The Compass™

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

July 2007

Appleton Group Wealth Management LLC is an independent, Registered Investment Advisor (RIA) located in Downtown Appleton Wisconsin. We solely provide wealth management services for investors, building and managing portfolios that prepare for both 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 currently manages $62.85 million, serving advisors, private individuals, families, corporations, institutions, endowments, foundations, trusts 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:

Is the Juice Worth the Squeeze?

From the Desk of Mark Scheffler

Summer is finally here. Can you taste it? The crack of my son's bat hitting a ball off of a tee, the gentle breeze blowing through our backyard maple, lightning bugs and fireworks. I love it!

But there's nothing better on a hot summer day than a tall, cool glass of lemonade. I remember when I was a kid we'd pull out a little packet of Kool-Aid if we wanted to make a pitcher in a hurry. Cut open the packet, put in a cup of sugar, mix it together with water, a bit of ice, and we were done! Nothing fancy, but tasty, quick and simple. Straight from the factory, powdery, a shelf life longer than my childhood itself, Kool-Aid was a hit.

But if you really wanted something special, there was nothing better than the lemonade grandma would make herself. It was a labor of love, remember? A couple of store-bought lemons, sliced down the middle, seeds taken out, squeezed by hand, and the pulp left in for extra flavor. The sugar was measured by tasting the mix to be sure it wasn't too sweet, maybe even a bit of the lemon rind thrown in for extra tartness. YUM! The taste (and the experience) just can't compare.

Sure, it was a lot more work to squeeze the lemons yourself. But Grandma knows what's good, and when Grandma's on the job there's no settling for second best, at least for all the grandmas you've seen

Mark C. Scheffler
Senior Portfolio Manager,
Founder

on the hallmark channel!

Here's how it usually goes, though. Grandma sets off to the store to get the lemons, part of her regular shopping trip. Grandma gets home, realizes that she forgot the lemons. She goes back out,

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Introducing the Appleton Group Efficiency Index™

We're at it again, helping investors sort out the truly important from the truly mundane.

While there are many things that deserve our attention in investing, when it comes right down to it there's only one thing that matters: getting the highest net return on your investment with as little risk as necessary. That's it, really. Portfolio efficiency. Everything else is less important.

But everyday, we're bombarded by marketing and media messages that try to steer us away from this important fact. So we've created The Appleton Group Efficiency Index™ to help investors, retirement plan sponsors, investment advisors, and the media sort through the noise and get back to what's truly important. This index is simple: it takes the average return for a portfolio through good markets and bad (2000 – 2005), and compares that return to the largest one-year loss during that time (the risk it took to get that average return). A portfolio that had high returns with little or no downside risk during this time rises to the top. A portfolio that had low returns with big losses during this time falls to the bottom.

For example, a portfolio that produced an 8% average return while experiencing a 6% loss in its worst year is efficient. On the other hand, a portfolio that produced a 6% average return with an 8% loss in its worst year is inefficient.

Could it be any simpler? Investors or advisors who are

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Retirement Plan Corner - Qualities of Top-Tier Asset Allocation Portfolios

An asset allocation portfolio is a collection of investments put together and managed by a professional that is designed to produce as consistently positive and meaningful returns as possible. Through March of 2007, Morningstar identified more than 3150 mutual funds and separately managed accounts that qualify as asset allocation investments. More than 58% of these investments have no identifiable track record through the last full market cycle (2000 – 2005)! Without an identifiable performance history (either model portfolio or AIMR/GIPS compliant) there is no way to accurately tell whether an investment is efficient or not, nor is it possible to tell how much you are likely to make over time.

Retirement plan sponsors that use asset allocation investments in their plan (and who doesn't?) may not know how inefficient and risky this important piece of their investment lineup really is. Worse yet, you may be using an inefficient and risky asset allocation portfolio at the recommendation of your plan provider who may have a clear conflict of interest in suggesting it.

To sort things out, we've created The Appleton Group Efficiency Index™, a very simple, straightforward way for anyone to tell if their investment portfolio is efficient or not. Portfolios that combine high returns with small historic losses come out on top. Those that combine low returns with high historic losses are at the bottom. Easy!

We've collected an extensive list of asset allocation portfolios that 1) have a complete performance history through the last full market cycle (2000 – 2005), 2) that are comprised of multiple investment managers, and 3) that extensively utilize the four major asset classes (stocks, bonds, real estate, and cash). You'll find an insert in this edition of *The Compass* that ranks 109 of the most common asset allocation investments available today.

Wendy Hoeft
Director - Retirement Plan Relations

As an independent wealth management firm with no conflicts of interest, our suite of asset allocation portfolios can be added to almost every retirement plan without requiring you to change providers. Simple, easy, and smart. Being proactive is necessary, though, since many providers will want you to use their proprietary (and less efficient) models. Give your provider a copy of our insert, and insist that they contact us today. If you don't see your company's asset allocation option in our list, call me and we'll run a comparison just for you!

-WH

Did you know Appleton Group Wealth Management produces on-demand webinars to help keep you informed on important topics? Our partnership with Adobe Macromedia Breeze enables us to deliver customized webinars to you 24 / 7 from any web-enabled computer. Recent on-demand seminars include:

Discover Appleton Group Wealth Management
http://appletongrouponline.acrobat.com/founder/

The Importance of Portfolio Efficiency
http://appletongrouponline.acrobat.com/efficient

Introducing The Appleton Group Efficiency Index
http://appletongrouponline.acrobat.com/tagindex

Additional topics can be found on our web site:
www.appletongrouponline.com

The Appleton Group Composite performance data current to the most recent month end may be obtained by calling 866.993.7727 or by simply visiting www.appletongrouponline.com.

Is the Juice Worth the Squeeze? continued from page 1

doesn't feel like running all the way into town this time (the grandkids are too busy fighting with each other to really notice anyway) so she gets them from the closest source, usually a cheap-o quick mart. She gets home, scrubs the pesticides, chemicals and wax off of the outside of the lemon, gets out her knife and slices through her finger. Voilà, the invention of pink lemonade!

Instead of opting for Kool-Aid, we're now in need of a Band-Aid. Anyway, have you ever tried to squeeze a lemon with a cut on your finger? Ouch! This lemonade better be good…

Into the pitcher go the ice cubes, out from the lemon come the seeds. Careful, careful! Got 'em all (except for the one that slipped out of your fingers and is at the bottom of the pitcher). Oh well, one seed won't hurt anything.

Now, on to the sugar. Where's the sugar? We're out of sugar. Back to the cheap-o quick mart. Home again, and the ice you've put into the pitcher has already melted. Open up the freezer door, realize that you're out of ice, so you make a new tray. Eight hours later, the ice cubes are ready but the grandkids have long since gone.

Go ahead grandma, you deserve a glass yourself. But watch out for the seed at the bottom. It certainly was an adventure, delicious, a whole lot of work, but not very efficient. Surely, if lemonade was the goal, there has to be a more efficient way.

Start With Good Lemons

So, in the end, was the juice worth the squeeze? Making the pre-packaged Kool-Aid mix would have certainly been easier, and that's probably why I don't remember my mother or grandmother EVER making fresh squeezed lemonade for us. When she reads this column she'll probably laugh! Are you laughing Mom?

In today's busy and complicated world, making anything from scratch is a luxury. Freshly prepared food tastes so good, but few people have the time to make any of their favorite dishes themselves.

Here's the rub: it's exactly the same with wealth management. Building and managing an investment portfolio is tricky business, and doing it yourself (especially inside of a 401(k) plan) is hard to do well on a consistent basis. Everyone is just too busy, and there are few individuals that are truly trained, talented and disciplined enough to do it on a consistent basis. Some investors do succeed, and I've learned a lot from them over the years, but making money on a consistent basis is really hard!

Making good lemonade starts with good lemons. It seems pretty obvious, but you can't make lemonade if you don't have 'em. In exactly the same way, the vast majority of investment portfolios simply can't make money unless they experience a favorable investment market. No lemons, no lemonade. No helpful market, no portfolio gains.

Take a typical investment portfolio and chop it up into the four most common types of assets they use: equities (which are stocks), bonds, real estate, and cash. Four very different kinds of assets, three of which expose you to risk (equities, bonds and real estate), while one carries almost no risk (cash). Since cash is almost never the largest asset in a typical portfolio, it stands to reason that the risky assets (yes, even bonds) are the largest component of a portfolio and the ones that need most of the attention!

But let's make one thing clear: portfolios are supposed to make money, right? That's the juice from the lemonade if you will, and without this reward no one would dive in. The conventional assumption is that you will be rewarded for this risk over time, and boy, given the risk that exists today, you certainly should be rewarded. If the vast majority of your portfolio is put at risk (the real possibility that you could lose a whole lot of money), you'd better have a whole lot more positive markets than negative markets to make it pay off, right? In other words, the juice (positive returns) had better be worth the squeeze (experiencing large losses).

In very simple terms: a portfolio should be as efficient as possible in producing positive returns by incurring as little risk as necessary to achieve those returns.

So, what's "efficient?" The collective brainwork here at Appleton Group Wealth Management has been hard at it, working night and day to figure this out. It comes down to this: a portfolio is efficient so long as the average return over time is always larger than the portfolio's worst one-year return. For example, if a portfolio's average return over time is 8%, it remains efficient if it never experienced a one-year loss of more than 8%.

This is simple, and if I do say so myself, makes perfect sense. Working to limit losses to less than your average return has many advantages, but the most powerful one is this: comfort. Comfort for the investor, comfort for the advisor, and comfort for the advisory firm. Now that's refreshing!

Perhaps you'd be surprised to know how many portfolios fail this simple test. Actually, you might not be surprised (otherwise why would I bring it up?). Truth is, the overwhelming majority of balanced funds, asset allocation portfolios, lifestyle funds, lifecycle funds and target date funds do fail (see insert).

At Appleton Group Wealth Management, we believe that consistent and useful portfolio returns over time requires proactive portfolio management, with an eye on playing both offense and defense at varying times. Portfolios that only can play offense (those that require a cooperative stock, bond or real estate market) leave much to be desired, and expose the investor to a high degree of uncertainty and risk. For some, the rewards are worth the risk. But for many, there is so much room for improvement.

-MCS

In the News...

FINANCIAL ADVISOR

According to a ranking in the June 2007 issue of *Financial Advisor* magazine, Appleton Group Wealth Management is the fastest growing firm in the state of Wisconsin in the asset category: less than $100 million assets under management.

WEALTH MANAGER

Appleton Group Wealth Management appeared in the "Top Dog Report" in the July/August 2007 issue of *Wealth Manager* magazine.

Emerging Manager monthly

Emerging Manager Monthly, an online magazine, featured Appleton Group Wealth Management in their July 2007 issue. The article focused on the firm's risk management strengths.

Visit our website, www.appletongrouponline.com, for complete articles.

The Good Citizen

Last year, Appleton Group Wealth Management announced a profit-sharing plan of sorts with three local arts organizations. Under this unique arrangement, Appleton Art Center, Fox Valley Symphony and White Heron Chorale would each benefit directly by sharing equally in 3% of our firm's profits. We are proud to announce that the first of these payments was made during the second quarter of this year, and that we expect our support of these organizations will continue to grow over the coming quarters and years.

We wish to thank publicly our clients and business partners whose support of our firm continues to seed these fine organizations. Supporting local non-profits is critically important, and it is a responsibility and an obligation Appleton Group Wealth Management takes seriously. After all, the community that has helped us grow deserves more than just a little bit back.

In today's global economy, it is critically important that all consumers make educated and conscious decisions when choosing which products and services to buy. Locally manufactured goods produce local wages, which in-turn produce local consumers. Everyone benefits. But directing purchases away from local companies drains our economy of capital that is so critically needed here.

That's why we encourage local advisors, retirement plan providers and sponsors, consultants, pension trustees, foundation boards and many others to shop locally when choosing wealth management services. Money managers headquartered in Boston, Ohio, Chicago, Milwaukee, Delaware, Houston and other places do fine works for their communities, but not ours. All things being equal (and they're not), it makes sense to step up and support those individuals that drive on the same roads, that shop in the same stores, that eat at the same restaurants, and yes that attend the same arts events, perhaps even sitting right down the aisle.

Appleton Group Wealth Management is working hard to keep our community strong, and we look forward to doing even greater works in the many years to come.

-MCS

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

-MCS

Introducing the Appleton Group Efficiency Index™ concluded

choosing a path can easily sort out the efficient portfolios from those that are inefficient. The only thing left to do is to choose from among the remaining efficient portfolios. We've made this easy too.

To select the best portfolio from those that are efficient, we've given every portfolio a score, rewarding those with the highest return and the least risk. The highest efficiency index score wins.

You'll find an insert in this edition of The Compass which ranks 109 common asset allocation investments according to their efficiency. Those that are efficient receive a "PASS," those that are not receive a "FAIL."

The existing clients of Appleton Group Wealth Management can once again congratulate themselves on having made an insightful and well-reasoned choice! Advisors, retirement plan sponsors, consultants and other investors can now be easily and objectively guided to the same astute conclusion: Appleton Group Wealth Management has some of the most efficient, easy-to-own investment portfolios available today.

-MCS

The Appleton Group Efficiency Index™

While there are many things that deserve our attention in investing, there's only one thing that matters: getting the highest net return on your investment with as little risk as necessary. That's it, really. Portfolio efficiency. Everything else is less important.

To sort things out, we've created The Appleton Group Efficiency Index™ to help investors, retirement plan sponsors, investment advisors, and the media sort through the noise and get back to what's truly important. This index is simple: it takes the average return for a portfolio through good markets and bad (2000 – 2005 full market cycle of 3 down and 3 up years), and compares that six-year average return to the largest one-year loss during that time (the risk it took to get that average return). A portfolio that had high returns with little or no downside risk during this time rises to the top (efficient portfolio). A portfolio that had low returns with big losses during this time falls to the bottom (inefficient portfolio).

The Appleton Group Efficiency Index™ is a very simple, straightforward way for anyone to tell if their investment portfolio is efficient or not. Portfolios that combine high returns with small historic losses come out on top. Those that combine low returns with high historic losses are at the bottom. Easy!

We've collected an extensive list of asset allocation portfolios that:

1) have a complete performance history through the last full market cycle (2000 – 2005),

2) are comprised of multiple investment managers, and

3) extensively utilize the four major asset classes (stocks, bonds, real estate, and cash).

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Pass: Efficient Portfolio
Fail: Inefficient Portfolio
Efficiency Index Score: Avg. Net Return +/- Difference

Fund Name	Avg. Net Return	Worst One-Year Performance	Difference	Pass/Fail	Efficiency Index Score
Aggressive Growth Objective:					
Appleton Group Assertive Composite	**8.56%**	**-5.45%**	**+3.11**	**PASS**	**+11.67**
John Hancock Trust Lifestyle Growth Subaccount	2.98%	-15.84%	-12.86	FAIL	-9.88
Barclays Gbl Inv LP2030 I	0.93%	-15.74%	-14.81	FAIL	-13.88
Wells Fargo Assertive Allocation Fund**	2.57%	-19.44%	-16.87	FAIL	-14.30
Fidelity Freedom 2030	1.13%	-17.31%	-16.18	FAIL	-15.05
NestEgg DJ US 2030 I	0.23%	-15.70%	-15.47	FAIL	-15.24
WF Adv DJ Tgt 2030 Adm	0.30%	-16.69%	-16.39	FAIL	-16.09
Diversified Long Horizon Institutional Fund	1.20%	-19.38%	-18.18	FAIL	-16.98
M&I Diversified Stock Fund MAAP*	1.38%	-20.69%	-19.31	FAIL	-17.93
Barclays GlbInv LP 2040 R	-0.48%	-18.58%	-19.06	FAIL	-19.54
NestEgg DJ US 2040 I	-0.72%	-18.93%	-19.65	FAIL	-20.37
WF Adv DJ Tgt 2040 Adm	-0.90%	-19.77%	-20.67	FAIL	-21.57
Moderate Growth Objective:					
Appleton Group Moderate Composite	**8.45%**	**-4.04%**	**+4.41**	**PASS**	**+12.86**
JHT Lifestyle Mod I	5.02%	-4.06%	+0.96	PASS	+5.98
Goldman Sachs Inc Bal Is	4.33%	-2.70%	+1.63	PASS	+5.96
Goldman Sachs Bal Str LW	3.92%	-3.00%	+0.92	PASS	+4.84
VALIC II Cnsrv Gr Life	4.56%	-5.04%	-0.48	FAIL	+4.08
Vanguard STAR	6.74%	-9.87%	-3.13	FAIL	+3.61
Russell Life Bal S	4.54%	-7.29%	-2.75	FAIL	+1.79
Goldman Sachs Gr&IncStrl	4.42%	-8.08%	-3.66	FAIL	+0.76
STI Class Life Vis ModGrl	4.52%	-8.28%	-3.76	FAIL	+0.76
Columbia Life Bal Gr Z	5.30%	-10.14%	-4.84	FAIL	+0.46
JPMorgan Inv Bal Sel	3.91%	-7.55%	-3.64	FAIL	+0.27
Allianz Gbl Multi-Style I	5.08%	-10.09%	-5.01	FAIL	+0.07
Legg Mason P LS All 50 LW	3.78%	-7.51%	-3.73	FAIL	+0.05
Franklin Temp Mod Tgt Adv	3.73%	-7.53%	-3.80	FAIL	-0.07
JHT Lifestyle Bal I	4.70%	-9.95%	-5.25	FAIL	-0.55
John Hancock Lifestyle Balanced Trust	4.70%	-9.95%	-5.25	FAIL	-0.55
Maxim Moderately Con II	2.75%	-6.29%	-3.54	FAIL	-0.79
Lord Abbett Bal Strat LW	4.74%	-10.93%	-6.19	FAIL	-1.45
Principal Inv SAM Bal SI	3.91%	-9.41%	-5.50	FAIL	-1.59
SSgA Life Solutions Bal	2.95%	-7.81%	-4.86	FAIL	-1.91
STI Class Life Vis Gr&InI	4.77%	-11.99%	-7.22	FAIL	-2.45
Diversified IntHor Inv	2.46%	-7.71%	-5.25	FAIL	-2.79
STIClass LifeVisGrInA LW	4.45%	-12.25%	-7.80	FAIL	-3.35
Delaware Moderate Allc I	3.24%	-10.09%	-6.85	FAIL	-3.61
Federated Stock & Bond LW	3.33%	-10.30%	-6.97	FAIL	-3.64
Vanguard LifeSt Mod Grth	3.29%	-10.32%	-7.03	FAIL	-3.74

Moderate Growth Objective continued on next page

Fund Name	Avg. Net Return	Worst One-Year Performance	Difference	Pass/Fail	Efficiency Index Score
Schwab MarketTrack Bal	2.90%	-9.85%	-6.95	FAIL	-4.05
Maxim Moderate II	2.74%	-9.59%	-6.85	FAIL	-4.11
SEI Asset Divr Glob Mod A	2.39%	-9.28%	-6.89	FAIL	-4.50
New Covenant Bal Gr	2.53%	-9.88%	-7.35	FAIL	-4.82
GE Moderate Allocation	2.71%	-10.50%	-7.79	FAIL	-5.08
First Amer Str G/I All Y	2.99%	-11.37%	-8.38	FAIL	-5.39
SEI Asset Divr Mod Grth A	1.84%	-9.93%	-8.09	FAIL	-6.25
ING Strategic Allocation Moderate Fund I	1.98%	-10.25%	-8.27	FAIL	-6.29
Diversified Bal Instl	1.63%	-10.28%	-8.65	FAIL	-7.02
Russell Life Grth S	3.27%	-13.57%	-10.30	FAIL	-7.03
ING Balanced Fund I	1.92%	-10.91%	-8.99	FAIL	-7.07
JPMorgan Inv Gr & Inc S	3.15%	-13.53%	-10.38	FAIL	-7.23
Diversified Interm Long Horizon Institutional Fund	2.66%	-12.88%	-10.22	FAIL	-7.56
Federated Mod Alloc Instl	1.10%	-9.98%	-8.88	FAIL	-7.78
MTB Mgd Alloc-Mod Gr A LW	1.44%	-10.77%	-9.33	FAIL	-7.89
Wells Fargo Asset Allocation Fund**	2.38%	-12.81%	-10.43	FAIL	-8.05
TIAA-CREF Managed Alloc	1.45%	-12.09%	-10.64	FAIL	-9.19
Barclays Gbl Inv LP2020 I	1.68%	-12.59%	-10.91	FAIL	-9.23
Diversified IntLgHor Inv	1.52%	-12.53%	-11.01	FAIL	-9.49
Maxim Moderately Agg II	1.74%	-13.25%	-11.51	FAIL	-9.77
Fidelity Freedom 2020	1.93%	-13.71%	-11.78	FAIL	-9.85
DWS Moderate Alloc S	1.05%	-11.98%	-10.93	FAIL	-9.88
BB&T Cap Mgr Mod Gr I	1.51%	-12.92%	-11.41	FAIL	-9.90
Principal Inv SAM CnG Sel	2.68%	-15.70%	-13.02	FAIL	-10.34
NestEgg DJ US 2020 I	0.94%	-12.40%	-11.46	FAIL	-10.52
AdvisorOne Clermont N	0.68%	-11.91%	-11.23	FAIL	-10.55
Franklin Tem Gr Tgt Adv	2.02%	-14.65%	-12.63	FAIL	-10.61
GE Aggressive Allocation	2.02%	-15.18%	-13.16	FAIL	-11.14
M&I Aggressive Balanced Fund MAAP*	2.33%	-15.88%	-13.55	FAIL	-11.22
WF Adv DJ Tgt 2020 Adm	0.98%	-13.76%	-12.78	FAIL	-11.80
WF Adv LifeStage - Mod	0.59%	-13.27%	-12.68	FAIL	-12.09
Legg Mason P LS All 70 LW	0.25%	-18.34%	-18.09	FAIL	-17.84
AXA Ent Mod Plus Alloc Y	-0.32%	-21.55%	-21.87	FAIL	-22.19
Conservative Growth Objective:					
Appleton Group Conservative Composite	**7.79%**	**-3.80%**	**+3.99**	**PASS**	**+11.78**
Vanguard LifeSt Income	5.32%	0.12%	+5.20	PASS	+10.52
JHT Lifestyle Con I	5.89%	1.83%	+4.06	PASS	+9.95
First Amer Str Inc All Y	5.46%	-1.65%	+3.81	PASS	+9.27
Principal Inv SAM F/I AdP	5.10%	1.02%	+4.08	PASS	+9.18
Russell Life Con E	4.46%	1.84%	+2.62	PASS	+7.08
SEI Asset Divr Cons Inc A	4.13%	-1.25%	+2.88	PASS	+7.01
Principal Inv SAM CnB APf	4.90%	-3.00%	+1.90	PASS	+6.80
JPMorgan Inv Cons Gr Sel	4.41%	-2.05%	+2.36	PASS	+6.77

Conservative Growth Objective continued on next page

Fund Name	Avg. Net Return	Worst One-Year Performance	Difference	Pass/Fail	Efficiency Index Score
Columbia Life Inc&Gr Z	5.08%	-3.41%	+1.67	PASS	+6.75
Russell Life Mod S	4.58%	-2.46%	+2.12	PASS	+6.70
Barclays Gbl Inv LP2010 I	4.19%	-1.91%	+2.28	PASS	+6.47
NestEgg DJ US 2010 I	4.19%	-2.22%	+1.97	PASS	+6.16
Legg Mason P LS All 30 LW	4.41%	-2.66%	+1.75	PASS	+6.16
Maxim Conserv Profile II	3.75%	-1.39%	+2.36	PASS	+6.11
New Covenant Bal Inc	4.00%	-1.99%	+2.01	PASS	+6.01
Franklin Temp Con Tgt Adv	4.51%	-3.79%	+0.72	PASS	+5.23
Diversified ShIntHor Inv	3.56%	-2.06%	+1.50	PASS	+5.06
DWS Target 2010	3.99%	-3.76%	+0.23	PASS	+4.22
SSgA Life Solutions InGr	3.84%	-3.52%	+0.32	PASS	+4.16
Schwab MarketTrack Cons	4.02%	-4.02%	+0.00	PASS	+4.02
MTB Mgd Alloc-Con Gr A LW	2.44%	-1.13%	+1.31	PASS	+3.75
GE Conservative Alloc	3.85%	-4.27%	-0.42	FAIL	+3.43
Vanguard LifeSt Cons Gr	4.23%	-5.37%	-1.14	FAIL	+3.09
SEI Asset Divr Conserv A	3.30%	-3.85%	-0.55	FAIL	+2.75
Delaware Conserv Allc I	3.78%	-5.02%	-1.24	FAIL	+2.54
SSgA Life Inc & Grth R	3.28%	-4.17%	-0.89	FAIL	+2.39
DWS Target 2011	3.22%	-4.56%	-1.34	FAIL	+1.88
Federated Cons Alloc Ins	2.77%	-3.91%	-1.14	FAIL	+1.63
ING Strategic Allocation Conservative Fund I	3.23%	-5.81%	-2.58	FAIL	+0.65
DWS Conserv Alloc S	3.20%	-5.79%	-2.59	FAIL	+0.61
Diversified Interm Horizon Fund I	3.63%	-7.23%	-3.60	FAIL	+0.03
Fidelity Freedom 2010	2.99%	-6.85%	-3.86	FAIL	-0.87
BB&T Cap Mgr Cons Gr I	2.66%	-6.39%	-3.73	FAIL	-1.07
NestEgg DJ US 2015 I	2.48%	-7.83%	-5.35	FAIL	-2.87
DWS Target 2012	1.58%	-6.07%	-4.49	FAIL	-2.91
M&I Growth Balanced Fund MAAP*	3.37%	-10.20%	-6.83	FAIL	-3.46
WF Adv DJ Tgt 2010 Adm	2.53%	-8.98%	-6.45	FAIL	-3.92

Performance quoted represents past performance and is no guarantee of future results. Performance for the full market cycle 1/1/2000 through 12/31/2005.

The Appleton Group Portfolio 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 Portfolio 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 Portfolio Management Discipline.

The Appleton Group Composite performance information reflects weighted historic performance, uses the benefit of hindsight, and does not represent the actual performance of accounts managed by Appleton Group Wealth Management LLC. Substitutions to portfolio holdings may be made at any time to meet minimum purchase and suitability requirements.

Performance statistics have been calculated net of management fees, net of applicable expenses and net of brokerage costs using the internal iterative rate of return (dollar weighted) calculation method. While performance is compared to the benchmark indicated, client accounts may be fully invested, partially invested in cash equivalents, or invested in inverse ("bear market") funds, depending on the portfolio selected. The actual amount of time invested in the market will vary with economic conditions. Unlike an actual performance record, these performance results do not reflect the impact a client's economic circumstances might have had on the investment adviser's decision-making if the investment adviser were managing a client's money. Investors should not consider the performance data a substitute for the performance of actual client accounts, nor should investors consider this data as an indication of future performance. A complete history of our performance analysis is available upon request.

The principal value and return of exchange traded mutual 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 into the targeted investment. Performance statistics do not consider potential tax liabilities as a result of management activity. Please consult your tax advisor for further information. Appleton Group Wealth Management, LLC became the investment advisor for The Appleton Group Portfolios on April 5, 2002, with Mark C. Scheffler serving as the sole portfolio manager. Prior to that date, Mr. Scheffler managed The Appleton Group Portfolios on a non-discretionary basis while employed as a broker with Robert W. Baird & Company, Inc.

Deviation from the models will produce substantially different results.

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

Data has been obtained from sources believed to be reliable, but cannot be guaranteed. Source: Morningstar Principia Pro except as follows: *M&I Wealth Managememt (MAAP fact sheets dated 02/28/07). **Data from Wells Fargo Fund Prospectus, Administrator Class, Wells Fargo Advantace Funds^{SM} - Allocation Funds dated 02/01/07.