The Compass™

Appleton Group Wealth Management, LLC
100 W. Lawrence Street, Third Floor
Appleton, WI 54911

The Appleton Group 10 Years Wealth Management Discipline™ 2000 – 2010

April 2010

Appleton Group Wealth Management LLC is an independent, Registered Investment Advisor (RIA) located in Downtown Appleton, Wisconsin. Our firm provides wealth management and investment advisory services, using time-tested asset management strategies that prepare for cooperative and uncooperative markets. Since our founding in 2002, our firm has been recognized both locally and nationally as a leader in the wealth management community.

Appleton Group Wealth Management, LLC currently manages $140.882 million, serving advisors, individuals, families, trusts, corporations, institutions, endowments, foundations, and company sponsored retirement plans.

The Compass™ is published quarterly, and is produced by Appleton Group Wealth Management which is solely responsible for its content.

A Picture is Worth a Thousand Words…

Since the start of our firm now over eight years ago, I have written extensively about The Appleton Group Wealth Management Discipline™, the importance of flexibility, and the importance of meeting an investor's minimum required rate of return goal over time. I've written about the importance of simplicity, of the seasonality of the markets, and about the importance of living life to the fullest. Throw in all of our firm's market commentaries over the years as well as my book, and it ends up being a lot to absorb. In reality, I've probably written more in the past eight years than I've written in the rest of my life.

Sometimes less is more, especially during a time when the markets haven't trended in one direction or another. This quarter, I wanted to do something just a bit different. They say that a picture is worth a thousand words. So this edition of "The Compass" uses pictures and graphics to tell the story of our core portfolios and of our firm itself. It tells the story of a decade-long journey in search of better returns with less risk, and a time line of our firm's key events that have taken place along the way.

Today, we have more investors and advisors using our firm's suite of investment offerings than at any other time in our history. And that number is increasing practically every month. That's something that I'm really proud of, but I know that we still have so much more work to do. We continue to live in dynamic times, and I believe the next ten years will be full of opportunity for those who are prepared.

Mark C. Scheffler
Senior Portfolio Manager,
Founder

So I hope you enjoy this edition of "The Compass" as much as we've enjoyed producing it for you.

-MCS

…But the Big Picture is Priceless!

So what is the big picture? From my vantage point, it's the recognition that for many of us our quality of life continues to be so good. Despite its recent shortcomings, free market capitalism continues to be humanity's most powerful creator of wealth, our most efficient allocator of resources, and our best recruiter of talent and ingenuity.

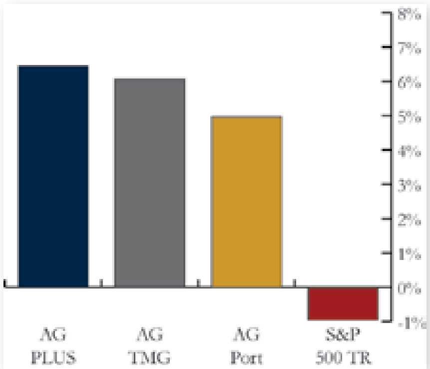
Even after the "great recession," so many of us continue to have easy access to the best of what life has to offer. We have the time and resources to grow in so many ways (spiritually, socially, and physically). And we have the social structures to meet our basic human needs: Social Security in retirement, a more stable insurance industry to get us through difficult times, increased access to quality healthcare, and sufficient unemployment benefits to support those who need it when our economy struggles.

Society goes on. We learn from both our successes and our failures that our lives here are not perfect and that while we struggle with the details at times we must work tirelessly to make our good fortune sustainable. This, I believe, is our generation's great calling.

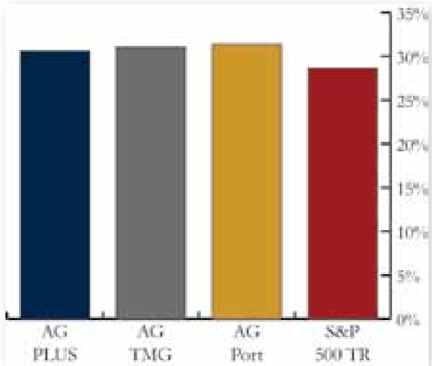
-MCS

Inside this issue:

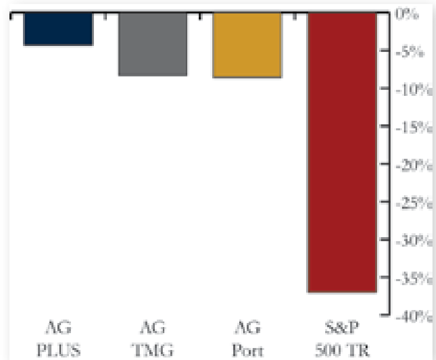
Ten-Year Average Net Returns*



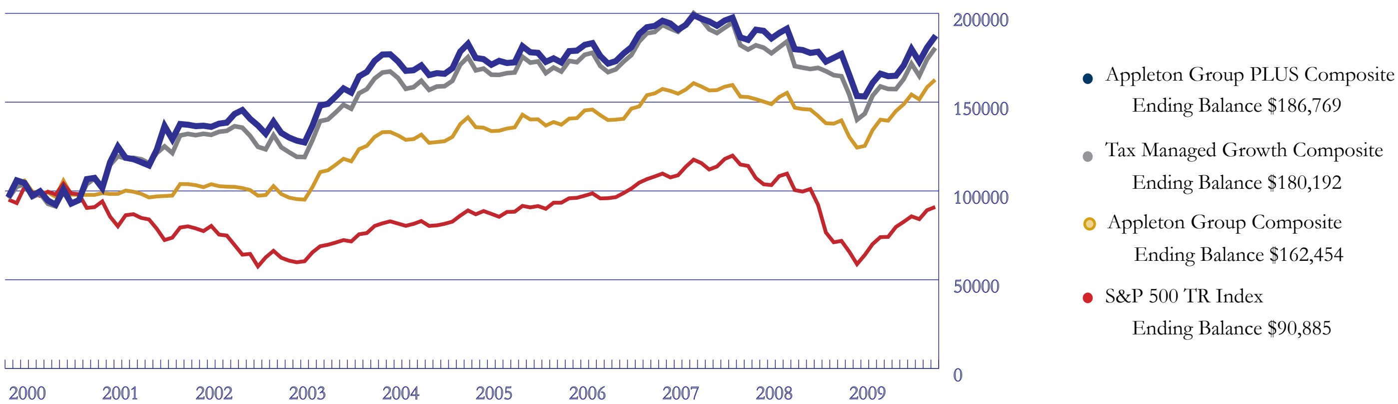
Net Return in Best Market Year (2003)*



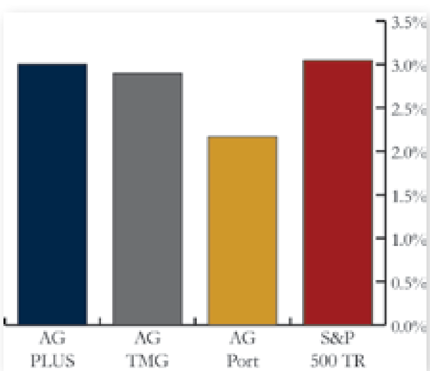
Net Return in Worst Market Year (2008)*



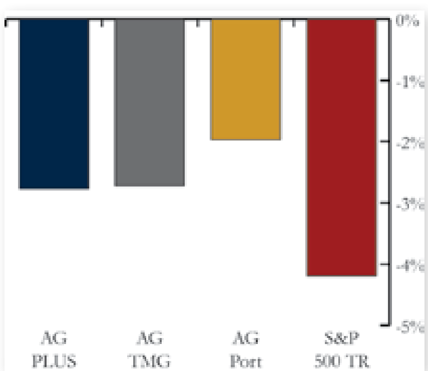
Net Growth of $100,000*



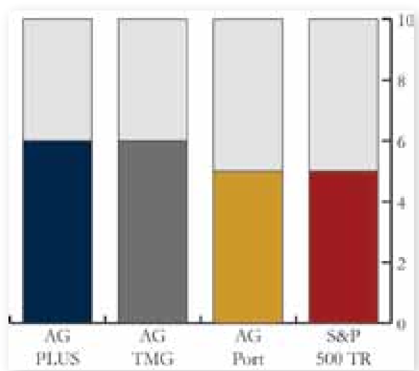
Average Return in Winning Months*



Average Return in Losing Months*



Number of Positive Years*



2002

•Appleton Group Wealth Management LLC founded
•Begins publishing portfolio performance on Web site
•First time listed in Morningstar's separate account database

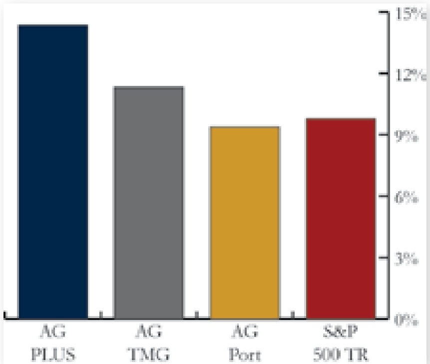
2005

•Appleton Group Funds established
•Named one of America's Top 75 Separate Account Managers by *On Wall Street* magazine

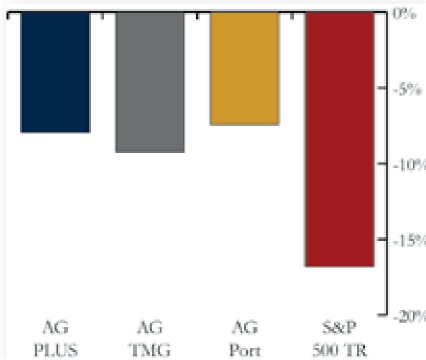
2006

•Named "Rising Star" by the Fox Valley Chamber of Commerce
•Profit-sharing program with local arts groups established
•Surpasses $50 million - assets under management

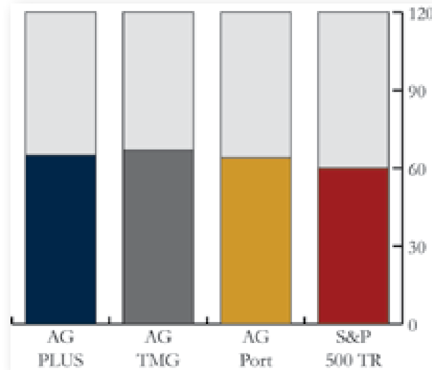
Best Monthly Return*



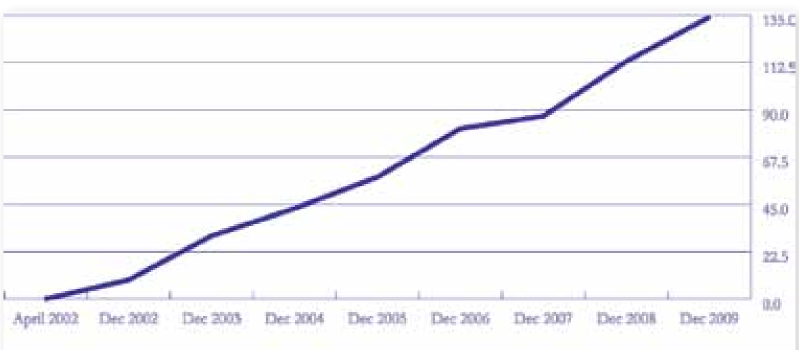
Worst Monthly Return*



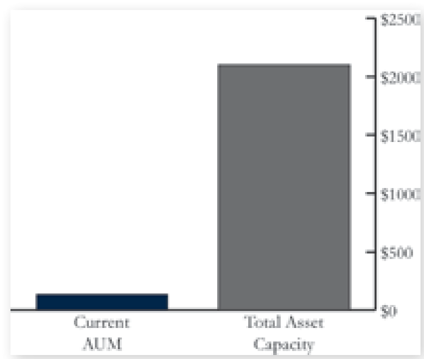
Number of Positive Months*



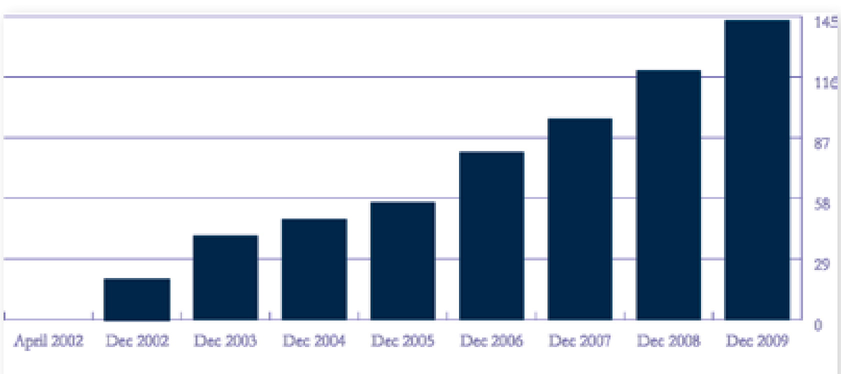
AGWM Assets Under Management* (Millions)



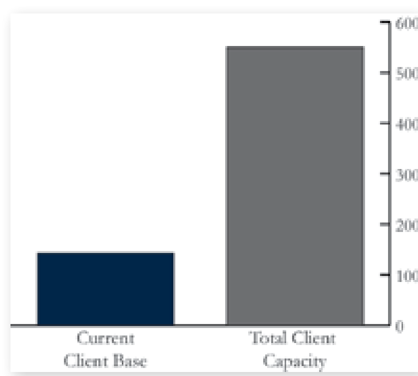
AGWM Asset Capacity* (Millions)



Number of AGWM Clients*



AGWM Private Client Capacity*



2007

- Finalist for WI BBB Torch Awards for Business Ethics
- Named to the list of Top 20 Rising Stars of Retirement Plan Advisors
- Featured in *Emerging Manager Monthly*

2008

- Named to the list of Top 20 Rising Stars of Wealth Management
- Featured in *Investment Advisor* magazine
- Surpasses $100 million - assets under management

2009

On the Right Side of the Market published by a division of Amazon.com

2010

Appleton Group Wealth Management Discipline™ celebrates 10th anniversary

Appleton Group Core Composites Highly Rated by Morningstar®

All three of the Core Portfolios managed by Appleton Group Wealth Management LLC have received 5-Stars for the 10-Year period ending December 31, 2009, Morningstar's highest possible rating for separate account managers. Morningstar rates separately managed accounts from one to five stars based on how well they have performed in comparison to their peers. The Appleton Group Portfolio Composite and the Appleton Group PLUS Composite received a 5-Star Overall Rating and the Appleton Group Tax Managed Growth Composite received a 4-Star Overall rating for the same time period.

"For over ten years our firm's investment team has worked diligently to build a wealth management strategy that has proven to be one of the most efficient in America," said Mark Scheffler, Senior Portfolio Manager and Founder. "Our ten-year ratings confirm what we have long known: investors are best served by our flexible investment strategy that prepares for both cooperative and uncooperative markets."

The Appleton Group Composite received 5 stars for the overall, 3 and 5 year rating. The Group PLUS Composite received 5 stars for the overall and 3 year rating and 4 stars for the 5 year rating. The Appleton Group Tax Managed Growth Composite received 4 stars for the overall and 3 year rating and 3 stars for the 5 year rating.

The Morningstar Rating™ for separate accounts, commonly called the star rating, is a measure of a separate account's risk-adjusted return, relative to other separate accounts in the same Morningstar Category. Separate accounts are rated 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving 1 star. Separate accounts are rated for up to three periods (three, five and 10 years), and ratings are recalculated each quarter. The Morningstar Rating for separate accounts uses an enhanced risk-adjusted return measure, which accounts for all variations in a separate account's monthly performance, with more emphasis on downward variation. Separate accounts are ranked against others in the same category and stars are assigned as follows: Top 10% 5 stars, Next 22.5% 4 stars, Middle 35% 3 stars, Next 22.5% 2 stars, Bottom 10% 1 star.

What Does a Winning Investment Strategy Look Like?

Overall Morningstar Rating™

★★★★★
APPLETON GROUP PLUS PORTFOLIO

★★★★
APPLETON GROUP TAX MANAGED GROWTH PORTFOLIO

★★★★★
APPLETON GROUP PORTFOLIO

Portfolios managed by Mark Scheffler, Founder and Senior Portfolio Manager of Appleton Group Wealth Management, LLC.

It's a new decade and a chance for a fresh start for you and your investment portfolio. Visit us today at www.appletongrouponline.com for more information or call us at 920.993.7727 for an objective portfolio comparison.

Accepting New Clients

APPLETON GROUP WEALTH MANAGEMENT, LLC
THE APPLETON GROUP WEALTH MANAGEMENT DISCIPLINE™

***All data is as of December 31, 2009**
Not FDIC Insured • May Lose Value • No Financial Institution Guarantee

1. Performance quoted represents past performance and is no guarantee of future results.
2. 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 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. 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 Appleton Group Wealth Management'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 years 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). Performance statistics for both periods have been independently verified by a certified public accounting firm whose validation letters and a complete history of our performance are available upon request (and can be viewed at www.appletongrouponline.com).
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*. Appleton Group Wealth Management, 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 Appleton Group Wealth Management 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. You cannot invest directly in an index.