

THE DE BURLO GROUP, INC.

INVESTMENT ADVISORS • CAPITAL MANAGEMENT

BROCHURE

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WELCOME

The de Burlo Group, Inc. is an S.E.C. registered investment advisory firm located in Boston's financial district, with \$770 million in assets under management as of June 30, 2018. Our mission is to provide personalized investment management to a broad range of individual and institutional clients with an emphasis on long term, low risk investments. We have been investing assets for individuals, trusts, educational and charitable institutions, corporate profit-sharing plans and Massachusetts municipal retirement systems for over 30 years.

Using a team approach to managing portfolios, we have the flexibility to achieve a wide range of investment objectives, from meeting the needs of socially concerned individuals and organizations, to compliance with Massachusetts statutes and regulations governing non-profit entities and municipal retirement systems. The close integration of our equity and fixed income research enhances the results of both. Many of our clients have come to us because of our extensive experience managing socially responsible portfolios.

THE INVESTMENT PROCESS

The investment process begins with in-depth discussions with our clients to understand their objectives, their finances, and how they view them. This helps us define investment goals, time horizon, cash flow requirements, and appropriate risk comfort level.

We use these parameters to determine the appropriate mix of equities and fixed income to achieve the right balance of growth and income for the client. From the major asset classes of cash, stocks and bonds, we select individual securities to create a well diversified portfolio.

A realistic assessment of what current market conditions offer is an essential part of the process. Factors we take into account include GDP, interest rates, institutional cash levels, Federal Reserve actions, domestic economic policy, world-wide economic growth, strength of the dollar, and many others. With regard to the stock and bond markets, we look at trends including volume, valuation, and relative and absolute performance of different segments of those markets, in addition to evaluating any structural features at the individual security level.

FIXED INCOME

For each client we set parameters of diversification, duration, quality, and maturity. Using our forecasts of shifts in the yield curve and on spreads among asset classes we select individual securities, which may range from U.S. Treasuries, to asset-backed issues, to split-rated or high yield corporate bonds. We also utilize preferred issues, and other high yielding vehicles.

We purchase tax-exempt municipal bonds for those clients who can benefit from the tax advantages, and taxable municipal bonds when yields are attractive relative to U.S. Treasuries and corporate bonds. Frequently we use bond substitutes, such as preferreds, as part of our bond strategy.

For our larger tax-exempt institutional accounts, we take an active approach. Our primary strategies are:

- Anticipating changes in rates – shortening maturities when we expect rates to rise or, conversely, lengthening when rates are likely to fall;
- Selecting securities whose yields-to-maturity are attractive relative to U.S. Treasuries with similar maturities;
- Taking advantage of opportunities to purchase securities that are candidates for rating upgrades;
- Tracking spreads among sectors to emphasize those sectors that are undervalued relative to other sectors.
- Evaluating structural features which may enhance or detract from a security's total return potential.

EQUITY

In selecting stocks for our portfolios, we focus on two critical elements: the health of the company and the valuation of its stock. We look for high quality companies with proven businesses models, sound balance sheets, dominance in their markets, and liquidity. We apply a variety of valuation techniques, including relative price/earnings ratios and asset value analysis, to determine whether a stock is attractive at its current price. Our proprietary valuation system integrates fundamental and quantitative measures to guide our decisions. We use those same valuation disciplines in deciding whether and when to sell stocks.

Our portfolios are diversified among sectors, market capitalizations, and price/earnings ratios but our assessment of the market is not tied to the conventional niches of capitalization size or value/growth. Some of our best ideas result from our ability to recognize subtle and not so subtle cultural changes. We look for demographic and economic trends and emphasize those areas we expect investors to favor. Rather than attempt to be “market timers,” we look for sectors or types of stocks where the market's perception is likely to change.

When selling securities for our taxable clients, we weigh the tax consequences of realizing gains and losses against our expectations of future performance of those securities and their weight in the portfolio.

MONITORING

Careful portfolio monitoring is critical to successful investing. We review both the valuation of individual securities and the composition of the portfolio as a whole. Trends in the securities markets can change quickly. On a daily basis we study the markets to distinguish between the ephemeral and the persistent. We monitor securities in our clients' portfolios from both a fundamental and a technical point of view.

Our clients' needs change too, so it is essential that we maintain close contact with our clients to keep our investment objectives aligned with their goals and circumstances.

REPORTING

We provide each client with a written review specific to that client's portfolio every quarter. Our portfolio managers are also available to meet with clients in person at the client's request. Our knowledgeable support staff listens and responds quickly when needed, and our portfolio managers are available for consultation at any time by phone or email.

ADDITIONAL INFORMATION

- In March 2010, C. Russell de Burlo, Jr. repurchased The de Burlo Group, Inc. in its entirety from First National Bank of Ipswich, as the sole owner along with three fellow members of the de Burlo Group. He is the majority share owner. The de Burlo Group, Inc. had been a wholly owned subsidiary of First National Bank of Ipswich for the previous five years.
- As of October of 2011, Shares are now owned by a number of individuals within the firm.
- The de Burlo Group, Inc. is not a broker-dealer or a custodian, nor do we receive sales commissions or pay for client referrals
- Counsel: Brown Rudnick Berlack Israels LLP
- Accountants: Vocatura, Spagnuolo & Company, P.C.

BIOGRAPHIES

YOUR INVESTMENT TEAM

C. RUSSELL DE BURLO, JR., M.B.A., D.B.A.

Founder, President & Portfolio Manager

Dr. C. Russell de Burlo, Jr. has had thirty years of experience in capital fund management and financial administration, primarily for educational, private and public tax-exempt institutions. Russ is President, Chairman of the Board, and founder of The de Burlo Group.

Before forming The de Burlo Group, Inc., an SEC-registered investment advisory firm, he was Treasurer, Vice-President for Business Administration, and Adjunct Professor of Economics at Tufts University. As Treasurer, he and Robin Dushman were responsible for the management of all capital funds of the University. In addition, as Vice President he was responsible for all physical plant planning design, construction, and management for the four campuses.

Russ is a graduate of Swarthmore College, has a Master of Business Administration degree from the Wharton School, University of Pennsylvania, and a Doctor of Business Administration degree from the Harvard Business School. He is a member of the Boston Security Analysts Society and the CFA Institute. He was Chairperson, Commissioner of Trust Funds for the City of Medford, and is currently Treasurer of the International Association for Comparative Research on Leukemia and Related Diseases. He also serves as Assistant Treasurer of the Massachusetts chapter of the American Rhododendron Society. He is a trustee of Obadiah Brown's Benevolent Fund and has been a trustee of Friends Meeting at Cambridge.

In addition to serving as trustee and treasurer for the Cambridge Friends School, the Belmont Hill School, the Buckingham, Browne and Nichols School, the Moses Brown School, and the Lincoln School, Russ was also a board member of two commercial banks. He has served as President of the Massachusetts Association of Non-Profit Schools and Colleges, and chaired the Finance Committee of the New England regional college and university accrediting organization. For many years, Russ was a member of the National Institutes of Health, National Cancer Institute's Comprehensive Cancer Centers Committee, as well as The National Association of College and University Business Officers.

MICHAEL E. SHADE, M.B.A., M.S., CFA

Senior Vice President & Portfolio Manager

Michael joined The de Burlo Group, Inc. in January 2011 as Senior Portfolio Manager. He currently serves on the firm's management team as Senior Vice President and Board Member. Mike is also a member of the firm's portfolio management team and manages all research activities. He has had approximately twenty years of experience working as a portfolio manager at a number of Boston-based firms. While at previous companies including Loomis Sales and Columbia Asset Management, Mike managed approximately \$700 million of client assets for corporate retirement systems, foundations, endowments, churches and individuals. As a former CPA, he conducted audits for companies and has assisted individuals in tax planning, estate planning, and financial planning.

Mike studied economics and history at Washington University in St. Louis and has earned a Master of Business Administration degree, as well as a Master of Science degree in Accounting from Northeastern. He has earned the Chartered Financial Analyst and the Certified Public Accountant designations. Mike is a member of the Boston Security Analyst Society, the CFA Institute and served on the BSAS Wealth Management Committee.

Mike served as the Treasurer and Executive Board Member for the United States Tennis Association of New England. In addition, he headed the finance committee and was a member of the Investment Committee and School Committee. Mike served as a Board Member and Treasurer of the Hispanic American Chamber of Commerce. He was a founding member and the first President of the Boston Chapter for the National Society of Hispanic MBA's. In Newton, he was a vestry and investment committee member of Trinity Episcopal Church and served as a board member and Tennis Chairman of the Neighborhood Club. He volunteered as a math tutor for students involved in the Year Up Program in Boston and was a coach for Newton Girls Soccer.

STEVE KERN, M.S.F, M.S.R.E., CFA

Vice President & Portfolio Manager

Steve joined The de Burlo Group in October 2017 as Vice President and Portfolio Manager, focusing on fixed income markets.

Since 2012, Steve has advised high schools and colleges on tax-exempt debt financings, structured and marketed a real estate debt securities fund, trademarked multi-sector defeasance strategies for rising interest rate environments, and pursued direct real estate investments, all for Montvale Investment Partners which he formed in 2012. From 2000-2011 he was a Principal and Senior Portfolio Manager at Income Research and Management, which he joined as the tenth employee to launch the mortgage-backed securities group. During his tenure at IRM, the firm's assets under management grew from \$3 billion to \$30 billion. He enjoyed mentoring and training younger analysts/traders as the team grew. He also had significant consultant and client

relationship responsibilities. Prior to joining IRM, Steve was a Vice President at State Street Research and Management. Steve joined SSRM in 1994 as an analyst focusing on the new and developing CMBS market, in addition to analyzing and trading the ABS, MBS, and CMO sectors. During his career, Steve has traded over \$30 billion of fixed income securities. Prior to his investment career, Steve gained six years of commercial real estate construction and development experience with Turner Construction (Ohio) and S.G. Phillips Constructors (Vermont). Projects included a 1,200-space parking garage, a 34-story high rise, and a 500,000-square foot warehouse distribution facility.

Steve earned a Bachelor of Science in Civil Engineering degree from Princeton University, a Master of Science in Real Estate degree from M.I.T., and a Master of Science degree in Finance from Boston College, in addition to the CFA designation.

Steve serves on the Investment Committee of Xaverian Brothers High School in Westwood MA where he was a Trustee from 1995-2015. He serves on the Board and Strategic Planning Committee of Mission Grammar School in Roxbury, MA. He is a past president of the Fixed Income Management Society of Boston, a member of the Princeton Alumni Schools Committee and the Princeton Football Association, and a religious education teacher at Our Lady Help of Christians Church in Newton, MA.

CARL R. SARGENT, B.A., CFA

Chief Compliance Officer

Carl began working at The de Burlo Group, Inc. since May of 2010 as the Chief Compliance Officer. Carl has been involved in the investment management business since 1980 when he joined Babson United Investment Advisors as a consultant to individual investors in Boston. There he worked with the firm for 13 years. During his tenure he became Research Director, equity analyst, and client communicator. Much of his research activities were following the banking and healthcare industries.

In 1993, Carl joined Choate Investment Advisors in Boston as an equity analyst and portfolio manager. He worked directly with the trustees and clients on over 140 portfolios with \$280 million in assets. The firm had over \$3 billion in assets at the time of his departure in 2006. In addition, Carl was Chief Compliance Officer for the firm for the last year and a half.

Carl graduated with a Bachelor of Arts degree in 1974 from the University of Denver. In 1996, he completed the Chartered Financial Analyst (CFA) program. He is a member of the Boston Security Analysts Society, and The CFA Institute.

Carl currently resides in Boston and is an avid bicyclist and gardener. His proximity to rail transportation coupled with his bicycle has kept his carbon foot print at a minimum, a personal priority.

ALISON J. SEAVEY, B.A., M.Ed.

Treasurer & Office Manager

Alison joined The de Burlo Group, Inc. in March 2003. Serving as Treasurer, she provides financial administration of all company business and records. Prior to joining The de Burlo Group team, Alison spent twenty-six years with Palmer Partners, a Boston-based venture capital firm. As Treasurer, she handled all the accounting and financial administration for Palmer's three venture funds as well as the company's pension plan.

Alison is a graduate of Beaver College (now Arcadia University) with a Bachelor of Arts degree in Mathematics, and received her M.Ed. degree from Boston University. She also completed Babson College's Program in Management Education for Women.

Alison was a co-founder, Treasurer and President of Steward Station, Ltd., a school-based after school child care program, which has served hundreds of families in the community.

MICHELLE JOSLIN, B.A.

Financial Analyst & Accounts Administrator

Michelle joined the de Burlo Group in March 2011 and serves in the capacity of Accounts Administrator. Michelle is primarily responsible for trading, account management, monthly reconciliation, and monthly and quarterly client reporting. Additionally, Michelle functions as a liaison between brokers and custodians on all trade and settlement matters. Prior to joining the de Burlo Group Michelle was the Human Resources Manager for Gensler, the architecture and interior design firm, in their Boston office. Prior to that Michelle was a Human Resources Manager and Analyst at Aberlyn Capital Management, a venture capital firm located in Waltham. Michelle earned her Bachelor of Arts in History from Keene State College in Keene New Hampshire. Michelle currently serves as an officer on two boards: the Medford Family Network Advisory Board, and the Medford Family Resource Coalition Council Board of Directors. Michelle also volunteers occasionally at the Arlington Boys & Girls Club and serves as a Corporator for this organization.

MARION ROCKWOOD, B.A., CFA

Associate Portfolio Manager

Marion joined The de Burlo Group in September 2012 and serves as Associate Portfolio Manager. She analyzes investments from a social responsibility perspective, conducts equity research, places trades, and provides administrative and technical support to the operations team. Marion is a graduate of Oberlin College, where she earned her Bachelor of Arts degree in Economics, Environmental Studies, and Anthropology. Marion also currently serves as the co-president of the Boston Chapter of Building a Sustainable Investment Community (BASIC), a sustainable, responsible, and impact (SRI) investing professionals group. She holds the Chartered Financial Analyst® designation and is a member of the Boston Security Analysts Society and the CFA Institute.

NICOLE M. RODERICK, B.A.

Financial Analyst & Chief Marketing Manager

Nicole joined The de Burlo Group in July 2015 and serves as The de Burlo Group's Operations/Financial Analyst & Chief Marketing Manager. Her responsibilities include account management, monitoring client portfolios for cash levels, asset allocation, pricing, corporate actions, reconciliations & inventories. She is also responsible for oversight of the trade settlement & operations process, monthly and quarterly client reporting and researching socially responsible stocks.

In addition, she serves as the Chief Marketing Manager, creating and maintaining marketing/graphic materials for the de Burlo Group, Inc. Nicole is a graduate of Emmanuel College, where she earned her Bachelor of Arts degree in the Fine Arts & Secondary Education.