

**THE APPLETON GROUP LLC**

Appleton, Wisconsin

Model Portfolio Performance  
Agreed-Upon Procedures Report

January 1, 2000 through December 31, 2005



INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES

Mr. Mark Scheffler  
The Appleton Group LLC  
Appleton, Wisconsin

We have performed the agreed-upon procedures which you have specified as listed below, solely to assist you and to provide you verification with respect to performance of the Appleton Group Tax Managed Growth Model Portfolio, the Appleton Group Assertive Model Portfolio, the Appleton Group Conservative Model Portfolio, the Appleton Group Model Portfolio, the Appleton Group PLUS Model Portfolio and the Appleton Group Moderate Model Portfolio, collectively known as the Model Portfolio of the Appleton Group LLC ("Appleton Group"), for the period from January 1, 2000 through December 31, 2005. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

**Using January 1, 2000 through December 31, 2005 composite information provided by the Appleton Group:**

1. We obtained documentation from the Appleton Group describing Model Portfolio Performance Reporting versus Global Investment Performance Standards ("GIPS") noting the following difference:
  - Model Portfolio Performance Reporting does not represent actual client performance; rather, it represents performance for The Appleton Group Wealth Management Discipline, strictly implemented during this six-year period of time.
2. We recalculated annual rates of return for the years ended December 31, 2000 through December 31, 2005 in total for each of the following composites: Appleton Group Composite, Appleton Group Plus Composite, Tax Managed Composite, Assertive Composite, Moderate Composite and Conservative Composite. No exceptions were noted.
3. We selected 25 composite period end dates (12 from composites managed by the Appleton Group and 13 not managed by the Appleton Group) from the Monthly Model Data listings. For funds/stocks managed by the Appleton Group we obtained Portfolio Center Performance Summaries which listed beginning balance, ending balance, gains/(losses), and income earned. This summary report was used to recalculate individual stock monthly return rates calculations, which were then compared to the individual stock monthly return rates reported on the Monthly Model Data listings. Once the individual stock monthly return rates were calculated, we then multiplied it by the specific weight assigned to that stock by The Appleton Group. These stock weightings were then totaled and compared to the individual stock monthly return rates reported on the Model Portfolio Performance report. No exceptions were noted.

For funds not managed by the Appleton Group we obtained documentation provided from these specific funds listing individual monthly return rates. We then traced these amounts back to the individual fund monthly return rates reported on the Monthly Model Data listings. We multiplied these rates by the specific weight assigned to that fund by the Appleton Group within that portfolio. These fund weightings were then totaled and compared to the individual stock monthly return rates reported on the Model Portfolio Performance report. No exceptions were noted.

4. To verify MarketEdge recommendations, we selected 12 specific portfolio dates managed by the Appleton Group from the MarketEdge Recommendation listing. We obtained Security Reconciliation Reports for specific transaction date periods showing how many shares were available the day before the transaction, how many shares were sold / purchased, and how many shares were left after the transaction. No exceptions were noted.
5. To verify that the interest income was calculated correctly, we selected 12 individual funds with specific dates managed by the Appleton Group from Model Portfolio Transaction Export listing. We traced and agreed the money market amount from the Model Portfolio Transaction Export listing to a Cash Reconciliation Report generated from PortfolioCenter for that specific date. We also traced and agreed the Annual Percentage Yield Rate used in PortfolioCenter with the Federal Reserve Bank's Daily Effective Rates to verify that the correct rate was used. We also calculated how many days this cash was invested during that current month. With these three pieces of information, we were then able to recalculate the interest earned and compare our calculation with what PortfolioCenter recorded. No exceptions were noted.
6. To verify that dividend income and shares purchased were calculated correctly, we selected 12 individual funds with specific dates managed by the Appleton Group from the Model Portfolio Transaction Export listing. We obtained Security Reconciliation Reports for specific transaction dates showing how many shares were available on the transaction date we tested. We then traced and agreed the dividend rates and reinvesting prices used in PortfolioCenter to Yahoo Finance for those specific dates tested. Using this information we recalculated the shares purchased from the dividend income and compared it to what PortfolioCenter recorded. No exceptions were noted.
7. To verify that buy transactions were calculated correctly, we selected six buy transactions with specific dates managed by the Appleton Group from the Model Portfolio Transaction Export listing. We traced and agreed fund prices used in PortfolioCenter with Yahoo Finance to verify the correct price was used. Using the amount of cash invested at that time and the price from Yahoo Finance we calculated the gross shares available. A broker fee was then calculated using the gross shares calculated and a standard commission fee of three percent. This broker fee was then compared to the amount recorded in PortfolioCenter. We then calculated the principal cost by subtracting the broker fee from the cash invested. Finally, the shares purchased were calculated by dividing the Yahoo Finance price into the principal cost calculated and we then compared these shares purchased to what PortfolioCenter recorded. No exceptions were noted.

To verify that sell transactions were calculated correctly, we selected six sell transactions with specific dates managed by the Appleton Group from the Model Portfolio Transaction Export listing. We traced and agreed fund prices used in PortfolioCenter with Yahoo Finance to verify the correct price was used. Using the number of shares sold from PortfolioCenter and the price from Yahoo Finance, we calculated the gross proceeds for each tested transaction. A broker fee was then calculated using the gross proceeds calculated and a standard commission fee of three percent. This broker fee was then compared to the amount recorded in PortfolioCenter. Finally, net proceeds were calculated by subtracting the broker fee from the gross proceeds previously calculated. The net proceeds were then compared to what PortfolioCenter recorded. No exceptions were noted.

8. To verify that management fees were calculated correctly, we selected 12 individual funds managed by the Appleton Group with management fee charges from the Model Portfolio Transaction Export listing. We obtained quarterly PortfolioCenter Performance Summary Reports showing the ending value for that fund. Management informed us that there is a standard one percent annual management fee, we divided this fee into a ¼ percent quarterly fee and multiplied the ending value for each fund testing by this quarterly fee. We then compared our management fee calculation with what PortfolioCenter recorded. No exceptions were noted.
9. To verify that monthly unrealized gains/(losses) were calculated correctly, we selected 12 individual funds managed by the Appleton Group from Monthly Model Data listings. We obtained PortfolioCenter Monthly Security Reconciliation Reports to see what activities occurred during the test period. With this information, we calculated the shares held during each transaction period. We then calculated the change in monthly fund pricing using the beginning and ending price from Yahoo Finance historical data. Using the average shares held and the change in the monthly fund, we calculated the unrealized gain/(loss) for each fund and compared it to what PortfolioCenter recorded. No exceptions were noted.
10. We verified that the Appleton Group used the correct data when calculating and reporting each portfolio's internal rate of return ("IRR"). We also verified that the correct data was used to calculate and report on the S&P 500 IRRs. Finally, we traced and agreed the Morningstar Allocation Category IRRs reported to documentation received directly from Morningstar. No exceptions were noted.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the financial statements, the specified elements, accounts, or items thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for your use and should not be used by those who have not agreed to the procedures and taken responsibility for their sufficiency.

*Virchow, Krause & Company, LLP*

Appleton, Wisconsin  
November 5, 2007

**Model Portfolio Annual Return Report:  
Appleton Group Tax Managed Growth Model Portfolio**

January 1, 2000 through December 31, 2005

	2000	2001	2002	2003	2004	2005	Since December 1999
Portfolio	7.06%	23.42%	-5.69%	31.06%	7.39%	-4.65%	8.95%
S&P 500	-9.10%	-11.89%	-22.10%	28.69%	10.88%	4.91%	-2.55%
Morningstar Moderate Allocation Category	2.21%	-4.36%	-12.05%	20.67%	8.97%	4.95%	N/A

**\*Important Information:**

- Performance quoted represents past performance and is no guarantee of future results.
- The Appleton Group Portfolio performance information provided indicates what effect the portfolio adjustments generated by the Appleton Group Wealth Management Discipline™, strictly implemented, have had on a model portfolio as such portfolio adjustments were implemented. Although the portfolio adjustments are actual recommendations which have been generated by the Appleton Group Portfolio Management Discipline™ since December 31, 1999, the performance results are for a model portfolio and do not represent the actual performance of accounts managed using the Appleton Group Portfolio Management Discipline.
- The Appleton Group Portfolio performance information reflects weighted historic performance and rebalances monthly.
- Performance statistics have been calculated net of management fees, net of applicable expenses and net of brokerage costs using the internal iterative rate of return (dollar weighted) calculation method. While performance is compared to the benchmark indicated, client accounts may be fully invested, partially invested in cash equivalents, or invested in inverse ("bear market") funds, depending on the portfolio selected. The actual amount of time invested in the market will vary with economic conditions. Unlike an actual performance record, these performance results do not reflect the impact a client's economic circumstances might have had on the investment adviser's decision making if the investment adviser were managing a client's money. Investors should not consider the performance data a substitute for the performance of actual client accounts, nor should investors consider this data as an indication of future performance. A complete history of our performance analysis is available upon request.
- The principal value and return of exchange traded mutual funds and other mutual funds will fluctuate with changing market conditions, and may be worth more or less than your initial investment. All dividend, interest, and capital gain distributions assume reinvestment into the targeted investment. Performance statistics do not consider potential tax liabilities as a result of management activity. Please consult your tax advisor for further information. Appleton Group Wealth Management, LLC became the investment advisor for The Appleton Group Portfolios on April 5, 2002, with Mark C. Scheffler serving as the sole portfolio manager. Prior to that date, Mr. Scheffler managed The Appleton Group Portfolios on a non-discretionary basis while employed as a broker with Robert W. Baird & Company, Inc.
- Deviation from the models has produced and will produce substantially different results. The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index.

**Model Portfolio Annual Return Report:  
Appleton Group Assertive Model Portfolio**

January 1, 2000 through December 31, 2005

	2000	2001	2002	2003	2004	2005	Since December 1999
Portfolio	4.99%	18.14%	-5.09%	30.86%	8.56%	-0.05%	8.94%
S&P 500	-9.10%	-11.89%	-22.10%	28.69%	10.88%	4.91%	-2.55%
Morningstar Moderate Allocation Category	2.21%	-4.36%	-12.05%	20.67%	8.97%	4.95%	N/A

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**Model Portfolio Annual Return Report:  
Appleton Group Conservative Model Portfolio**  
January 1, 2000 through December 31, 2005

	2000	2001	2002	2003	2004	2005	Since December 1999
Portfolio	8.43%	17.45%	-3.69%	24.17%	6.18%	-1.84%	8.01%
S&P 500	-9.10%	-11.89%	-22.10%	28.69%	10.88%	4.91%	-2.55%
Morningstar Conservative Allocation Category	4.04%	-0.24%	-3.66%	13.10%	5.79%	3.07%	N/A

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**Model Portfolio Annual Return Report:  
Appleton Group Model Portfolio**  
January 1, 2000 through December 31, 2005

	2000	2001	2002	2003	2004	2005	Since December 1999
Portfolio	-3.18%	5.13%	-6.30%	31.38%	7.37%	-3.88%	4.38%
S&P 500	-9.10%	-11.89%	-22.10%	28.69%	10.88%	4.91%	-2.55%
Morningstar Moderate Allocation Category	2.21%	-4.36%	-12.05%	20.67%	8.97%	4.95%	N/A

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**Model Portfolio Annual Return Report:  
Appleton Group PLUS Model Portfolio**

January 1, 2000 through December 31, 2005

	2000	2001	2002	2003	2004	2005	Since December 1999
Portfolio	7.36%	27.87%	-3.34%	30.59%	5.55%	-5.76%	9.50%
S&P 500	-9.10%	-11.89%	-22.10%	28.69%	10.88%	4.91%	-2.55%
Morningstar Moderate Allocation Category	2.21%	-4.36%	-12.05%	20.67%	8.97%	4.95%	N/A

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**Model Portfolio Annual Return Report:  
Appleton Group Moderate Model Portfolio**  
January 1, 2000 through December 31, 2005

	2000	2001	2002	2003	2004	2005	Since December 1999
Portfolio	6.78%	18.00%	-3.86%	27.56%	7.55%	-0.69%	8.71%
S&P 500	-9.10%	-11.89%	-22.10%	28.69%	10.88%	4.91%	-2.55%
Morningstar Moderate Allocation Category	2.21%	-4.36%	-12.05%	20.67%	8.97%	4.95%	N/A

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