



# APPLETON GROUP

## WEALTH MANAGEMENT, LLC



### The Compass™

July 2012

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 approximately \$138 million, serving individuals, families, corporations, endowments, foundations, trusts, company sponsored retirement plans and third-party investment advisors.

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## An Era of Wondrous Discovery

From the desk of Mark C. Scheffler

As a fan of science fiction, I grew up watching space explorers, mad scientists, travelers to distant worlds and even strange aliens make amazing and unexpected discoveries. Of course, these took place mainly in movies, on TV, and in my favorite books. But at the same time, the explosion of real-life discoveries has kept pace with humanity's thirst for everything new.

Think of it: over the past century, humanity has discovered the causes and cures for so many of the diseases that plagued us for millennia. We've conquered

electrical forces, unleashing countless machines on our quest for perfect toast, dry hair, a clean floor and even a well-lit street during the night. We can see inside our bodies in great detail.

And we can fly, we can fly, we can fly!

And many of these discoveries have shed new light on worlds that we've never been able to explore before: The very-deep sea (where life thrives despite lack of light and tremendous pressure), the microscopic world (frankly, I'm shocked to find out how many hitchhikers we are all



**Mark C. Scheffler**  
Senior Portfolio Manager,  
Founder

carrying around with us every day), and the sublime beauty and potential of deep space.

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## AGWM's clearTREND™ Wins Innovation Award

Appleton Group Wealth Management is the recipient of the 2012 Fox Cities Chamber of Commerce & Industry's Innovation Award.

The award is designed to honor an organization that has implemented significant innovation in the business in the past year in response to changes in the economy. In the written application, the business had to clearly describe the innovation, tell why it is innovative and how it has positively impacted the business in four key areas: Overall Business Practices, Technology, Green Practices and Employee Development.

"clearTREND™ was a perfect fit for the award," said Cherie

Wirth, Director of Marketing. "It was almost like they had created the award just for us," she said jokingly.



clearTREND™ is a cutting edge investment research tool that was developed by Appleton Group Wealth Management to help

navigate today's dynamic markets working to turn investment volatility into investment gains.

"Our firm's relationship with the Fox Valley Chamber of Commerce has always been strong, and it's a great honor to be the first recipient of their inaugural Innovation Award. As a past Rising Star Award winner and Small Business of the Year, we're proud to represent the many local businesses that are truly global leaders in innovation," said Mark Scheffler, Founder and Senior Portfolio Manager.

-CW

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

## clearTREND™ Goes Global...

Early this month, Appleton Group completed the commercial launch of clearTREND™ via the Microsoft Azure Marketplace, a global online app and data subscription service. This marketplace enables individual investors, independent professional advisors, and financial services corporations around the globe to purchase subscriptions to clearTREND™.

“Launching through the Microsoft Azure Marketplace represents a major milestone for Appleton Group,” noted Mark Scheffler, Senior Portfolio Manager and Founder of our firm. “We built clearTREND™ for our clients first. This next step offers

clearTREND™ not only to users here in Northeast Wisconsin, but to users throughout North America, the entire Eurozone, and through much of Asia.”



clearTREND™ remains a free, value-added service for all current Appleton Group Wealth Management Clients.

Subscribers are able to choose from three clearTREND™ packages to best fit their personal needs:

**clearTREND™ Essential:** users can research and track up to 25 securities with all basic functionality enabled, including full security optimization, BUY/HALF and CASH recommendations enabled, daily email alerts for recommendation changes, security grouping, and basic reporting enabled. This package is designed for individual investors, 401(k) plan participants, and basic research.

**clearTREND™ Advanced:** users get all of the functionality of clearTREND™ Essential, with up to 100 securities, advanced charting, Top 100 Solutions and shorting enabled. This package is designed for investment

professionals and advanced users.

**clearTREND™ Enterprise:** this package is designed for deployment to entire financial services companies and offers full clearTREND™ functionality, unlimited securities, custom branding, as well as advanced client reporting and support options. Pricing for this package is quoted on a case-by-case basis.

Visit <http://datamarket.azure.com> and type in clearTREND research into the search function in the upper right hand corner.

-MCS

## clearTREND™ Goes Mobile...

To coincide with Microsoft's upcoming launch of Windows 8 mobile operating software, Appleton Group has once again partnered with Skyline Technologies to build a cutting edge (and really COOL!) mobile version of clearTREND™. This version will offer nearly all of the functionality of our desktop app, but with the convenience of clearTREND™ on-the-go.

preferred subscription package from the Microsoft Azure Data Marketplace (see clearTREND™ Goes Global).

Easy, convenient, and powerful. Available exclusively from Appleton Group Wealth Management.

-MCS



Windows 8 combines all of the traditional desktop functionality that has revolutionized personal computing with Microsoft's new mobile tablet operating software all on a single device. With one device, users can not only access all of their desktop applications and files, but simultaneously access all of their apps, music, video, email and more with a Windows 8 enabled tablet.

clearTREND™ is ready for the upcoming Windows 8 launch later this summer by being one of the first financial apps available in the Microsoft app store. From anywhere in North America, the Eurozone and much of Asia, users can download the clearTREND™ mobile app on their Windows 8 tablet for free, and then choose their

## An Era of Wondrous Discovery... concluded



And that's where I begin to get really interested. In March of 2009 (after nearly 40 years of preparation, hypothesis and testing) NASA launched Kepler, an orbital telescope with a very specific mission: get into solar orbit, point at a group of stars, stay perfectly still, and watch for planets that pass in front of those stars. When they do, Kepler would be able to discover a lot about those planets, including its size, what it's made of, if it has an atmosphere, how far away it is from its host sun, how fast it's moving, and whether it could possibly support life.

Did you know that we could do that? Well, such is the nature of discovery: using theories, technology and human ingenuity to discover something that has always existed, something that has always been possible, but

for whatever reason has been undetectable or simply hidden from view. Through mid June of this year, Kepler has confirmed 72 planets, with 2,321 additional planet candidates that have been observed but not yet confirmed (which may mean that they're moving slowly around their host

offering us answers to questions that our ancestors have been wondering about since they first gazed up at the heavens.

For me, the path of discovery in the field of economics has taken time. Our search for a way to measure, identify, and take advantage of market trends has

**"... the ways by which men arrive at knowledge of the celestial things are hardly less wonderful than the nature of these things themselves."  
— Johannes Kepler**

star, just like we are).

The fact is these planets have been there all along. We just haven't been able to see them because we didn't know how to look for them properly. Given time, plenty of support from the scientific community and the political will to invest in finding new discoveries, Kepler is enriching our lives and really

been much of my professional life's work. You know it as clearTREND™. In a very real way, it represents the front line in a race to discover the effect of human activity on equity prices over time. clearTREND™ uses technology that hasn't been commercially available until recently: cloud computing (Microsoft Azure), a dynamic user

interface (Microsoft Silverlight), and on-demand security price history (Xignite Data Services). These three tools together are leveraged to do exactly what we want: identify emerging price trends in a timely fashion, measure the historic results of using these price trends, and prescribe real-time adjustments to our portfolios using this information intelligently.

So far, the performance results have been quite good, with historic modeling indicating that over time they could be very good indeed. What is certain, is that clearTREND™ gives our clients the best possible read on the markets, with literally hundreds of millions of trend measurements performed already. It gives our clients a tool that was built for you first, and which will soon be available to most of the developed world.

It's definitely an exciting time!

-MCS

## clearTREND™ Simple Moving Average Codec - Appleton Group Managed ETFs: June 20, 2012

The following simple moving average (SMA) combinations are currently being used by Appleton Group Wealth Management LLC for the following managed portfolios: Appleton Group Portfolio, Appleton Group PLUS, and Appleton Group Tax Managed Growth Portfolio.

Symbol	IWD	IYR	JNK	QQQ	SPY	VWO
Description	iShares Russell 1000 Value	iShares Dow Jones U.S. Real Estate	SPDR Barclays High Yield Bond	Powershares QQQ	SPDR S&P 500	Vanguard Emerging Markets
SMA 1	30	5	2	47	35	44
SMA 2	18	69	52	61	14	65
SMA 3	25	28	33	57	33	45
SMA 4	80	148	113	72	96	69
SMA 5	77	137	110	92	170	115
Enable Half Position	Yes	Yes	No	No	Yes	No

## A 401(k) Revolution

I hereby declare 2012 the "Year of the 401(k) Bid!"

If I had the power to make an actual proclamation, that'd be it. After almost 20 years following the rollout of the self-directed 401(k), our trusty friend is getting a significant makeover that will make you look twice at your current retirement plan provider.

First, a little history. Back in the early 1990s when technological innovation was reshaping global businesses, the 401(k) plan could have been best described as "stodgy." There were only a small handful of investment options that you could choose from, and you only received statements every three months or more. If you wanted to change investments, you were severely restricted in doing so. But when the internet first came to the masses, it sparked a revolution in the retirement plan arena: you could now go online and check your fund balances every day, you could change investments almost as often as you wanted to, and the number of choices

available was overwhelming. Because you were now managing your largest financial asset on your own, the successes became yours. Unfortunately, the failures became yours too.

And since the turn of the century, 401(k) participants have been hit hard. We hear time and time again from retirement plan participants about the "lost decade," how so many individuals rode the rollercoaster all the way up in 2000, and all the way back down – twice! But hidden in the underbrush of the 401(k) plan and all its variations was something far more devious: Wall Street and large insurance companies and big banks were getting rich. The fees generated by these new retirement plans

were massive, with so many of the expenses being cleverly hidden from view.

But not any more. Starting in 2012, all 401(k) plans are now required by law to fully disclose the litany of hidden expenses and conflicts of interest that have made it so hard for participants to get ahead. Hidden insurance fees will be a thing of the past, under-the-table fee arrangements like self-dealing and double-dipping will need to be disclosed to participants. Conflicts of interest (such as having your provider make more money off of some investments than others) will no longer be swept under the carpet. Finally, plan participants will know what they're paying and

what they're getting for those fees.

And it's already having a powerful effect: according to Charles Schwab, plan sponsors and other investors are fleeing to independent retirement plan providers who for years have eliminated hidden compensation and conflicts of interest on their own without the push of regulators. As of the end of 2010, more than \$2.7 trillion of investor assets have shifted away from insurance companies, big banks and full-service brokers. It's a genuine movement, a revolution that all starts with a bid.

That too has never been easier, often taking less than two hours of HR time to complete. 2012 is the year of the 401(k) bid. It's nothing less than a revolution, and your company and 401(k) participants will surely benefit by going to bid this year. You may be shocked by the results!

-MCS



**401(k) REVOLUTION:**

Appleton Group Wealth Management has the tools to take your company's retirement plan from good to great!

- Full ERISA 3(38) Fiduciary
- Actively managed, risk based models
- Open architecture, full fee disclosure
- High-touch participant education & support

Plus, our newest addition: ETFs. Discover their unique benefits including:

- Low cost
- Fee transparency
- Active risk management

click here for more information  
or contact us at 920.993.7727

Today's regulatory and market environments require the innovation and expertise that only Appleton Group Retirement Plan Services can provide.

Comparing plans is easy. Contact us today to receive a complete cost, risk and fiduciary analysis for your Department of Labor file, at no cost or obligation.

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