

Second Quarter 2023

Quarterly Commentary



Introduction

Pepper Anderson – President & Chief Executive Officer

In the past, we've discussed our reservations regarding traditional or compulsory asset allocation models that dominate the wealth management industry. It is our belief that in markets as dynamic as what we're currently experiencing, and experienced last year in the form of both fixed income and equity values declining, these formulaic approaches can lead to clients sacrificing opportunity for return without sufficient benefit of additional downside protection.

For portfolio managers, the balance between risk and reward has been a challenging one to strike. This has only grown more evident throughout this past quarter, as interest rates continued to rise. Investors have broadly worked to incorporate more fixed income into their portfolios while not missing out on the potential of equity returns that could be bolstered by a successful "soft landing" of this inflationary cycle and innovation in the form of Artificial Intelligence.

As you will read in our following comments, under the surface of a strong equity market there has been a notable dispersion in individual stock results. Environments such as this remind us of the value in building portfolios of individual securities wherever practical, which enables us to identify value, even when parts of the market are elevated.

As we look towards the next half of 2023, we are focused on reviewing our clients' overall asset allocations, utilizing the compelling yields in fixed income as a portfolio ballast, and considering opportunities in both public and private equity to enhance returns over time. As always, we are grateful to be your partners in this endeavor.

Market Overview

While the Pendulum Swings, Investors Hold their Breath

Equity markets continued their upward momentum during the second quarter of 2023, surprising even the most optimistic of market prognosticators. First quarter earnings reports put imminent recessionary fears at bay, and inflation measures indicated that the Fed's work of aggressive rate hikes are starting to take hold and bring inflation in check. The S&P 500 returned 8.7% in the quarter, while the growth-heavy Nasdaq surged 13.1%. International markets had more measured positive performance, as the MSCI All Country World Ex-U.S. Index gained 2.7%. Emerging markets were also positive but gained just 1.0% during the second quarter.

After skipping the opportunity to raise rates at its June meeting, on the argument that it wanted to see more data points, the Fed followed through with another rate hike at its July meeting. While sentiment to that end had been mixed, as of June 30th the market had priced in the likelihood of a July rate hike at over 80%. The next Fed meeting will be in late September and Chair Powell continues to emphasize the importance of data dependency in the Fed's decisions.

Richard Lockwood Chilton, Jr.

Chairman & Chief Investment
Officer: Equities

Timothy W. A. Horan

Executive Vice President & Chief
Investment Officer: Fixed Income

Jennifer L. Foster

Co-Chief Investment Officer
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Louisa M. Ives

Managing Director & Head of
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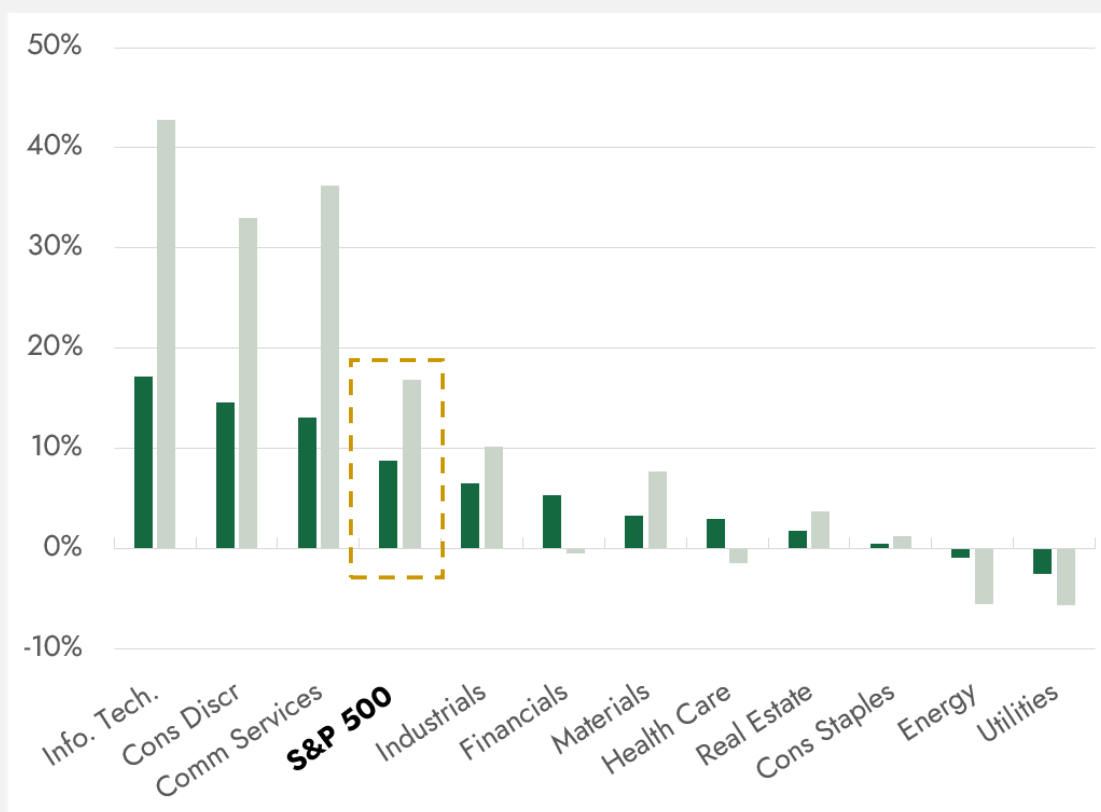
Equity Markets

Year-to-date equity market returns have been impressive across the globe, except for China, where slowing growth and geopolitical concerns pulled markets into negative territory. Through June 30th, the S&P 500 gained 16.9% and the Nasdaq produced a 32.3% return, its best first half of the year since 1983. Important to note, however, is that performance breadth has been limited to just a handful of names. In fact, just eight companies drove nearly 77% of the market's year-to-date performance; Nvidia +190%, Meta +138%, Tesla +112%, Amazon +55%, Apple +50%, Netflix +49%, Microsoft +43% and Google +36%.

Strength in technology stocks is being driven not only by the market's view that an end to the Fed's rate-raises is in sight, but also by the exuberance surrounding Artificial Intelligence ("AI") and its potential to catalyze growth within the Technology, and perhaps other, sectors. Clearly, we are at an inflection point for the mainstream application of Artificial Intelligence. The true implications of AI are just in their infancy, but a computing paradigm shift that will have broad implications across industries is at-hand.

A closer look at the composition of S&P 500 returns for the second quarter and year-to-date explains the performance discrepancies between Technology and other sectors.

S&P 500 Performance by Sector



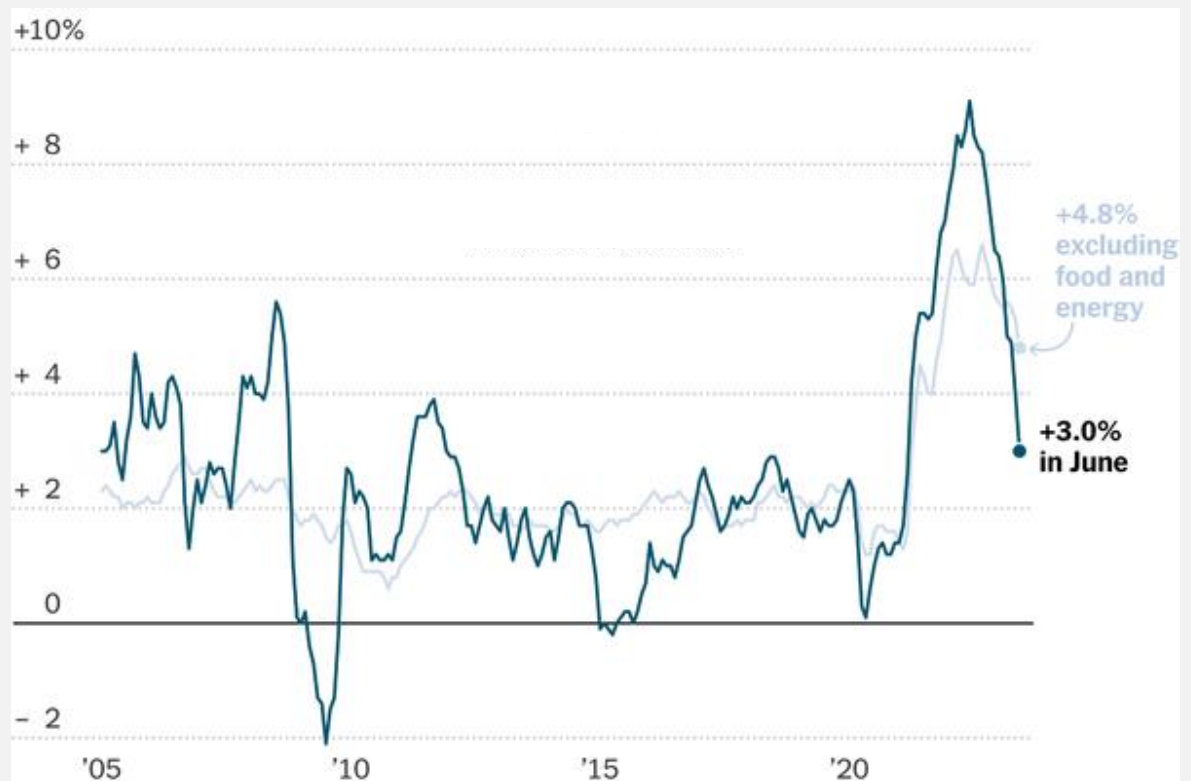
Fixed Income Markets

Maintaining a “higher for longer” posture may still prove essential in response to a fully employed and spending consumer and may well be the only pathway forward for the Fed still to reach its stated 2% inflation goal.

With “core” and wage inflation remaining somewhat sticky, the Fed may still need to nudge rates slightly further upward to provide the critical level of confidence that enough tightening of financial conditions has been achieved.

New money entering the fixed income market has been best positioned in US Treasury Bills and Notes. Investors with existing bond portfolios are increasingly able to “coupon up” by swapping low-yielding, shorter maturities for higher-yielding, quality intermediate maturities in municipals, investment grade corporates and Treasuries. The inverted yield curve continues to provide the most attractive rates in the short to intermediate parts of the curve.

**US
Inflation**
12-month
percentage
change in the
Consumer Price
Index



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

Our Portfolios

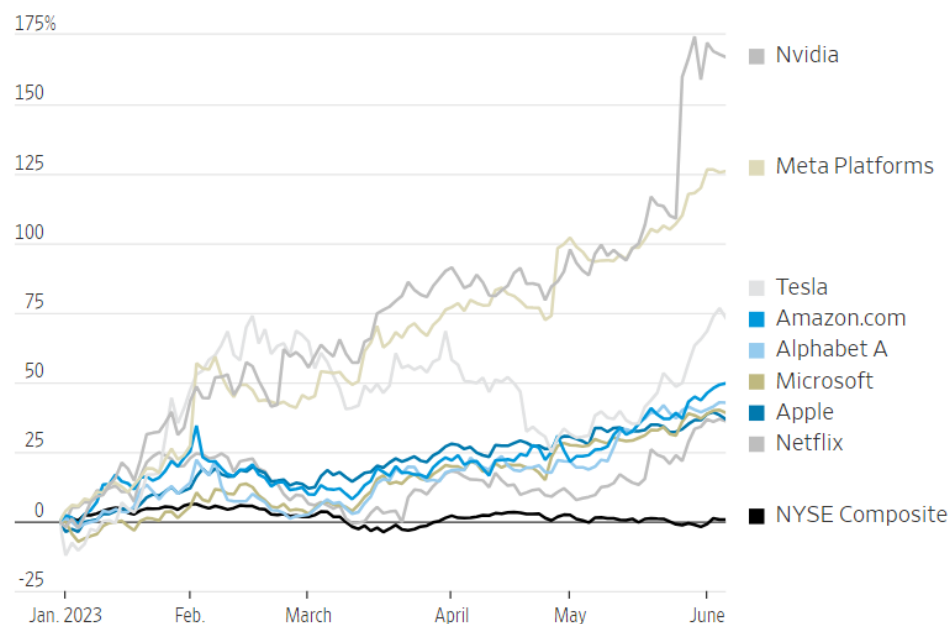
Equities: Keeping Pace with Big Tech

After a difficult start to the quarter, the stock market blasted off in June on the excitement of lower core inflation, the fears of an economic recession subsiding, the prospect of slowing rate increases and the eventual easing of monetary policy by the Federal Reserve. Big Tech led the way which made the S&P 500 the most difficult bogey with which to keep pace.

Since the Microsoft deal with ChatGPT, the market has been fixated on the new growth opportunities in AI. Yes, Artificial Intelligence will be a tremendous boon for some companies and potentially damaging for others, but the current stock market euphoria has been clustered around those eight mega-cap tech names that have dramatically distorted the S&P 500 Index vs. the remaining 492 component stocks. This distortion is the most dramatic that we have ever witnessed, and that includes the 1999–2000 tech bubble. In fact, through the end of the second quarter, the S&P had the fewest number of stocks beating the index since 2000.

This is, of course, because the S&P 500 Index is a capitalization weighted index rather than an equal weighted one. Over five, seven and 10 years, this has not been a significant issue, but for today's investor, the cap-weighted construct of the index presents a challenge if one's portfolio does not hold Nvidia, Meta, Tesla, Amazon, Apple, Netflix, Microsoft, or Google. Microsoft is, in fact, our largest holding and has been for the last eight years; we also took a position in Google below \$100 late last year, and we have watched from the sidelines as these stocks have made historic moves. Despite not having significant positions in technology beyond Microsoft and Google, our portfolios have enjoyed large moves in several of our long-term holdings which has allowed many of our portfolios to significantly outpace the S&P 500 equal weight index.

Big Tech Dominates YTD Performance




Notes: Performance data reflects period of Jan 1 – June 6, 2023

Source: Wall Street Journal, FactSet

Portfolio Spotlight: Booz Allen Hamilton

Given the growing interest in AI, we thought it timely to highlight a name in some of our portfolios that is poised to benefit from AI spending. Booz Allen Hamilton (“Booz”) is a leading IT services company which serves the US Government. Over the last several years, Booz has made a dedicated effort to build leading capabilities in AI, Cyber and Cloud. In combination with its high levels of government clearance among its workforce, Booz is well positioned to be the preeminent IT consulting firm to help the US Government take advantage of these exciting technologies. The initial adoption of AI requires skilled people to help identify, build, and implement these new technologies into existing programs. Booz’s CFO, Matt Calderone, recently elaborated on one potential AI opportunity for Booz at an industry conference:



“If you think about governmental functions...AI and the application of AI in data analysis could be very powerful for the IRS in terms of determining who to audit now. But given the public trust, given the need for it to be ethical, given the regulatory requirements, what’s important? Traceability. That every step in the logic flow is traceable...ChatGPT doesn’t do that, right?...And if you know how the intel community works in terms of writing reports, if you understand the functions, that is critically important. So [ChatGPT’s] cool. It’s a nice piece of technology. I think it excites the mind, [and] making that useful requires a lot of work. Not just from us, but from a lot of partners.”

In addition to being well-positioned to capture demand from AI and other compelling technological adoption, we like Booz because of its high free cash flow generation, steady margins, consistent revenue growth, high historical return on invested capital, and consistent return of excess cash to shareholders. We believe this has all the attributes of a high-quality compounder, and the potential for accelerated growth in the age of AI is icing on the cake.

Breaking Down Beta and Sharpe Ratio

Beta is, in its simplest terms, the measure of a stock's volatility relative to the broad market. Stocks with low beta therefore have lower "systematic risk" and lower exposure to the ups and downs of the market. Beta equal to the volatility of the market is expressed as "1." A stock with a beta higher than 1 means that stock is more volatile than the market. When discussing beta for stocks, we traditionally are using the S&P 500 Index to represent the broader market.

While lower beta investments are appealing, when we think about lower beta investments, we do so while also aiming not to sacrifice returns. To that end, another useful metric for evaluating stocks is the Sharpe Ratio, which was developed by William Sharpe, the esteemed Nobel Prize winning professor of economics at Stanford University. The Sharpe Ratio is an expression of a stock's "risk premium" over that same stock's inherent risk, which is standard deviation.

Risk premium is calculated as the stock's return in excess of a "risk free rate," which for long-term holdings is often expressed as the current 10-year Treasury rate. For example, if a stock's return is 10%, and the current 10-year Treasury is 4%, then the "risk premium" is 6%. To calculate the Sharpe Ratio, we divide the risk premium by the stock's standard deviation. So, if a stock's standard deviation is 14%, then the Sharpe Ratio would be 0.43.

Usually, a Sharpe Ratio of less-than-one signals a sub-optimal investment, or more meaningfully: this is an investment for which we are receiving a return that is not commensurate with that same investment's risk. However, for another hypothetical stock, if the return were 15%, then the risk premium would be much higher at 11%, and the Sharpe Ratio would be an appealing 1.1.

When thinking about our lower-beta investment positions, it is important to understand that we don't select these stocks simply because they are lower beta. However, these exciting and attractive investments are relative to an index that has become amped up by a heavy influence of technology companies.

Since a total portfolio is comprised of individual stocks, we also give consideration to the Sharpe Ratio for each individual investment position. The appeal of both L'Oréal and Republic Services as wonderful business models with very durable long-term growth potential is uniquely underscored by their low beta and high historical returns or, in effect, a very high Sharpe Ratio. This ability to minimize the downside and increase the upside is what provides great long-term returns. Other names in the portfolio that are of similar attractiveness are Canadian Pacific Kansas City, PepsiCo, Hershey, Kroger, Autozone and W. R. Berkley.

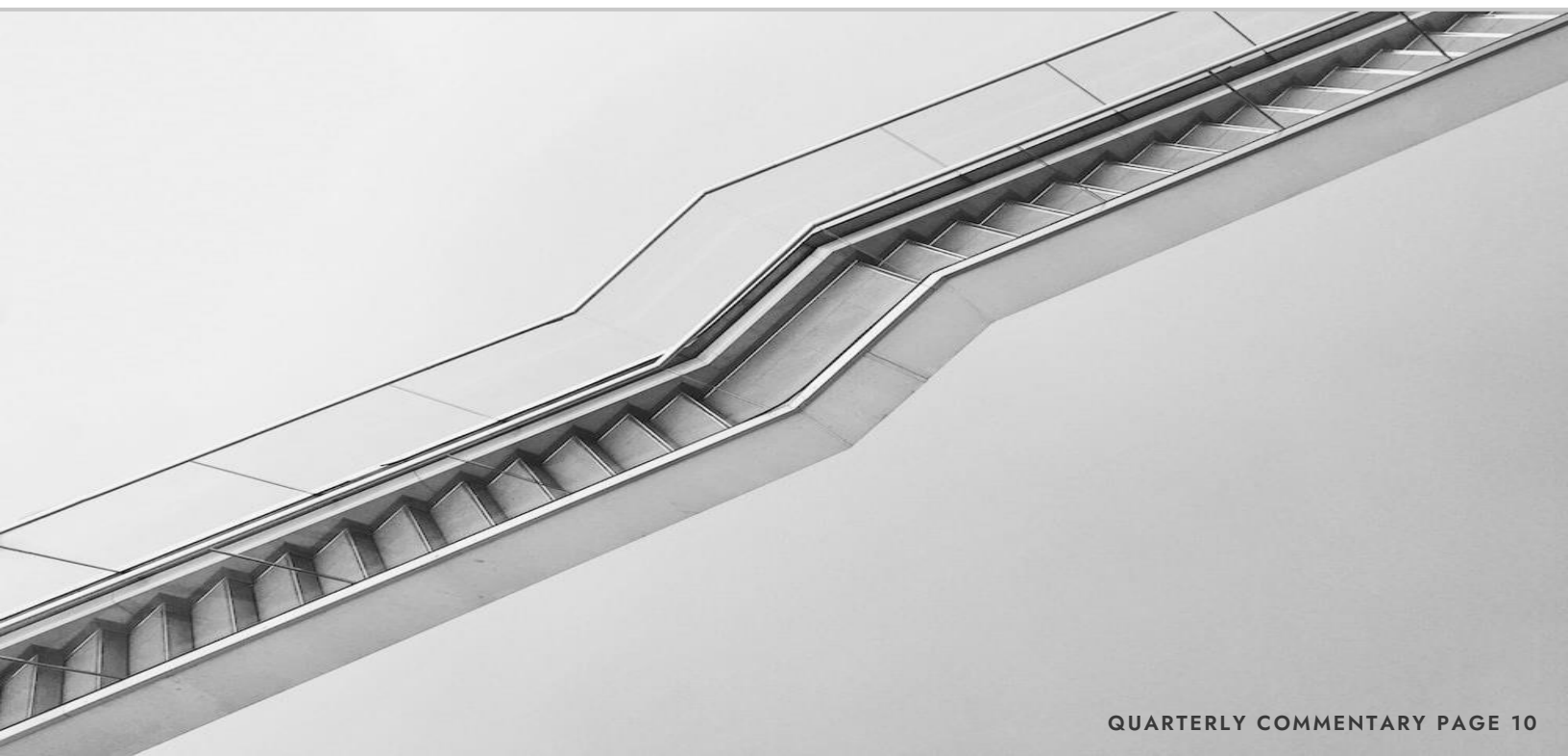
	Beta ¹	Implied Sharpe Ratio ²
Republic Services	0.7	2.7
L'Oréal	0.8	2.1
Canadian Pacific Kansas City	0.8	2.3
PepsiCo	0.7	2.0
Hershey	0.6	3.9
Kroger	0.7	1.9
AutoZone	0.8	3.8
W. R. Berkley	0.6	2.4

Putting It All Into Perspective

We continue to be very excited about the long-term prospects for our current investment positions. Their fundamentals remain robust; they are increasing their market share dramatically within ever-expanding total addressable markets, and they are returning cash to investors at ever-increasing rates.

We have, however, trimmed or sold a few investments that we feel became fully priced, such as Intuit; trimming and selling positions such as this creates room in the portfolios for new investments, such as those we have made in AutoZone, Kroger, Murphy USA and Medtronic.

Selling Intuit was a tough decision after owning it for eight years. The stock has been a solid performer for us during our ownership, but its valuation was difficult to justify particularly in light of their continued widening between GAAP E.P.S. and what they like to report, which is adjusted earnings per share, which today is double GAAP E.P.S. The continued use of adjusted earnings per share by many companies, and most notably technology and communication companies, has always presented a challenge as we view the metric as terribly misleading. The widespread use of awarding stock options in lieu of cash compensation is the largest point of distortion. Compensation to employees, whether as cash or stock options, is a real cost and expense. When looking at Intuit under its new management team, this practice became more aggressive and a P/E ratio of close to 70x became difficult to justify even for this high-performing business.



Our Portfolios

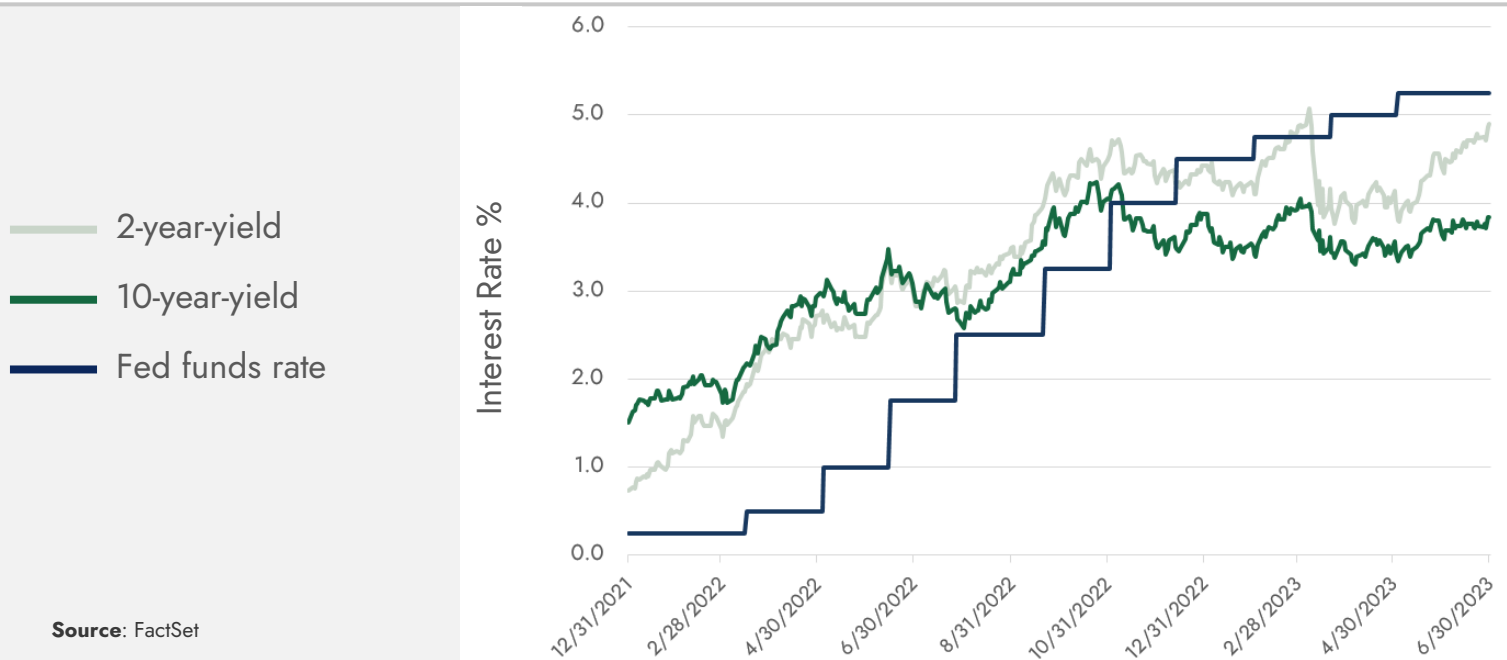
Fixed Income: On the Road to 2%, Data Dependency is Key

Short-Term Commentary

The second quarter of 2023 saw a substantial repricing in interest rates with yields inside of 3 years increasing by 0.45% - 0.87%. The quarter started off in a lower-rate environment as the markets and economy continued to digest the impact of the current financial conditions. As we progressed through the quarter and continued to see strong economic data, the Federal Reserve marched forward with raising rates another 0.25% in May but then “paused” in June. The decision to pause in June was driven by the need to assess additional data and review the impact of the policy actions that have already been taken. While the Consumer Price Index (CPI), a leading measure of Inflation, has

declined throughout the quarter, it remains elevated at 3%. The Federal Reserve has remained consistent in their messaging emphasizing the 2% inflation target.

The market has been resistant to the Fed’s path forward but as data continued to surprise on the upside, and the consumer stayed strong, yields began to rise. The 6-month US Treasury currently offers the highest point on the yield curve, ending the quarter at a yield of 5.43%. Quarter-over-quarter, the 2-year US Treasury had the largest increase in yield, with yields moving up 0.87%, ending the quarter at 4.90%.



Short-Term Commentary (cont.)

Corporate bond issuance is down about 3.7% year-over-year, and short-dated issuance is down almost 33% year-over-year. We are finding value in government paper and high-quality corporate bonds on the secondary market. At the same time, we remain strategically focused on the sectors we feel will be durable during varying economic cycles to come.

Municipal Market Commentary

The municipal market started the year on a constructive note as strong technicals associated with the quarter's traditionally high redemption volumes, large coupon reinvestments and limited new issue supply contributed to positive total returns. According to the Bond Buyer, new issue volume for the quarter was down 27% with \$75 billion of new long-term issuance for the first quarter, compared with \$103 billion from the same period last year. The dearth of new issue supply along with declining U.S. Treasury rates contributed to lower yields and tighter credit spreads.

According to Bloomberg, yields on AAA-rated securities inside of 4 years rose 0.43% to 0.54%. Intermediate- and long-dated securities closed the quarter at higher yields with rates rising 0.19% to 0.39%. With short-dated municipals underperforming, the municipal yield curve significantly flattened with the spread between 1- and 30-year securities tightening 0.35% from 0.86% in March to 0.51%, month-end June.

One of the main stories for municipal bonds has been the technicals. Year-to-date and second quarter long-term issuance has been well below market expectations, and fund flows, though improving, remain weak. On the supply side, according to the Bond Buyer, new-issue volume for the Q2 was down 16%, with \$96 billion of

new debt for the second quarter, compared with \$114 billion from the same period last year. On the demand side, according to the Investment Company Institute (ISI), as of June 30th, quarterly outflows totaled \$2.0 billion.

Taxable Market Commentary

After a strong first quarter, the US Government and Investment Grade Corporate Bond indices gave back some gains in the second quarter even while the US equity markets continued to surprise to the upside. US equity markets began to price in a 'soft landing,' and corporate earnings were less bad than feared, and accordingly stocks appreciated in response.

Corporate credit spreads tightened during the quarter while shrugging off concerns about an impending recession, a weaker consumer and a tighter lending environment. Meanwhile, the trajectory of inflation continues to be lower, the labor market has been resilient and consumer balance sheets continue to be strong. However, the Federal Reserve Bank did not back off their message of higher rates for longer and continued to raise rates, which negatively impacted the performance of fixed income instruments. The Bloomberg 1- to 5-year Gov/Credit Index returned -0.62% for the second quarter of 2023 and is now up 1.19% year-to-date.

With the inversion of the US Treasury yield curve, where rates are higher in the 2-, 3- and 5-year range versus the 10-year, we continue to find value in bonds with durations in the range of 2- to 5-years in the Chilton Taxable Strategies. We continue to purchase high quality corporate investment grade bonds with yields ranging from 4.50% - 5.50% to create a durable yield for clients. With interest rates at elevated levels, we are purchasing strong credits with higher "all-in" yields and attractive prices.

Our Portfolios

External Managers: Remaining Selective & Patient

Our External Managers broadly enjoyed strong performance during the second quarter, producing very solid year-to-date returns. While the lack of breadth in market performance made relative performance challenging, our growth managers continued their strong recovery, capturing the benefits of strong company fundamentals and improved investor sentiment. Our international managers, focused on investments in Europe, also enjoyed a healthy second quarter. We continue to maintain a very high bar of selectivity for our managers focused outside the U.S., and our focus on quality companies in Europe is producing strong returns for portfolios.

Private markets were quiet during the quarter, as deal activity remains muted. Our external managers focused on private markets continue to be patient and conservative with the allocation of capital, but many note in our discussions that valuations have stabilized, particularly for higher quality assets. The transactions that have taken place to-date in 2023 have been for well-performing companies with strong management teams and solid balance sheets, underscoring the benefit of focusing on high quality assets and high-functioning leadership. The backdrop for private markets is ripe with opportunities but is one that calls for experienced teams to navigate shifting waters and drive growth and profitability through a focus on revenue and cash flow enhancement. The days of easy profits from multiple expansion are behind us; manager selection is now more important than ever. Our work continues to be on partnering with exceptional managers to deliver strong, long-term performance in select public and private market opportunities.



Our Outlook

The Dawn of AI and Many More Catalysts to Come

There are many forces at work which combine to explain the impressive multiple expansion that we have seen this year, including the launch of AI products and services, the receding inflation threat, and the continued efforts to “nearshore” supply chains. These secular trends are indeed worthy of celebration, though whether this level of excitement is sustainable in the face of very real cyclical pressures remains an open question and a challenge for portfolio management.

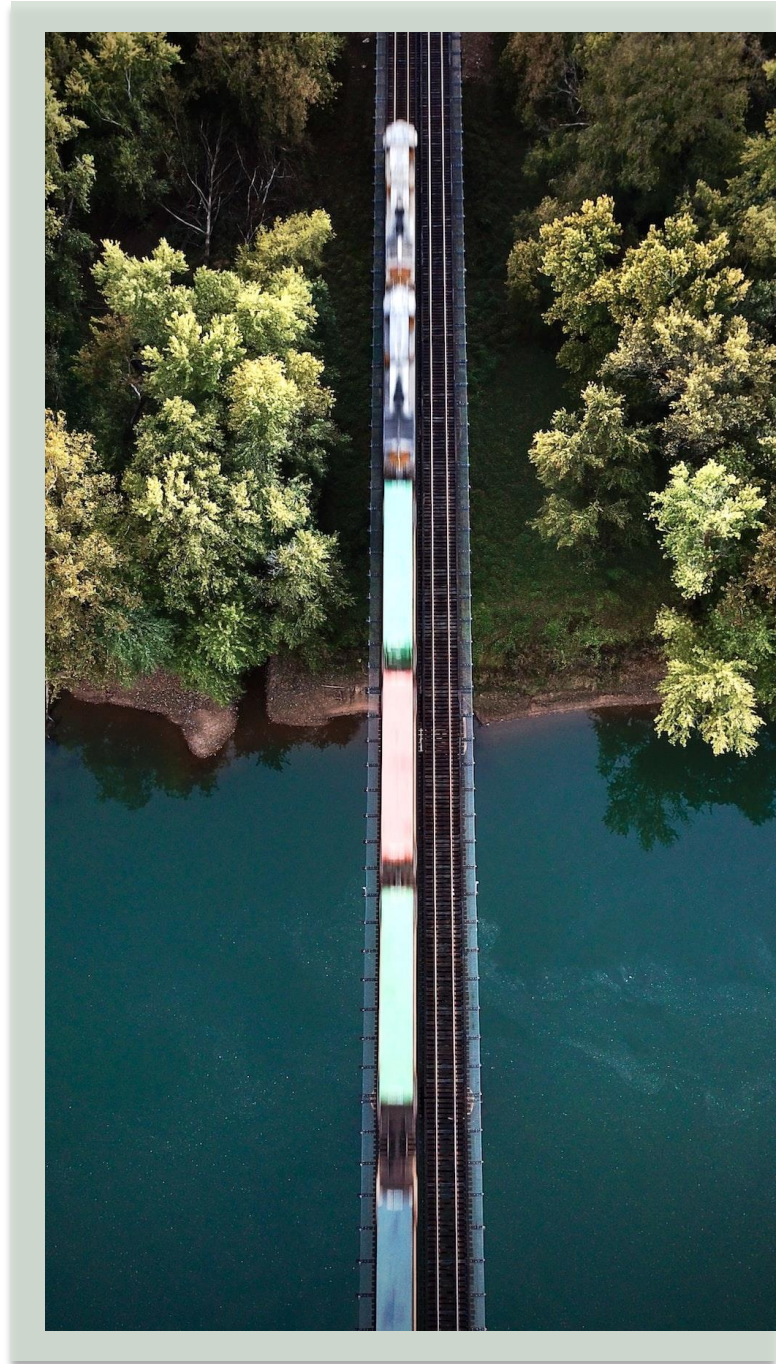
AI brings the promise of enhanced productivity in step function form at a time when the US and indeed the global economy need it most. Higher labor wages implemented during the acute labor shortage that occurred upon COVID re-opening, coupled with current deflationary pricing pressure, suggests that—absent a quick fix—corporate operating margins are likely to be squeezed lower, and a classic economic down cycle is at hand.

Will AI tools provide the magic elixir that enables better management of labor costs while increasing throughput? This possibility of improved productivity is one factor helping to fuel the “soft landing” narrative that has enabled markets to move higher. The early AI use cases from customers who are using these tools in beta testing tell of software coding projects that are completed with a fraction of the man hours previously required, digital security alerts that are more accurate and less manual, strong call-center throughput with high customer satisfaction scores and fewer human agents, and outright reduction in labor needed to complete manual and repetitive processes. The central challenge for wide adoption of AI tools may be timing as they are only just starting to become generally available, and wide deployment will require planning and implementation that may take many months or quarters to enact. In the meantime, the lagging effects of higher interest rates and a reduction in credit availability are real pressure points on economic activity.



The return of global supply chains is another meaningfully positive secular trend helping to offset cyclical pressure. Melius Research counts nearly \$600B of mega-projects announced since 2021 which is 3x the normalized annual run rate. Much of this, we believe, is a result of the Chips Act and the Inflation Reduction Act, as well as private companies' decisions to bring assembly and manufacturing closer to home to ensure better control. Melius estimates that about 60% of these projects have already started and are actively spurring industrial activity. Indeed, the S&P Industrial Sector ETF has been demonstrating technical leadership and is trading at a rich dividend yield—not the sort of thing one sees just ahead of a recession. We believe nearshoring could provide a bid for industrial activity for years to come.

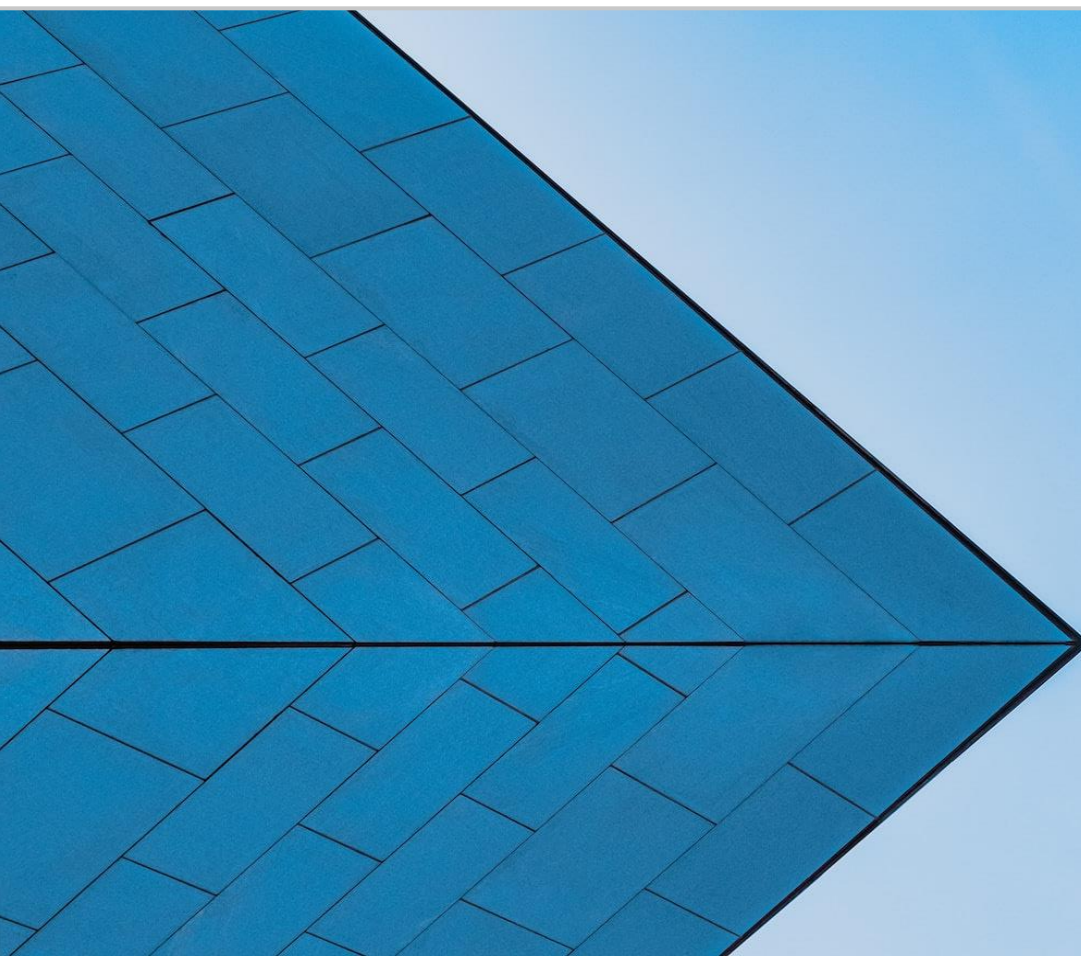
All this good news is not to say that there are not risks to the equity market. We believe there are two central risks which may make this emerging bull market choppy in the near term. The most obvious risk is earnings estimates which have been nudging down and could see more downside in the near term from cyclical pressures, though we don't expect a steep drawdown. The consumer has been spending down excess savings, and the low-end consumer is pulling back already on spending. With student loan debt scheduled to resume repayment this fall, we may see more consumers pull back on discretionary spending. Higher loss ratios could hit banks, and disinflation could pinch gross margins for certain companies without strong pricing power.



The other risk is the durability of P/E multiples. The relationship between high equity multiples and lower expected forward interest rates is a strong one statistically. The market narrative has been that as inflation moderates, political pressure will build, and the Federal Reserve will move to cut rates. The forward curve currently anticipates a rate cut as soon as December 2023. This is indeed a goldilocks scenario. If core inflation, currently hovering at 4.8%, slows its descent before we reach ~3% (a “close-enough-to-target” scenario), there is risk that a “higher for longer” narrative resets forward rate expectations, pulling P/E multiples down. This is a hard risk to benchmark, but we do not believe that the odds are negligible given the amount of fiscal stimulus still at hand as evidenced by the current size of mega projects.

So, while we agree that AI lessens the probability of a severe economic slowdown because of the step function productivity that it offers corporate managers, and while we remain truly excited about waning inflation and increased nearshoring activity, we are not inclined to chase expensive stocks that have run-up and have high embedded expectations. We are committed to our time-tested process, to lean in where we see opportunity and value, and to resist being carried away by the market’s ebullience.

As always, we thank you for your continued trust and confidence.



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 bonds 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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¹ Beta is sourced from Bloomberg and is a measure of a portfolio's volatility. Statistically, beta is the covariance of the portfolio in relation to the market. A beta of 1.00 implied perfect historical correlation of movement with the market. A higher beta manager will be more volatile than the market, whereas a lower beta manager will be less volatile. For example, a 1.10 beta portfolio has historically been 10% more volatile than the market.

² Sharpe Ratio at the security level is used purely for the comparison purposes during our portfolio construction process and does not in any form represent performance of the investment within the portfolio, Chilton has taken the position that Sharpe Ratio is not a performance figure, and to calculate this figure based on net basis would be misleading to investors.

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