX and Norfolk Southern run North to South on the East Coast (see map to the right for a snapshot of CSX's network). Union Pacific and Burlington Northern run East to West, and Canadian Pacific and Canadian National operate East to West in Canada. Canadian Pacific is the single exception as it has just purchased Kansas City Southern which will allow it to go North to South in the Midwest.



Credit: CSX; 2021 Environmental, Social and Governance Report

The unique thing about railroads is that because of their duopoly status they stand to benefit from the long-term growth of the North American economy. We are very certain that there will be more goods shipped over the next ten years than in the prior ten years. In addition to the increasing demand for their services, railroad operators are structurally better businesses because of the adoption of precision scheduling. In 2006, CSX generated $419 million of free cash flow, and even though it took a hit to free cash flow in 2009 and 2020, we estimate it will generate $3.9 billion in 2022 and $4.7 billion by 2024. This was produced simply through organic growth and better management of cash conversion which today stands at 96.6%—a staggering level for a near-monopoly. Currently, the share price is $26.50, and the equity market cap is $57.4 billion.

Since 2006, the company has paid $9.8 billion in dividends and repurchased $27.9 billion of stock, reducing shares outstanding from 4.2 billion to 2.2 billion in 2022. The capital return for CSX over the last 16 years has been $37.7 billion; so, if you believe that the United States will grow and prosper, and you understand that CSX is a far better company today than 16 years ago, the future cash flow streams to be returned have the potential to be remarkable. Assuming no growth of the 2023 cash flow stream, the company will produce $23.1 billion over ten years, or put another way, if the stock stayed at $26.50 for the next five years, CSX would be able to buy back 32% of their equity market capitalization. Now, of course, the stock will not stay at $26.50 for the next five years, but this example shows that in bear markets bargains emerge for strong businesses that may be overlooked by other investors. It is this thinking that led Warren Buffet to purchase Burlington Northern at a bargain low price in 2010. The same is true today for CSX.

Credit: CSX

Portfolio Spotlight: Home Depot

A similar case can be made for Home Depot (HD) where the numbers are even more impressive. For a company that is widely considered to be cyclical in nature, the numbers point to a different story. Since 2008, a recession year, free cash flow has grown in every year but 2010. In fact, free cash flow has grown at a compounded rate of 13.9% for 14 years, even including 2022. Capital returned has equaled $149 billion, or half of the equity market capitalization, and the share count has been reduced by 39.5%. Applying the same math as we did for CSX, this would generate $105.5 billion over five years and $211.2 billion over ten years in capital return, which of course is assuming a flat dividend and repurchase over those years. Of course, the future isn't always crystal clear, but Home Depot is a stronger business with a dramatically larger total addressable market today than 14 years ago. It is also a stronger and more diversified business today as it derives 52% of its revenue from professional customers versus being 100% DIY-ers in 2008.

Preparing for an Upswing

Market volatility rewards the investor who looks at investments as businesses, who has the courage to buy when others are selling, and who has the patience to hold for the long term. Staying focused on cash generation and owning wonderful businesses such as Ball, Home Depot and CSX give us the confidence that the future is bright. We look forward to generating superior returns over the long term.

Putting It All Into Perspective

We are reassured by the quality of our companies and the pain that has already been endured. Many of them are now underway with cost cutting and prudent planning for tougher economic conditions ahead. As part of our dedication to quality stock-picking, we test for revenue resiliency when we initially evaluate a company. Specifically, we look at how companies fared in the Great Recession to see how durable revenue patterns were during that challenging time. Many of our companies sustained strong revenue resiliency then, and we believe that they will again. Others that have some cyclicality to their revenues emerged from that period stronger and with larger market share—something we expect again given favorable industry structure, clean balance sheets, smart capital allocation and sustainable competitive advantages.

While riding out the bumps of this year has been anything but fun, our confidence in the future cash flows of our companies gives us comfort that they will weather the storm. We are resolved to endure it with them, and to trust their high-quality business models to return to compounding status into the future.

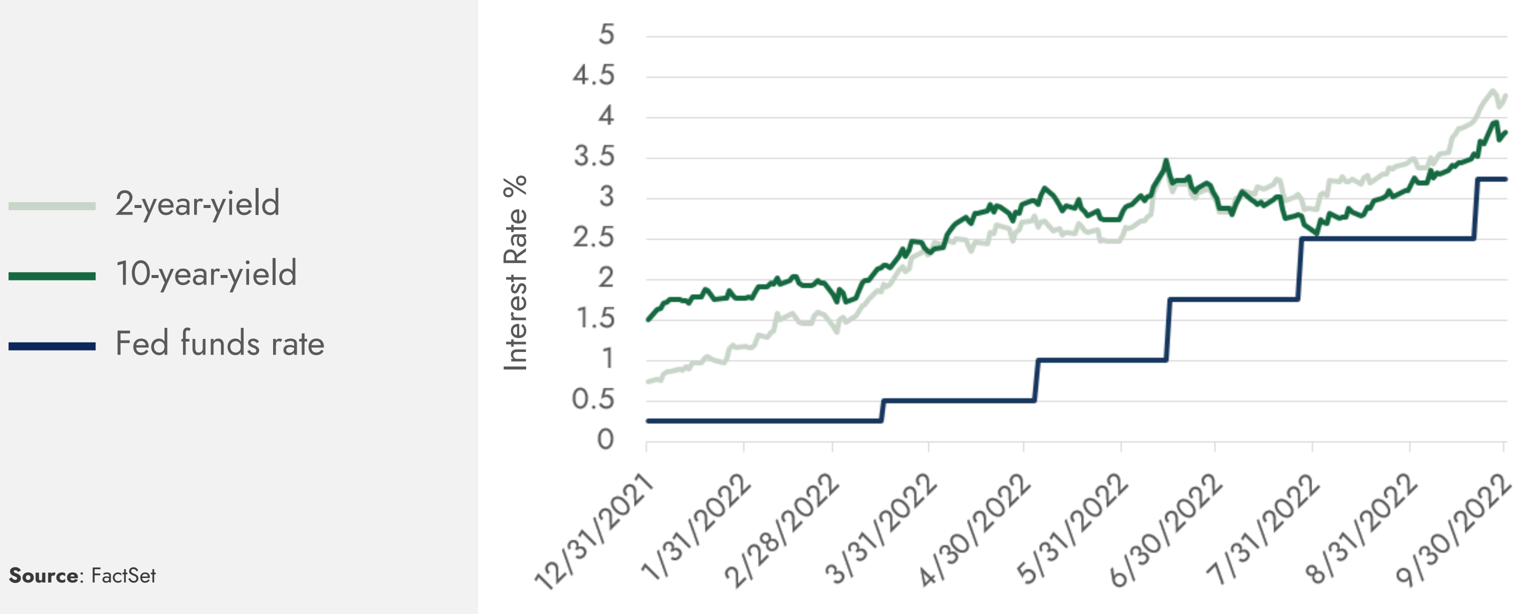
Our Portfolios

Fixed Income: Emphasis on High Quality Issuers

Due to the expected slowdown in the economy, we continue to focus on improving overall credit quality in portfolios.

The 3rd quarter continued the year's theme of significant price action, and the front end of the market was very susceptible to this. The short end of the US Treasury curve offers some of the most attractive yields available, specifically at 3-years-and-shorter where yields increased by over 1.20% quarter-over-quarter. These shorter duration issues continue to be the shock absorber as the Federal Reserve works to combat inflation and has increased the Fed Funds effective rate by 1.50% (0.75% in both July and September). The shift up in yields resulted in further curve flattening, and for most of the quarter, the 2-year and 10-year Treasuries were inverted by 0.27% on average (see graph below).

Considering this new environment, the risk-reward profile for short duration portfolios has become an attractive opportunity for investors. Exposure to the highest yielding points on the curve, while minimizing duration risk, has been a big part of the conversation due to the significant repricing in 2022. Chilton is actively layering in exposure as front end yields reach new highs, and we have gravitated towards high quality issuers to build durable yet rewarding portfolios.



Source: FactSet

Municipal Market Commentary

According to the Bond Buyer, new issue volume for the quarter was down 26%, with $93 billion of new long-term debt issued, compared with $126 billion from the same period last year. Despite the dearth of new issue supply, the municipal market continued to face significant headwinds. Factors such as the significant sell-off in US Treasury rates, global tensions, and expectations of a tighter monetary policy contributed to negative total returns for the third quarter. On the demand side, retail investors continued to demonstrate extreme caution due to hawkish Fed statements, increasing inflation expectations, rising rates and fears of recession. Municipal bond funds were negatively impacted as retail investors sought the safety of cash. According to the Investment Company Institute (ICI), mutual fund outflows totaled $28 billion for the quarter, thus bringing year-to-date outflows to approximately $107 billion.

In sympathy with the rise in global rates, municipal bonds traded off. Benchmark AAA-rated yields rose sharply across the municipal yield curve throughout the quarter. Yields in the 1 to 4-year sectors increased 0.94% to 1.40% while the yields in 5- to 30-years increased 0.51% to 0.87%. With expectations of further rate hikes from the Federal Reserve, the municipal curve significantly flattened as the short-end underperformed intermediate and long-dated securities. The spread between 1- and 30-year securities tightened to 0.86% at month-end September from 1.57% in June.

We remain cautiously optimistic on municipal performance for the balance of the year. Given the recent back-up in interest rates and appealing valuations, we are looking to add municipal bonds at more attractive entry points versus US Treasury and Investment Grade Corporate bonds. Due to the expected slowdown in the economy, we continue to focus on improving overall credit quality in portfolios. We continue to focus on AAA- and AA-rated bonds, but we are beginning to see better value among strong, A-rated obligors.

Taxable Market Commentary

The US Government and Investment Grade Corporate bond markets both continued to see pressure during the third quarter and are on pace to have one of their worst years on record. In addition to stubborn inflation data and continued Fed hawkishness, economic data, growth and consumer confidence also continue to struggle, adding pressure on corporate bond spreads as investors fear stagflation and brace for a possible recession in the near future.

Some economists argue the US is already in a recession. Gross Domestic Product (GDP), annualized for the second quarter, came in at -0.6%, the second quarter in a row in negative territory. The University of Michigan consumer expectations came in at 47.3 in July, the lowest level since 1980. The Option Adjusted Spread (OAS) on the Bloomberg US Aggregate Investment Grade Bond index widened a modest 0.04% from 1.55% at the beginning of the quarter to 1.59% at the end of the quarter, the widest level since June 2020. This modest move masked very volatile intra-quarter moves where the OAS swung from a low of 1.31% to a high of 1.64%. The 3-year US Treasury reached 4.41%, and the 5-year US Treasury reached 4.19% intra-quarter, the highest levels since 2007. The Bloomberg 1- to 5-year Gov/Credit Index returned -2.16% for the second quarter of 2022, bringing it to -6.62% year-to-date.

With the US Treasury yield curve inverted (where rates are higher in the 2-, 3- and 5-year range versus the 10-year), we have been positioning corporate bonds from 2- to 5-years in the Chilton taxable strategies. We have been able to purchase high conviction corporate investment grade bonds with yields ranging from 4.25% - 6.00% with 2- to 5-year durations. Amidst the market turmoil, we continue to take advantage of the new issue primary market. We are purchasing attractive credits at higher yields and discounted prices when compared to secondary market offers.

Our Portfolios

External Managers: Seeking Opportunity & Focusing on Stability

Dry powder will likely prove to be very valuable in the coming months and years, arming investors with the ability to take advantage of current and future dislocations.

Our external managers came under continued pressure, given the broad market challenges that persisted into the third quarter. Our equity hedge funds generally outperformed, as exposures remain low, and hedges helped offset some of the downward pressure on long positions. Long-only managers, both domestically and abroad, generally fell in line with their relative indices, regardless of style box. Our credit managers continued to help buoy portfolios with better relative performance, providing some nice ballast to the drawdowns in both equity and fixed income markets. Underwriting remains conservative with our credit managers, a true advantage in these more challenging times.

Private equity markets were subdued during the third quarter. Overall, activity was slow, dampened by pricing pressures. We feel confident about our existing exposure to privates: companies continue to perform well, and balance sheets are well-fortified, minimizing the need for fresh capital.

We have seen many private market valuations come down to reflect their public market comparables, but on a relative basis, private markets broadly are more expensive than public markets today. As we look for future investments, we are seeing a greater opportunity set in high quality public securities. That said, for select opportunities in private markets, dry powder will likely prove to be very valuable in the coming months and years, arming investors with the ability to take advantage of current and future dislocations. We continue to be highly selective for new allocations of capital, partnering with a select few experienced managers focused on their respective niche markets and strategies.

Our real estate exposure, expressed primarily through the Blackstone Real Estate Investment Trust, had another solid quarter of positive performance, and they continue to cite very strong tailwinds for their portfolio properties. As the cost to purchase a home has put a pause on some home buying, rental properties, where BREIT is exposed, stand to benefit. Similarly, the Blackstone private credit fund had a nice quarter of returns, and announced a special dividend to shareholders, further enhancing returns. As questions about slowing in the overall economy dominate the headlines, we have a strong appreciation for the conservative underwriting adhered to by Blackstone's real estate and credit teams. Both strategies remain attractive, long-term holdings.

As we look to the coming months, uncertainty surrounds rising rates, inflation, foreign currency challenges and concerns of an economic slowdown—and markets do not like uncertainty. However, as we broaden our lens, we know this too shall pass. Our external manager partners, like us, are deeply frustrated by near term poor performance, but as valuations fall, opportunities for the longer term look increasingly compelling. We remain confident that our portfolios, anchored in quality names, and supplemented by high caliber external managers, will recover and ultimately will perform well over the longer term.

Our Outlook

A Game of Patience

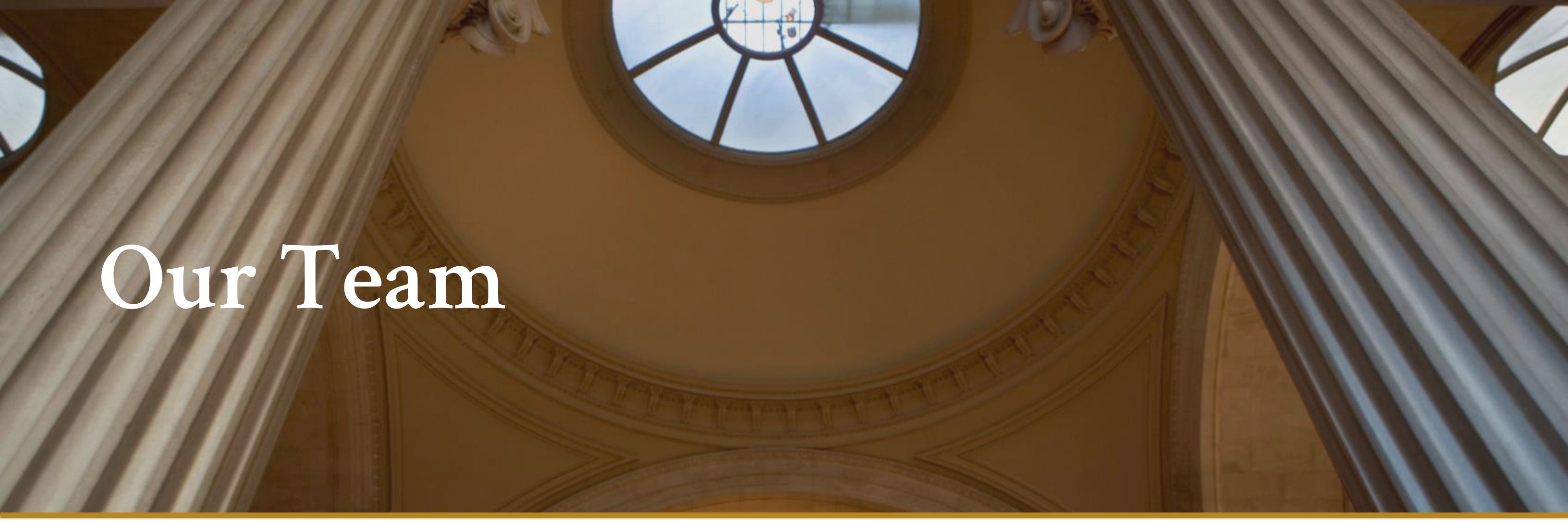
They don't ring bells at the bottom of a bear market and we wish we had the clarity to know when this pain will end. In the near-term, we see as many clouds ahead as everyone else does. Employment may have to get worse to break the back of inflation for good, and this may take more time. The August JOLTS report showed a 10% decline in new job postings, which is an early indication of coming employment pressure. We suspect the market will celebrate poor economic news, and conversely sell off on any reading that suggests economic strength is sustaining, while we all wait for the Fed to pause its tightening cycle. The US 10-Year Breakeven rate—the difference between the Treasury rate and the Inflation-Protected Treasury rate—has moved decisively down since peaking in the spring. At 2.15% as of the end of September, this number suggests that the Fed's actions to-date have been successful in quelling long term inflation fears and that bond investors see the inflation goal of 2% within reach. We hope that we are in a position for the Fed to pause in the first half of 2023.

We know that inflation will be tamed eventually, and that the US dollar will therefore retain its place as the world's reserve currency—an extremely important point to underscore confidence in long term US economic expansion. What we don't know is when this will transpire and what the state of the economy will be when it does. The sooner we see inflation abate, the sooner the Fed can pause, and the less economic harm there will be. Some amount of the present inflation originated from supply chain chaos in the throes of COVID, and there are now reports of better supplies of goods, autos, computer equipment, industrial equipment and select semiconductors along with lower transportation costs emerging. However, food and energy costs, as well as rent and housing, remain stubbornly high. Additionally, it remains unclear how much of the ensuing energy crisis and potentially severe recession in Europe will hurt US companies this winter. Much of this coming economic pressure has been well discounted in stocks where the market multiple has corrected nearly 6.4x turns year-to-date—the sharpest correction in 20 years.

Geopolitically, we continue to see a move toward de-globalization. We are watching China's ambitious goals toward reunification with Taiwan carefully as we think through the ramifications of such a move. Clearly, the US CHIPS Act is a logical and smart step toward building more domestic resiliency in semiconductor manufacturing, but this will take many years to develop. The mutual economic interests of US trade with China, which has served both countries well over 30 years of peace and prosperity, would suggest that the move toward economic nationalism should go slowly. That said, 2022 has been a year where old paradigms are being challenged as never before. We do not have direct exposure to Taiwan in the portfolios and are underweight high-tech semiconductor and semi capital equipment technology where risks may be the most acute if tensions escalate. While we hope that there is no such development in the near term, we are comfortable with our limited exposure to this risk factor.

We take comfort in the fact that banks and households are entering this macro-economic slowdown from a relative position of strength. We see that China may be on the cusp of tempering its Zero Covid Policies after the CCP Party Congress takes place this month, which may lead to some pent-up Chinese consumption. We also look to the midterm elections that will take place in the US in early November as removing one source of uncertainty. The election predictions are for a return to divided government, which historically has been positive for financial markets if for no other reason than new polices are introduced more slowly and often with more bi-partisan scrutiny—typically a recipe for more balanced and effective policy.

As always, we thank you for your trust in us, and we look forward to visiting with you soon.



Our Team

RICHARD LOCKWOOD CHILTON, Jr. is the Founder, Chairman and Chief Investment Officer of Chilton Trust Company. Since founding Chilton Investment Company with his Flagship Strategy in 1992, Mr. Chilton has built a broad organization and a team of investment professionals focused on long term capital growth. The Chilton Flagship Strategy has generated impressive and consistent returns with moderate volatility since inception. In addition, in 2010 Mr. Chilton founded Chilton Trust Company which is a nationally chartered broad-based wealth management trust company focusing on services to high-net-worth individuals and families. Mr. Chilton is vice chairman of the Metropolitan Museum of Art, trustee emeritus of the Robin Hood Foundation, chairman emeritus of Greenwich Academy and a trustee of Classic American Homes Preservation Trust.

JENNIFER L. FOSTER is a Portfolio Manager and Co-Chief Investment Officer—Equities who has worked at Chilton for 24 years. Jennifer joined Chilton as an equity analyst and later became Director of Research and then Portfolio Manager. During her tenure at Chilton, Jennifer has served on the Risk Committee, the Executive Committee and the Board of Directors. Before Chilton, she worked at GE Capital as part of GE's Financial Management Training program. Jennifer graduated summa cum laude with a B.A. in English from Boston College and earned an M.B.A. with distinction from Harvard Business School. She currently serves as the chair of the Board of Trustees at St. Luke's School in New Canaan, Ct, and as a trustee for the Mather Homestead Foundation in Darien, CT. Jennifer is married and has three children.

PEPPER ANDERSON is President & Chief Executive Officer. Pepper Anderson is President and Chief Executive Officer of Chilton Trust, with nearly three decades of experience in financial services and wealth management. Prior to joining Chilton, Ms. Anderson spent more than 20 years with J.P. Morgan Private Bank, where she most recently served as Managing Director and Market Manager for Connecticut and Westchester County, NY. During her tenure at J.P. Morgan, Ms. Anderson developed a deep understanding of both technical investing and private client relationship management, holding roles of increasing responsibility across a diverse range of business, including U.S. Head of Discretionary Fixed Income, Head of the Private Bank's Fiduciary Investor Group, and Investment Team Lead for High Net Worth and Fiduciary. After obtaining her B.A. degree from Tulane University, Pepper's successful foray into the financial world began in equity trading at Bear Stearns & Co. She then held roles in fixed income portfolio management at Meredith, Martin & Kaye and the Union Bank of Switzerland.

Pepper serves on the board of the Greenwich YMCA, as a committee chair for Impact Fairfield County and enjoys additional volunteer opportunities with her church and children's schools.

TIMOTHY W.A. HORAN is an Executive Vice President & Chief Investment Officer—Fixed Income. With over 30 years of experience, Mr. Horan is a specialist in fixed income investing, ranging from municipal and US taxable securities to international bons and currencies. He leads a team of nine professionals managing client assets across a variety of strategies including liquidity, tax-advantaged, taxable, international and global.

Prior to joining Chilton Trust, Mr. Horan was a Managing Director at Morgan Stanley Smith Barney and served as MSSB's Chief Investment Officer of Fixed Income Investment Advisers, a division of MSSD, foundations, and family offices, primarily in North America, the Caribbean and Latin America. Earlier, Mr. Horan led Morgan Stanley's Private Wealth Management Fixed Income business in London serving European, Middle Eastern and Swiss private bank clients. Mr. Horan also served on the Morgan Stanley Global Asset Allocation Committee. Before joining Morgan Stanley, Mr. Horan was Director of International Fixed Income at Lord Abbett & Co. He also held senior management positions in fixed income and foreign exchange portfolio management at Credit Suisse, Aubrey G. Lanston & Company, Inc. and Bankers Trust. At Bankers Trust, he helped pioneer the portfolio management at Credit Suisse, Aubrey G. Lanston & Company, Inc. and Bankers Trust. At Bankers Trust, he helped pioneer the fixed income risk management frameworks. Mr. Horan began his career at the Federal Reserve. During the Volcker years, he was an Economist in the Sovereign Debt Unit at the New York Fed, working on the debt restructuring of Brazil, Mexico and Argentina. Following the Plaza Accord, he also served as a foreign exchange trader for the Federal Reserve Bank of New York.

Mr. Horan earned an AB with honors in Economics and History from the University of Pennsylvania, Wharton-Sloan Program. He was an Andrew Mutch Scholar in Economics and Politics at the University of Edinburgh and holds a post graduate law degree from the University of Cambridge, where he was a Thouron Scholar.

LOUISA M. IVES is a Managing Director & Head of Manager Research. Ms. Ives is responsible for external manager selection and due diligence for Chilton clients and is also a member of the Executive and Investment Committees at Chilton Trust. Prior to joining Chilton, Ms. Ives was a Managing Director at Chilton Investment Company, where she was a research analyst covering the financial services sector. She also served on the company's Board of Directors. Prior to joining Chilton, she worked at Coopers & Lybrand Consulting Group, reporting directly to the CEO, and began her career at Chemical Bank in their Middle Market Lending Group. Ms. Ives graduated cum laude from St. Lawrence University with a B.A. in English Literature and earned an M.B.A. from Harvard Business School.

Ms. Ives serves on the boards of The First National Bank of Long Island, The Project Y Theatre Company, and on the Investment Committee of Vinalhaven, ME Land Trust.

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