



THE APPLETON GROUP, LLC

INVESTMENT MANAGEMENT · RETIREMENT PLANNING
CORPORATE 401(k) PLANS · MARKET RESEARCH



The Compass™

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The Appleton Group, 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.

The Appleton Group, LLC currently manages approximately \$148.5 million, serving individuals, families, corporations, endowments, foundations, trusts, company sponsored retirement plans and third-party investment advisors.

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Top of the Market to You - Take 3...

From the desk of Mark C. Scheffler

Many of you know that I've been a guest columnist in the Appleton Post-Crescent for quite a while now. I hate to say it, but I'm beginning to think that they're overpaying me.*

I'll let you in on a little secret if you agree not to tell my editors: with the overall U.S. market pretty much being back to where it was both in the Fall of 2007 and again in the Spring of 2000, I've found that I can just simply repeat what I wrote in previous years. I can also raise the same key economic issues again and again.

Here's what I mean: I can just write something like "Watch out – there's a major bubble brewing." In 2000, it was the tech bubble. In 2007 it was the housing bubble, and today it's a bond and stimulus bubble.

Or I can write, "The Federal Reserve is taking extraordinary steps to inject liquidity into the markets." In 2000, they cut interest rates and laid the groundwork to send out "stimulus checks" which gave us our tax refunds early. In 2008, the Fed slashed interest rates even more and worked with the Treasury to create the T.A.R.P. program. Today we're dealing with quantitative easing (QE) 2, or 3 or 7. Who can keep count?

Seems like history has a way of repeating itself. Well, if not repeating itself exactly we can probably agree that it does rhyme.

One thing is certain from where I sit: even though the economy seems to be limping

along right now, there's a deeper underlying issue that humanity has never dealt with before: I believe that the world is simply maturing. The stimulus we've been living through for the past several years has helped to stabilize us. But now we're grown up, and there's a good possibility that we're as big as we're going to get. The vast majority of physical development that was necessary to sustain us has already been completed, and every bit of development that will occur over the next few generations will just be icing on the proverbial cake.

Now don't get me wrong – I'm very conscious of what every politician means when they say "we've got to get our economy growing again." They mean more building, more development, more consumption, which they hope in the end will create more jobs and more consumers to keep the endless cycle going. But if I'm right and we've entered a phase of a maturing global economy, our 30-year push for more of everything will ultimately be self-defeating. Bigger just isn't always better – BETTER is better. And economic growth is not the same as human growth. We've got a long way to go in improving standards of living, but that might not mean we need more airports and highways and strip malls and golf courses.

Appleton is a great example: take a drive north on Highway 441 starting at the Little Lake Butte des Morts bridge, head west on Highway 41 past the Fox



Mark C. Scheffler
Senior Portfolio Manager,
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River Mall area and complete the loop. Along the way, look left and right and consider how much development and expansion has occurred in just the last 30 years or so. When will we have the self-control to say, with gratitude, "That's enough?"

Unfortunately, capitalism has no "brake." There's no one at the switch who will turn off the engine when we've reached our destination. There's no one who will raise a checkered flag at the finish line because there just isn't one. More than \$5 trillion of fresh stimulus in the past decade or so has simply gotten the markets back to where they were at the turn of the century. That's a lot of money just to keep this gigantic economy afloat.

Free market capitalism is by far the best system for growing an economy, but it's turning out to be a lousy system for sustaining one.

*Full disclosure: they pay me nothing at all!

Introducing 8 Additional Portfolios for 2013

Appleton Group offers a wide variety of portfolio strategies powered by clearTREND® Research. Each portfolio targets either multiple market segments or specific parts of the market, including specific world regions, U.S. sectors, commodities, and even Wisconsin-based corporations. Each is managed by our staff of expert portfolio managers.



Appleton Group – Americas (Excluding U.S.):

This portfolio invests in the broader Americas region, excluding the U.S. Country specific ETFs may include Canada, Mexico, Brazil, Chile, Peru, and more.



Appleton Group – Asia:

This portfolio invests exclusively in country specific ETFs from the greater Asia region, which may include Japan, India, Malaysia, Singapore, and more.



Appleton Group – Europe:

Focusing on the recovering economies of Europe, this portfolio invests in country specific ETFs which may include Germany, France, Spain, as well as smaller emerging economies such as Ireland.



Appleton Group – Commodities from Heaven™:

Comprised of exchange traded funds (ETFs) and exchange traded notes (ETNs), this portfolio invests in commodities that are found above ground such as agricultural commodities (grains, sugar, coffee, corn, etc.), solar energy and wind power.

clearTREND® makes me feel like a kid in a candy store.
 – Mark Scheffler



Appleton Group – Commodities from Hell™:

While investing in the same security types as its brother portfolio, this portfolio invests in a variety of commodities found below ground including coal, natural gas, oil, gold, silver, heavy metals and copper.



Appleton Group – Managed Income:

Launched in mid-2012, this portfolio has already garnered interest from our clientele seeking exposure to higher dividend-paying segments of the fixed income market. This portfolio invests in fixed income ETFs with exposure to U.S. treasuries, preferred stocks, convertible bonds, emerging market debt, intermediate term corporate bonds and high yield (junk) bonds.



Appleton Group – U.S. Sectors:

Investing exclusively in the United States, this focused portfolio selects expanding sectors of our home economy. Candidates include energy, technology, home builders, retail, healthcare, financial services and many more.



Appleton Group – Wisconsin Select:

This portfolio breaks new ground for our firm, as it represents our first individual stock portfolio. It consists of 10 stocks from among the 50 largest publicly traded companies in Wisconsin, and focuses on those securities demonstrating the most advantageous price trends.