

FORM ADV Part 2A

*MIDDLETON & COMPANY, INC.*

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This Brochure provides information about the qualifications and business practices of Middleton & Company, Inc. ("Middleton"). If you have any questions about the contents of this brochure, please contact us at 617-357-5101. 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 Middleton is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Middleton is 104549.

Middleton is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 - Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 22, 2024, we have the following material changes:

- Effective March 25, 2025 Christopher Merkle was named the Chief Compliance Officer of Middleton & Company, Inc.

Additional information about Middleton & Company, Inc. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Middleton & Company, Inc. who are registered as investment adviser representatives.

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## Item 4 – Advisory Business

### ***Firm Description***

Middleton & Company, Inc. (“Middleton”) is an independent investment counseling firm dedicated to providing objective advice and disciplined investment management to individuals, families, trusts, endowments, foundations, and ERISA and retirement plans. Our firm was founded on the belief that experienced investment professionals, applying sound judgment and thorough market analysis, can make a difference in clients’ lives.

Middleton is a duly formed corporation in the Commonwealth of Massachusetts that has been offering investment advice to clients since 1984. As of December 31, 2024, Middleton manages \$1,159,077,099 in client assets, all on a discretionary basis.

The principals of our firm are Managing Director and President, John K. Sargent, Jr.; Managing Director and Chairman of the Board, Alice K. Walsh; Managing Director Maria McCormack; and Robert G. Bruch, Jr., Managing Director and Chief Investment Officer. Middleton is exclusively employee owned; the Middleton & Company Employee Stock Ownership Trust is our majority shareholder.

### ***Types of Advisory Services Offered***

Middleton tailors its advisory services to the individual needs of each client. We offer a framework of five investment strategies that we use to build portfolios within the context of a client’s existing holdings, current objectives, and risk tolerance. For each client, a specific strategy or a combination of strategies may be appropriate. Please see *Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss* - for further information regarding our investment strategies.

Middleton’s investment strategies typically only invest in US exchange-listed or over-the-counter stocks, SEC-registered funds, and investment-grade bonds. As a matter of policy, we avoid alcohol, tobacco and gaming stocks. Clients may impose restrictions on investing in certain securities or types of securities. Middleton’s Portfolio Managers work with each client to create a tailored Investment Policy Statement in accordance with specific goals and objectives, determining appropriate asset allocation based on risk tolerance, income needs, investment time horizon, and other factors as applicable.

## Item 5 – Fees and Compensation

### ***Investment Management Fees***

Middleton is compensated for investment services through payments of quarterly fees by its clients. Typically, these fees are deducted directly from client accounts in advance based on account values on the last business day of the previous quarter. In limited instances, Middleton may also invoice its clients. Partial periods are prorated for the portion of time that Middleton is managing the assets. Middleton's standard fee schedule is as follows.

### ***Fee Schedule - Annual Rate***

- 1.00% on the first \$1,000,000 of assets
- 0.90% on the next \$1,000,000 of assets
- 0.80% on the next \$1,000,000 of assets
- 0.70% on the next \$1,000,000 of assets
- 0.60% on the next \$1,000,000 of assets
- 0.45% on the next \$5,000,000 of assets
- 0.40% on the balance of assets above \$10,000,000

Under certain circumstances, fees may be negotiated and may vary with respect to Middleton's standard fee schedule or fees paid by other individual clients.

### ***Additional Fees and Expenses***

Middleton's investment management fees are exclusive of brokerage commissions, transaction fees, custody fees, and other investment-related costs or expenses which are borne by Middleton's clients. Execution of equity trades may result in trade commissions and bond trades may be subject to spreads charged by the brokers facilitating the trades. Please see *Item 12: Brokerage Practices* for more information on brokerage practices.

### ***Mutual Funds and Exchange Traded Funds ("ETFs")***

Middleton may, at times, invest a client's assets in exchange traded funds, mutual funds, or other pooled investments that assess additional expenses. ETFs typically charge a management fee and other operating expenses while mutual funds generally assess management, distribution and other annual operating fees in addition to potential shareholder fees that may include sales loads, redemption or exchange fees, and account maintenance fees.

### ***Fees for the Purchase or Sale of Securities***

Neither Middleton nor its employees receive transaction-based compensation for the purchase or sale of securities or investments that are transacted in client accounts. Middleton is compensated solely through investment management fees as described above.

## Item 6 – Performance-Based Fees and Side-By-Side Management

Middleton does not manage client accounts or investment vehicles that pay Middleton a performance-based fee. Thus, Middleton is not subject to the inherent conflict of interest to potentially favor such accounts in side-by-side management with non-performance-fee accounts.

## Item 7 – Types of Clients

As noted in Item 4, Middleton's clients include individuals, trusts, endowments, foundations, and corporate pension and profit-sharing plans.

Middleton's clients include investors with retirement assets that are covered under the Employee Retirement Income Security Act of 1974 (ERISA). As such, Middleton is considered a fiduciary under Title I of ERISA in certain instances when Middleton is deemed to be giving rollover advice in relation to a client or prospective client's ERISA assets. Similar to Middleton's fiduciary status as an SEC-registered investment advisor, as an ERISA fiduciary, Middleton is required to make recommendations that are in the best interest of the client.

### ***Conditions for Managing Accounts***

Generally, Middleton's seeks to initiate new client relationships where the family's aggregate assets are in excess of \$1,000,000, but in certain instances Middleton will waive this requirement at its sole discretion.

## Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

### ***Methods of Analysis***

Middleton's primary method of evaluating investment opportunities is fundamental analysis. Fundamental analysis involves researching the quantitative and qualitative characteristics of a security, taking into account applicable macroeconomic factors, industry dynamics and other considerations to help determine its value. Middleton uses vendor-provided analytical data, third-party research, regulatory filings, financial statements, and other information in its analysis of potential investments.

### ***Investment Strategies***

Middleton offers its clients a framework of five investment strategies. We use these strategies to build portfolios within the context of a client's individual risk tolerance and investment objectives. For each client, a specific strategy or a combination of strategies may be appropriate.

#### Core Growth

Our Core Growth strategy has a well-diversified, growth-oriented focus and is designed to generate annual returns competitive with the S&P 500 over a multi-year time horizon. It typically consists of 40-50 holdings across economic sectors, with an emphasis on high-quality companies that generate consistent, above average annual

earnings growth. The strategy may also use ETFs to efficiently access markets or sectors that are attractively valued. Annual turnover is typically below 25%, making this portfolio appropriate for investors sensitive to capital gains taxes.

#### Aggressive Growth

The Aggressive Growth strategy is designed to pursue aggressive capital growth for clients with a higher tolerance for risk and less sensitivity to capital gains taxes. This is a concentrated portfolio that will typically hold 20-25 positions. The focus of these investments is rapid earnings growth or near-term stock appreciation catalysts.

#### Equity Income

The Equity Income strategy is designed to provide equity exposure to clients who desire above-market income generation with moderate risk tolerance. Emphasis is placed on companies with solid dividend yields and a history of consistent dividend increases. The portfolio typically consists of 30-35 holdings and is managed in a tax-sensitive manner. Turnover is typically below 20% per year.

#### Strategic Asset Allocation

The Strategic Asset Allocation strategy takes a global approach, utilizing multiple asset classes strategically weighted based on valuation and on the client's risk tolerance. The strategy's objective is to generate above average performance against a global blended benchmark with lower volatility. Portfolio decisions are driven by our global macroeconomic outlook, regional considerations, and assessment of asset class valuations. The portfolio is comprised entirely of ETFs.

#### Tactical Asset Allocation

The Tactical Asset Allocation is a balanced strategy comprised entirely of ETFs, and the objective is to generate above average performance against a domestic blended benchmark with comparable volatility. The portfolio is rebalanced on a monthly basis using a proprietary methodology that relies on relative valuation and yield metrics. Due to the monthly rebalance process, turnover is expected to be higher than most of our other strategies.

#### Fixed Income

Middleton's fixed income strategy invests in investment grade bonds and ETFs focused on investment grade bonds. Portfolio maturity and duration are actively managed to take advantage of yield curve positioning and relative valuation opportunities. Credit quality is monitored proactively to maintain quality parameters. US treasuries, and agency bonds, high-quality municipal bonds, and investment grade corporate bonds may be emphasized, depending upon relative spreads in the marketplace and the client's individual circumstances.

#### ***Alternative Investments***

On a selective basis, Middleton will work with clients who seek to participate in alternative investments as part of their investment strategy. Alternative investments such as private equity funds or other private investment vehicles generally have additional risk factors to consider, including low liquidity and concentrated exposures among others. Middleton will

only invest in alternative assets after careful review of the investment's alignment with a client's investment objectives and after ensuring the client meets any applicable classification requirements, such as accredited investor or qualified purchaser.

### ***Risk of Loss***

Investments with Middleton are not insured or guaranteed. Financial markets can fluctuate substantially over time and Middleton cannot ensure any level of performance or guarantee that its investments will not lose value. While Middleton seeks to provide positive returns for its clients, it is possible for clients to realize periods of reduced income, loss of potential profits, and loss of principal investment. Some of the risks of investing in Middleton's strategies include:

- **Market Risk** – Stock and bond markets fluctuate over time and the market value of a specific security can decline due to general market conditions that are not unique to any specific company or issuer.
- **Liquidity Risk** – In instances when there is little or no active trading in a given security, it may be more difficult to sell such a security at or near its perceived value.
- **Sector or Industry Risk** – Investment in companies in a specific sector or industry can be adversely impacted by economic or market events that impact that group.
- **Interest Rate Risk** – Prices of bonds tend to move inversely with changes in interest rates. In a rising interest rate environment, bond prices typically fall, which can adversely impact fixed income investments.

### **Item 9 – Disciplinary Information**

There are no applicable legal or disciplinary events related to Middleton or its employees.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Middleton Fiduciary Services, LLC ("MFS"), a wholly owned subsidiary of Middleton, is a private, non-depository trust company devoted exclusively to providing corporate trust services. MFS does not have any current clients and is not actively operating.

### **Item 11 – Code of Ethics**

#### ***Description of Our Code of Ethics***

Middleton has adopted a Code of Ethics (the "Code") that applies to all Middleton Access Persons, and all Middleton employees are considered Access Persons for purposes of our Code. As a fiduciary to our clients, Middleton and its employees are required to put the interests those clients ahead of their interests or Middleton's interests. The Code describes the standard of conduct Middleton requires of its employees and sets guidelines and restrictions on certain activities, such as personal trading, business gifts and entertainment, and outside business activities. New employees are required to attest to their receipt and



understanding of the Code. Employees are then required to re-attest to their adherence to the Code annually.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover of this brochure.

### ***Participation or Interest in Client Transactions***

Neither Middleton nor its employees participate in client transactions or otherwise benefit economically from them.

### ***Personal Trading Practices***

The Code contains guidelines and requirements for the personal trading of Middleton's employees and members of their immediate household. It requires periodic employee disclosures and attestations regarding their personal trading accounts, as well as pre-clearance of certain trades before execution. Additional guidelines include restrictions on short term trading and pre-clearance requirements for participation in private placements or initial public offerings ("IPOs").

## **Item 12 – Brokerage Practices**

Middleton maintains relationships with several broker-dealers which are used to execute trades in Middleton's client accounts. Some of these broker-dealers, particularly those who also act as custodians, provide trading tools, market data, research, and other support to Middleton to assist in the management of client accounts. Notwithstanding those services, Middleton seeks to achieve best execution when trading client securities and has implemented policies and procedures around these practices.

### ***Best Execution – Selection Factors for Broker-Dealers***

Middleton considers "best execution" to encompass the most favorable overall cost or proceeds that can be reasonably obtained for a transaction under current circumstances surrounding the trade. In seeking best execution, Middleton looks for what it believes is the best combination of quantitative and qualitative factors, including price, commission or mark-up, anticipated speed of execution, and technology and willingness to support Middleton's Trading and Operations Departments to assure timely trade settlement and reporting. Recognizing the value of these factors, Middleton may select a broker-dealer that does not offer to execute at the lowest price or at the lowest commission or mark-up if Middleton believes the total overall execution represents the best opportunity for Middleton's clients.

### ***Research and Other Soft Dollar Benefits***

Middleton does not participate in soft dollar programs or other commission sharing arrangements where client brokerage commissions are used to pay for research or other soft dollar benefits.

### ***Brokerage for Client Referrals***

Neither Middleton nor its employees receive compensation or other benefits from broker-dealers for client referrals.

### ***Client Directed Brokerage***

Some of Middleton's clients may elect to direct trading to a specific broker-dealer as part of receiving varying benefits or services from those directed broker-dealers. In those instances, Middleton does not have authority to negotiate commissions, aggregate orders, or obtain volume discounts. Middleton clients using directed brokerage arrangements may not be able to obtain the most favorable execution because commission rates for directed brokerage programs are typically pre-negotiated between the client and the designated broker-dealer.

### ***Trade Aggregation***

When Middleton intends to buy or sell the same security in more than one client account it may, but is not obligated to, aggregate those trades into one or more block trades. In certain circumstances Middleton may not aggregate transactions and block trades, particularly where client accounts are subject to directed brokerage arrangements as described previously. Decisions around the timing and aggregation of trades are made with the goal to seek best execution.

Middleton will aggregate client trades where possible and when advantageous to clients. Transaction costs are shared equally and on a pro-rated basis among all accounts included in the block trade, unless transactions costs are fixed in accordance with an individual client's broker-dealer contract. Block trading may allow Middleton to execute equity trades in a more timely, efficient, and equitable manner and to seek to reduce overall commission charges to some clients.

### ***Trade Errors and Trade Error Accounts***

Middleton has established error correction procedures which provide that the resolution of all errors be made consistent with Middleton's fiduciary duties. Middleton's general policy is to resolve all errors impacting client accounts so that, to the extent possible, affected accounts are restored to the condition they would have been in had the error not occurred.

In certain instances, the qualified custodians of Middleton's clients may have specific policies and procedures for how trade errors are resolved depending on when they are discovered. For instance, a custodian may use an error account for purposes of correcting and accounting for the dollar impact of errors that may occur over a period of time. In these situations, trades may be transferred from client accounts to error accounts to be offset with corrective transactions.

## **Item 13 – Review of Accounts**

Middleton's client accounts are reviewed regularly to ensure proper alignment among the client's stated goals and objectives, the investments held in the client's portfolio, and any new or evolving circumstances that may impact how the client's account will remain positioned. Middleton maintains policies and procedures to ensure client

accounts are reviewed at least quarterly.

Middleton provides each client quarterly reporting that includes a portfolio appraisal and information about the account's investments, including portfolio holdings, performance data, transaction history, and other similar data. Clients should review the statements provided by Middleton with those provided by their qualified custodians.

#### Item 14 – Client Referrals and Other Compensation

Middleton neither receives compensation from third parties in connection with providing investment advice to a shared client, nor does Middleton pay compensation to any third-party solicitor for client referrals.

#### Item 15 – Custody

Middleton's clients select their custodians and determine their arrangements for custody of securities in their Middleton accounts. In instances authorized by its clients, Middleton may submit requests for payment of its quarterly investment management fees directly to our clients' custodians. Middleton takes reasonable measures to confirm that such firms are qualified custodians and are sending account statements on at least a quarterly basis.

Middleton encourages its clients to compare Middleton's quarterly reporting to the quarterly account statements provided by their custodians and to report any discrepancies to Middleton and the custodian.

#### Item 16 – Investment Discretion

Middleton is granted investment discretion by its clients at the outset of each advisory relationship. This discretionary authority is set forth in an investment management agreement between Middleton and the client. Middleton does not manage client assets on a non-discretionary basis.

#### Item 17 – Voting Client Securities

Middleton's clients hold securities that often have voting rights. Since shareholders typically do not attend shareholder meetings, they have the right to cast their votes by proxy. Middleton's clients often delegate proxy voting authority to Middleton to vote proxies on their behalf, and in such instances, Middleton maintains policies and procedures intended to ensure it votes proxies in the best interest of its clients.

Middleton maintains a Proxy Voting Committee that meets annually and on an as-needed basis to review Middleton's policies and procedures for the voting of securities held by Middleton clients.

### ***Voting Agent***

Middleton has contracted with an independent third-party provider of proxy voting and administrative services to act as Middleton's proxy voting agent. Additionally, Middleton has also contracted with a separate third-party firm that provides research and guidance on proxy ballot measures. Middleton typically votes its clients' proxies according to that guidance unless, however, Middleton determines such a vote presents a conflict of interest, or otherwise would not be the best interest of Middleton's clients.

### ***Requests for Proxy Voting Policies or Voting Data***

If you would like a copy of Middleton's Proxy Voting Policy or if you would like to review how Middleton voted on a particular security in your account, please contact Middleton using the contact information on the Cover Page of this Brochure.

### **Item 18 – Financial Information**

Middleton has no financial condition that impairs its ability to meet contractual or fiduciary commitments to its clients, and Middleton has not been the subject of a bankruptcy proceeding.