The Compass™

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

Small Business of the Year Fox Cities Chamber of Commerce & Industry 2010

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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 $136.7 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.

Inside this issue:

You Can Say That Again…

From the desk of Mark C. Scheffler

One year ago, I completed the final text for my first book on investing, *On the Right Side of the Market*. Overwhelmingly, our clients have shared with me their support of this project and have given me a great deal of positive feedback. For that I am truly grateful.

Having recently revisited the book myself, I find that the basic concepts really are universal and enduring: calculating and achieving an investor's minimum required return is more important than beating some arbitrary benchmark, like the S&P 500; identifying and following market trends is more important than picking individual stocks; recognizing the true impact of both the potential rewards and the risks of investing; and the importance of following the wisdom of the crowd instead of one person's belief about the current health and future direction of the market. In the book, I've addressed these and other bedrock topics – I hope that they've been both clear and helpful to you as well.

But I found it interesting that a number of our clients gave me the exact same tongue-in-cheek feedback: "I'll wait for the movie to come out!" After a good laugh, I thought that they might actually be on to something. Fact is, I've never been a great reader myself, especially in my youth – my mind often wanders, and I've found that I learn best by doing, not by seeing.

Mark C. Scheffler
Senior Portfolio Manager,
Founder

From my days as a teacher, I know that many other learners also

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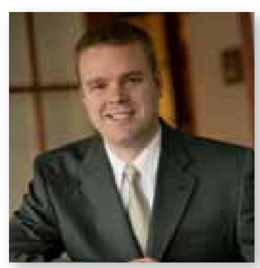
Appleton Group Adds Additional Advisory Staff

Appleton Group Wealth Management is pleased to announce the addition of two staff members. Brad Heiges and Mark Sprtel both entered the firm's apprenticeship program this past July. Upon completion of the six month training program, Brad and Mark will be Private Client Advisors.

Brad Heiges graduated from the University of Wisconsin - Green Bay in May 2009 with a degree in Business Administration with an emphasis on Finance. Prior to joining the firm, Brad was an integral part of the Management Team at Copper Rock Coffee Company.

"I am really excited to learn from a successful and well respected advisor," said Heiges. "I look forward to a career devoted to helping people achieve their financial goals." Brad has lived in the Appleton area for the last six years and is getting married next August.



Brad Heiges

Mark Sprtel

Mark Sprtel graduated in 2010 cum laude with a degree in Economics from Lawrence University.

"I originally became interested in the securities business because of my fascination with

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It All Starts With a Plan

Over the years, many of our clients have taken advantage of our firm's expert financial planning services. More than ever, it is important to have a plan in place to objectively determine if you're still on track to achieve your financial goals on schedule. Putting the returns of the market and of an investor's portfolio in the proper context has always been what I believe to be one of the true successes of our firm. And now it just became even better.

Over the past six months, we've introduced our clients to the power of Morningstar Office®, a cutting edge statement generation, research, and analysis tool. Many of you may be familiar with Morningstar's extensive mutual fund and separate account ranking system (their "star" rating methodology). We'd like for you to also experience the enhanced, state-of-the-art financial planning capabilities we can now offer you through Morningstar Office®.

We call it "WealthMonitor." This cutting edge process analyzes your targeted investment mix, expected returns over time, investment predictability, diversification, dividend expectations, your personal risk requirements, and much more. But while the analysis of your portfolio can be as detailed as you'd like, WealthMonitor's main goal is to simplify all of it into one key metric: "Am I still on track or not?"

At your request, we are now able to easily generate an up-to-date progress report that can accurately forecast where you are likely to be, financially speaking, at any point in time. Using expected returns for a variety of investments (including fixed income, U.S. equities, international equities, real estate, and much more), we can "peek" into the future and generate a schedule of where you are most likely to end up.

But perhaps more importantly, it is critical to run a series of stress tests to determine what impact (if any) would likely result from a period of continued economic uncertainty. WealthMonitor does this as part of our standard progress report, helping the investor to determine what effect (if any) there would likely be from an unusually uncooperative market environment. Likewise, we also perform an analysis to determine the most likely outcome should the market perform in an especially cooperative fashion (remember those days?)

While no one can predict what the future holds, we believe it is important to use the most advanced tools possible to model not only the most likely financial outcome, but also the most pessimistic and optimistic outcomes as well. Appleton Group's WealthMonitor Financial Planning process is that tool.

-MCS

You Can Say That Again... concluded

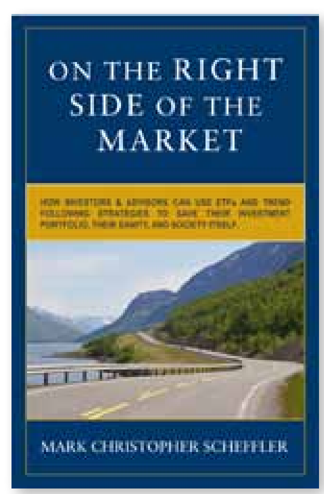
find this to be true. So a visual, interactive type of format might be a bit more impactful and less of a time commitment for new viewers as well as for those who want a bit of a refresher. I know from experience that the more often I hear/see/do anything, the better it is to understand. So I and my staff have worked together to compile a brief summary of each chapter of the book in an easy-to-use on-demand presentation format.

This format is available to you today by simply visiting www.appletongrouponline.com and clicking on the research tab at the top of our home page. You will see each chapter of the book listed and will only have to click once to launch the presentation. Easy!

In a very real way, having this library of presentations at your fingertips will make it easier than ever to understand our firm's financial planning process, our research methodologies, the basic concepts of our trend-following discipline, and the benefits and limitations of what we do.

In the future, it is our goal to provide additional on-demand content that will help enrich your understanding of the markets, the economy, financial planning, and other topics of interest. So let us know what you'd like to see added – we welcome your feedback!

- MCS



Technology Corner:
Introducing Appleton Group Web-Portal and The Appleton Group Blog

Technology has always been billed as a way to make our collective lives better. At Appleton Group Wealth Management, we are pleased to introduce two technological initiatives that we believe will do just that.

First, a powerful feature of our recent rollout of Morningstar Office® is our ability to create a web portal for each client we serve that can act as a secure document vault. Through this new online portal, we can now safely archive your quarterly performance statements, financial planning progress reports, as well as the potential to archive a practically unlimited number of other documents that are important to your financial well-being. Once archived, they can be securely accessed by you from anywhere you have access to the internet.

This quarter, current clients who have supplied a current email address to us will receive an email from us telling you that this service is now available, and offering you the opportunity to activate your portal. All clients will continue to get statements in paper format unless you direct us to only send them electronically. Don't worry if you miss the email – you can activate your portal at any time. Once the portal is securely activated, you will be notified of any new postings. Going forward, we will work with you to scan and post any additional financial and estate planning documents you wish to archive. It's that simple!

Please email Karen Anderson your updated email address if it has changed recently. She can be reached at kanderson@appletongrouponline.com.

Next, we're especially excited to launch The Appleton Group Blog later this month. This new format will make it easier and more convenient to access our firm's most recent market commentary, research, on-demand presentations, and more. We recognize that in today's media-saturated world it can be at times overwhelming to filter out what's truly important. This blog format will enable us to deliver more frequent and more concise commentary on what is moving the markets, and which changing market trends we're currently responding to. This format will also enable users to automatically receive our blog post via email to either your home or work computer or to your email-configured smartphone.

Users will be able to access our entire library of market commentaries to search for historic themes, review changes in our investment posture over time, and more. It will also enable you to easily view our posts by topic. In the end, we believe that this new format will help us to stay more connected, and help you stay better informed during this dynamic market environment.

-MCS

There is more to life than increasing its speed.
– Mahatma Gandhi

Our life is frittered away by detail. Simplify, Simplify.
– Henry David Thoreau

Now and then it's good to pause in our pursuit of happiness and just by happy.
– Guillaume Apollinaire

Appleton Group Adds Additional Advisory Staff... concluded

the market's unique dynamics. It is an atmosphere of constant movement with an endless flow of information where investors must sift through the details in order to discover meaningful returns. Navigating this environment is intellectually invigorating for me and I am excited to help clients in this process so that they may realize their financial goals and become financially secure," said Sprtel.

This past summer, Sprtel interned at a Stifel Nicolaus office in Mequon where he gained a good introductory into the investment world. "What attracted me to Appleton Group Wealth Management is the firm's unique investment process and how that process is wielded to serve clients. Additionally, Appleton Group Wealth Management's ability to skillfully navigate the financial collapse of 2008 and 2009 and their ability to grow the firm during this turbulent time period was very appealing to a recent graduate looking for a great firm to start his career in the investment business."

While at Lawrence, Sprtel was captain of the cross country team for three years and captained the track team for one year. He also has 12 varsity letters from Lawrence from running cross country, indoor track, and outdoor track for four years. Sprtel is originally from Whitefish Bay, Wisconsin.

"We are excited to have both Brad and Mark join our firm as private client advisor apprentices. Our firm is committed to developing the next generation of thoughtful, caring and well-trained advisors, and we're thrilled to have two young men with such great potential representing us," said Scheffler.

Appleton Group Wealth Management In the News

Investable ideas.
Engaging Strategies.

That was the theme for Morningstar's premier ETF Invest Conference that was recently held in Chicago, Illinois. Morningstar gathered industry experts to explore and discuss the latest trends and usage of ETFs.

ETFs, short for exchange traded funds, are a hot topic in the financial industry. According to Morningstar, there is dramatic growth in this investment vehicle because advisors have recently discovered the versatility of this investment tool.

Mark was asked to be a panelist at the conference because Appleton Group Wealth Management was an early adopter of ETFs. Scheffler has been using ETFs in his managed portfolios for over 10 years.

"Being a featured presenter at the first ever Morningstar ETF Conference was a real honor. As one of America's early adopters of ETFs, we feel that we have a lot of experience and insight to share not only with investors but with the advisor community as well," said Scheffler.

The conference was attended by over 200 other advisors, vendors, ETF sponsors and industry insiders. With over 500 ETFs now available in the market, it is becoming more important for advisors and investors to be able to find those that are the best fit to clients and for an advisor's specific investment management discipline.

As an aside, Mark Scheffler was recently interviewed for two financial articles that will be appearing in industry media outlets - *Financial Times* and *Financial Advisor Magazine.*

Appleton Group Wealth Management In the Community

In 2007, Appleton Group Wealth Management made a commitment to pledge a portion of its profits to local arts organizations - The Trout Museum of Art (formerly Appleton Art Center), Fox Valley Symphony, and White Heron Chorale. This year we have expanded our reach to include organizations that are important to our employees and some of our clients. Following is a partial list of the organizations we supported this year:

APPLETON MEDICAL CENTER FOUNDATION

THEDA CLARK MEDICAL CENTER FOUNDATION

Appleton Group Wealth Management was the lead sponsor for the High Flyin' Golf Outing presented by Appleton Medical Center Foundation & Theda Clark Medical Center Foundation. Net proceeds from the event were evenly distributed between the foundations to support programs and services at each hospital.

NAMI Fox Valley

Monetary donation made to support the Fox Valley NAMI walk.

Lead sponsor of Lawrence's Kaleidoscope Concert which showcased nearly 350 Lawrence students.

When Scheffler started Appleton Group Wealth Management in 2002, it was his goal to integrate his business with mission focused non-profits. "When you spend a dollar with a company that is located outside the area, that dollar leaves our community. By doing business with local firms that are committed to community non-profits, your dollars are reinvested in local organizations that contribute to our quality of life," noted Scheffler.

St. Elizabeth Hospital Foundation
AFFINITY HEALTH SYSTEM

Appleton Group Wealth Management was one of the major sponsors for the St. Elizabeth Hospital Foundation's 18th Annual Women's Golf & Luncheon Benefit. The event raised over $80,000 to fund a 30-Port Nucletron High-Definition Radiation upgrade for the St. Elizabeth Hospital Cancer Center and clinical oncology rehabilitation for St. Elizabeth Hospital Rehabilitation Services.

women's fund
for the fox valley region, inc.

The Women's Fund for the Fox Valley Region, Inc., is the recognized leader of philanthropic opportunities that encourage and inspire women and girls to flourish personally, economically and professionally.

Appleton Group Wealth Management was a sponsor of the Women's Fund Luncheon. As a new supporter of the organization, our donation was matched by the J.J. Keller Foundation.

Please consider helping us support the following local arts organizations. For a list of concert times and events, visit

www.foxvalleysymphony.com

Fox Valley Symphony

www.whiteheronchorale.org

WHITE HERON CHORALE

www.troutmuseum.org

THE TROUT MUSEUM of ART

"The roots we nourish today become the fruits of tomorrow."

-MCS