



**Appleton Group - Tax Managed Growth Portfolio**

Inception: 1/1/2000  
 Data as of June 30, 2016

**PORTFOLIO MANAGEMENT TEAM:**

**Mark Scheffler - Senior Portfolio Manager**

Mr. Scheffler's commitment to objective, independent wealth management led him to establish The Appleton Group LLC in April of 2002. With over 19 years of experience in the financial services industry, Mark serves as portfolio manager for the firm's proprietary mutual fund and separately managed accounts.

**Peter Mutschler - Co-Portfolio Manager**

Mr. Mutschler serves as co-portfolio manager of our proprietary mutual fund and our separately managed accounts with Mr. Scheffler, performing all investment management activities including daily market research, trading, asset allocation, and position reconciliation.

**OBJECTIVE:** Tax efficient total return (capital appreciation plus income)

**INVESTMENT STRATEGY:** The Appleton Group Tax Managed Growth Portfolio combines an ETF trend-following discipline designed to systematically adjust the portfolio as market conditions change with a tax-advantaged strategy using high dividend paying ETFs.

**SUITABILITY:** The portfolio is designed to be a core component in a diversified investment portfolio, complementing investment vehicles which may be less responsive to changing market conditions.

**Holdings as of June 30, 2016**

	Target	Actual
SPDR S&P 500 (SPY)	19.0%	20.1%
iShares Russell 1000 Value (IWD)	18.0%	18.5%
Schwab U.S. Large-Cap Growth (SCHG)	12.0%	11.6%
Schwab International Equity (SCHF)	12.0%	0.0%
Schwab U.S. Real Estate (SCHH)	11.0%	11.8%
Schwab Emerging Markets Equity (SCHE)	10.0%	0.0%
Schwab U.S. Small-Cap (SCHA)	7.0%	7.1%
iShares Russell 2000 Value (IWN)	6.0%	7.2%
Cash/Fixed Income	5.0%	23.7%

**HISTORIC PERFORMANCE**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Q2 2016	YTD 2016
Portfolio	+7.06%	+23.42%	-5.69%	+31.06%	+7.39%	-4.65%	+13.33%	-5.04%	-8.36%	+9.52%	+1.82%	-11.27%	+11.84%	+11.34%	+2.74%	-3.73%	+1.78%	-0.86%
S&P 500	-9.10%	-11.88%	-22.09%	+28.67%	+10.87%	+4.91%	+15.79%	+5.49%	-37.00%	+26.46%	+15.06%	+2.11%	+16.00%	+32.39%	+13.69%	+1.38%	+2.46%	+3.84%

**Not FDIC Insured • May Lose Value • No Financial Institution Guarantee**

## Performance Information:

1. Performance quoted represents past performance and is no guarantee of future results.
2. Performance information provided for the period 12/31/1999-12/31/2005 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 Wealth 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 Wealth Management Discipline™.
3. Portfolio performance statistics for years 2000-2005 have been calculated net of management fees, net of applicable expenses and net of brokerage costs using a time weighted calculation method. Unlike an actual performance record, these performance results do not reflect the impact a client's economic circumstances might have had on The Appleton Group's decision making when managing a client's actual portfolio. Investors should not consider the performance data a substitute for the performance of actual client accounts. Performance information reflects weighted historic performance, rebalanced monthly.
4. Performance statistics for 1/1/2006-present represents actual client performance calculated using the Global Investment Performance Standards (GIPS). Our firm does not claim GIPS compliance for our entire performance history due to the linking of model portfolio performance (2000-2005) with actual client performance (2006-present).
5. While performance is compared to the benchmark indicated, client accounts may be fully invested, partially invested in cash equivalents, invested in inverse ("bear market") funds and/or "short" the market, depending on the portfolio selected. The actual amount of time invested in the market will vary with market conditions.
6. The principal value and return of exchange traded 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. Performance statistics do not consider potential tax liabilities as a result of management activity. Please consult your tax advisor for further information.
7. Prior to being branded as *The Appleton Group Portfolios*™ these portfolios were marketed as *The Compass Portfolios*. The Appleton Group, LLC became the investment advisor for *The Appleton Group Portfolios*™ on April 5, 2002. Prior to that date, Mark C. Scheffler solely managed *The Compass Portfolios* on a non-discretionary basis while employed as a broker with Robert W. Baird & Company, Inc. which enables the prior firm performance to be carried forward to The Appleton Group LLC.
8. Deviation from the models has produced and will produce substantially different results. The S&P 500 TR Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the U.S. equity market in general. The DJ US Moderate TR Index represents the three major asset classes: stocks, bonds and cash. It carries 60% of the potential risk relative to the risk of an all-stock index. You cannot invest directly in an index.
9. The Equal-Weighted Dispersion is 0.12. The weighted annual report net expense ratio of the underlying ETFs is 0.12%
10. There are 14 accounts in AG TMG; Market Value of \$24.1 million which is 18.0% of Firm Assets which are \$133.8 million as of June 30, 2016.

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## Principal Risks:

### *Loss of Money*

An investor may lose money when he or she buys or sells the investment, including part of the principal.

### *Market Volatility*

The market value of the portfolio's securities may fall rapidly or unpredictably due to changing economic, political or market conditions.

### *Active Management*

Performance is subject to the risk that the advisor's investment strategies are not suited to achieving the investment objective or do not perform as expected, which may cause the portfolio to lose value or underperform investments with similar objectives/strategies.

### *Portfolio Turnover*

Active trading may create portfolio turnover of 100% or more, potentially resulting in increased transaction costs.

### *Exchanged Traded Funds*

Assets invested in ETFs generally reflect the risks of owning the underlying securities they are designed to track, although they may be subject to greater liquidity risks and higher costs than owning the underlying securities directly due to their management fees.

### *Fund of Funds*

A portfolio's risks are closely associated with the risks of the securities held by underlying funds. The ability of the portfolio to meet its investment objective depends on the ability of the underlying funds to meet theirs.

### *Fixed Income*

The value of assets invested in fixed-income or debt securities may be susceptible to general movements in the bond market and are subject to increased interest rate and credit risk.

### *Foreign Securities*

Investments in foreign securities may be subject to increased volatility than U.S. securities. Foreign securities are subject to increased issuer risk. In addition, foreign securities are subject to increased costs. Many foreign markets are relatively small, and securities issued in less developed countries face the risks of nationalization, expropriation or confiscatory taxation, and adverse changes in investment or exchange control regulations. Political changes or diplomatic developments can also negatively impact performance.

## General Disclosures:

The investment's performance may be impacted by its concentration in a certain type of security, adherence to a particular investing strategy or unique aspect of its structure and costs.

The Appleton Group Portfolios are not mutual funds. As market conditions fluctuate, the investment return and principal value of any investment will change. Before investing in any investment portfolio, the client and financial advisor should carefully consider the client's investment objective, time horizon, risk tolerance, and fees. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Appleton Group LLC utilizes ETFs as the primary underlying investment vehicle. Since each Appleton Group LLC portfolio is a "portfolio of funds" an investor will indirectly bear fees and expenses charged by the underlying ETFs and investment companies in which Appleton Group LLC invests in addition to the Appleton Group LLC's fees and expenses.

The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Visit the Department of Labor's Website for an example showing the long-term effect of fees and expenses at [http://www.dol.gov/ebsa/publications/401k\\_employee.html](http://www.dol.gov/ebsa/publications/401k_employee.html). Fees and expenses are only one of the many factors to consider when you decide to invest in an option. Please consider whether an investment in a particular managed strategy, along with your other investments, will help you achieve your financial goals.