



# APPLETON GROUP, LLC

INVESTMENT SOLUTIONS · WEALTH MANAGEMENT  
EMPLOYER-SPONSORED PLANS

## Item 1 Cover Page

### The Appleton Group, LLC Form ADV Part 2 Disclosure Brochure

December 31, 2015

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This brochure provides information about the qualifications and business practices of **The Appleton Group, LLC**. If you have any questions about the contents of this brochure, please contact us by phone at 920.993.7727 or e-mail at [info@appletongrouponline.com](mailto:info@appletongrouponline.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or any state securities authority.

“Registration does not imply a certain level of skill or training.”

Additional information about The Appleton Group, LLC (ADVISER) is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

There are no material changes.



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## Item 4 Advisory Business

### A. About The Appleton Group, LLC

The Appleton Group, LLC (ADVISED) is an independent Registered Investment Advisor (RIA), offering objective and unbiased wealth management services to all investment management clients. We are compensated solely for the advisory services we provide to our clients, and are in no way compensated by commissions of any kind. As a small privately held firm, we are solely focused on providing investment advisory and management services and helping the investment community build and manage more consistent and profitable portfolios. We became registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940 ("the 1940 Act") in December 2003. We are notice filed in the state of Wisconsin and all other states that we are required to be noticed filed.

Appleton Advisors, LLC, a holding company, is a 100% owner of ADVISED. Mark C. Scheffler is the Senior Portfolio Manager and Chief Executive Officer of ADVISED. Mark is also a controlling owner and Managing Member of Appleton Advisors, LLC.

### B. Advisory Services

Advisor provides professional, full-time investment management services for a wide variety of clients. Our firm focuses on the task of producing meaningful investment returns over time while simultaneously managing the risk of significant declines along the way.

### C. Third Party Money Manager Program Relationships

ADVISED may serve as a third party money manager, wrap-fee manager or sub-advisor in investment management programs sponsored by unaffiliated investment advisors. In these programs, ADVISED provides asset management services or model portfolios and receives a percentage of the total fee charged by the unaffiliated investment advisor, which retains the remainder of the fee. A complete description of each of each program is described in each sponsor's disclosure brochure.

## Separately Managed Accounts

ADVISED's primary investment offerings are in the form of Separately Managed Accounts. These offerings are simply private accounts owned by an investor in which all securities are owned directly by the investor and managed by ADVISED. Each separately managed account follows a specific investment strategy, and the performance of the separate account is reported to the investor on a regular basis.

Each separately managed account is held at an independent custodian (such as Charles Schwab), which provides periodic brokerage statements directly to our clients in addition to our firm's quarterly performance report. Both the holdings and performance of each of our client accounts may be audited on a periodic basis by an independent, certified public accounting firm (at no cost to the client).

ADVISED offers a suite of separately managed account strategies:

**Core Portfolio** - The Appleton Group PLUS Composite, Tax Managed Growth Composite, and Appleton Group Composite serve as our firm's core investment lineup. These managed portfolios use the Appleton Group Wealth Management Discipline™ only, and are typically used for 50 – 100% of an investor's portfolio. Each portfolio is fully diversified using a variety of Exchange Traded Funds (ETFs), and are managed using our firm's proprietary trend-following discipline. Each portfolio has an extensive history of measurable performance through both cooperative and uncooperative market environments.

**Asset Allocation** - The Appleton Group Asset Allocation Portfolios combine any one of our firm's core investment strategies with a specific allocation to fixed income and/or money-market assets. Working with one of our firm's private client advisors, clients first choose which of our firm's core portfolio strategies best fits their particular needs and personal investing style. They then determine whether permanent exposure to additional low and no-risk assets (such as fixed income and money-market assets) may be warranted. Our firm offers six different asset allocation strategies (two for each of our core portfolio strategies).

**Focus Portfolios** – The Appleton Group Focus Portfolios target a specific market segment for investment including several world regions, a broad selection of commodities, specific U.S. Sectors, or individual companies headquartered in



specific states (such as Wisconsin). These portfolios are professionally managed by our staff of portfolio managers using clearTREND®, our firm's proprietary trend-following research application.

**Traditional Portfolios** – The Appleton Group offers a suite of three traditional “buy & hold” asset allocation portfolios comprised extensively of no transaction fee exchange-traded funds (ETFs). Available in three “flavors” (Aggressive, Moderate and Conservative), these portfolios are designed primarily for young investors with limited assets or for investors with a very long time-horizon and a high tolerance for risk.

## **Employer Sponsored Qualified Retirement Plan Program**

The Appleton Group Employer Sponsored Qualified Retirement Plan Program has been one of our firm's most successful investment programs. It offers the following professional investment advisory services to plan sponsors, plan participants:

**Investment Services.** Investment advisory consulting services to aid in establishing and documenting processes for establishing a plan's asset allocation and evaluating, selecting, monitoring and replacing investment options and providers.

**Employee Education Services.** Online and print resources, group meetings and one-on-one consulting services to encourage enrollment and help participants choose appropriate deferral rates and investment elections.

**Fiduciary Services.** Assist Plan Sponsor in fulfilling a plan's compliance with ERISA fiduciary requirements including ERISA 404(c) compliance reviews and ERISA 3(38) fiduciary services.

ADVISED now offers the Wisconsin Select 401(k) Program, within the Appleton Group Employer Sponsored Retirement Plan. The Wisconsin Select 401(k) Program is comprised exclusively of Wisconsin in-state investment managers, administrators, advisors and plan fiduciaries. ADVISED receives 0.001% of plan assets in advisory fees while serving exclusively as 3(38) Fiduciary. ADVISED may also receive advisory fees subject to our existing fee schedule (see item 5 – FEES and COMPENSATION.)

## **Appleton Group Risk Managed Growth Fund**

ADVISED also serves as the investment adviser to the Appleton Group Risk Managed Growth Fund. The Appleton Group Risk Managed Growth Fund employs an ETF trend-following discipline designed to systematically adjust the portfolio as market conditions change. This strategy seeks to invest exclusively in ETFs whose current price trend is rising, while eliminating exposure to ETFs whose current price trend is falling. The Appleton Group Risk Managed Growth fund is a no-load mutual fund. The Fund is designed to be a core component in a diversified investment portfolio, complementing other investment vehicles which may be less responsive to changing market conditions. It is available for use by a wide range of investors including individuals, corporations, trusts, endowments, foundations, institutions and corporate sponsored retirement plans.

## **clearTREND®**

clearTREND was developed exclusively through The Appleton Group, LLC and is a cutting edge investment research tool developed to help navigate today's dynamic markets, working to turn investment volatility into investment gains. This online research tool analyzes price movements for a nearly endless number of investment securities over various time periods, and calculates which time periods are best to consider when making investment decisions.

Using state-of-the-art technology, clearTREND considers an analytical technique called “Simple Moving Average Crossover,” a powerful method of comparing two or more price trends to objectively generate buy and sell recommendations. clearTREND has a powerful reporting capabilities and easy-to-use navigation.

clearTREND is used for tracking the adjustments made in Appleton Group managed portfolio(s) and for tracking and managing other portfolios such as self-directed investment portfolios, employer's company stock, or getting a second opinion on the investment recommendations made by a stockbroker, investment adviser or other advisor. clearTREND can be used for performing cutting edge market and performance research on sector trends (both in the U.S. and abroad), trends in your company's own industry, even price trends for your competitors – the possibilities are practically limitless.



## General Advisory Service Disclosures

ADVISER's Advisory Service Agreement remains in force as long as mutually agreed to by Client, The Appleton Group, LLC. The Agreement may be terminated at any time, by any of the parties to this Agreement, for any reason, upon 30 days written notice to the other parties. Upon termination, ADVISER' (and Referral Advisor, if applicable) agree to refund to Client that portion of Client's prepaid fee for which no services have been provided.

ADVISER has over \$167,500,000 of assets under discretionary management in its investment management services as of December 31, 2015. ADVISER does not manage assets on a non-discretionary basis.

### Item 5 Fees and Compensation

#### Fee Schedule Disclosures

ADVISER provides investment management services. ADVISER manages client accounts for a percentage of the assets under its management. As compensation for the advisory services that ADVISER provides to clients during each forthcoming quarterly time period, client pays ADVISER a fee on the first business day of each calendar quarter. Unless otherwise agreed, the following fee schedule applies:

#### Separately Managed Accounts

##### Investment Advisory Fees - Private Client Service

Managed Assets	Annual Advisory Fee
\$0 - \$4,999,999	1.00%
\$5,000,000 - \$19,999,999	0.70%
\$20,000,000 +	0.50%

##### Maximum Investment Management Fees within Separate Managed Accounts

Strategy	Investment Management Fee
Core Portfolio	0.60%
Asset Allocation Portfolios	0.60%
Focus Portfolios	0.60%
Traditional Portfolios	0.00%

#### Third Party Money Manager Program Relationships

The range of fees for these programs is generally between 1% & 3%, of which, ADVISER receives up to .60% of the fee. Similar services may be available elsewhere for lower fees and changes. A complete description of each program and program agreement termination provision is described in each sponsor's disclosure brochure.

#### Employer Sponsored Qualified Retirement Plan Program

##### Investment Advisory Fee Schedule

An annualized fee of up to 1.00% on Plan assets that are not segregated into self-directed brokerage accounts.

#### Appleton Group Risk Managed Growth Fund

ADVISER serves as the investment adviser to the Appleton Group Risk Managed Growth Fund. The Appleton Group, LLC receives a management fee from Appleton Group Risk Managed Growth Fund. A specified amount of Client assets may be invested in Appleton Group Risk Managed Growth Fund as an integral part of our investment management services. Client has the right, at any time, to prohibit us from investing any of their managed assets in Appleton Group Risk Managed Growth Fund. We receive an annualized fund management fee of 1.00% from the Appleton Group Risk Managed Growth Fund. Please consult the Appleton Group Risk Managed Growth Fund prospectus for additional information.



## General Advisory Service Fee Disclosures

“Assets Under Management” is defined to include: all investments and securities (including both taxable and tax-deferred), trusts, stock options, retirement plans, IRA's, custodial accounts, investment real estate, limited partnerships, and variable insurance products. Assets Under Management does not include: Client's personal use assets (such as residences and vehicles), collectibles (such as artwork and coins), defined benefit retirement plans, social security benefits, certain real estate, and closely held business interests.

Client's fee will be determined by combining the fair market value (measured on the last business day of the prior calendar quarter) of all of Client's Assets Under Management. As Client's assets actually get transferred over to ADVISER's control, or whenever Client makes a deposit in excess of \$10,000, partial time periods will be billed proportionally.

Clients who choose to have multiple investment strategies (including multiple portfolio designs, multiple implementations and multiple reviews, rebalancings, reports, revisions, and reallocations) will pay separate quarterly fees, on each strategy. Client agrees to authorize custodian(s) of Client's money, to withdraw fees from Client's account(s) and then electronically transfer these fees to Appleton Group, LLC, unless otherwise agreed.

ADVISER serves as the investment adviser to the Appleton Group Risk Managed Growth Fund. ADVISER receives a management fee from Appleton Group PLUS Fund. A specified amount of Client assets may be invested in Appleton Group Risk Managed Growth Fund as an integral part of our investment management services. Client has the right, at any time, to prohibit us from investing any of their managed assets in Appleton Group Risk Managed Growth Fund. We receive an annualized fund management fee of 1.00% from the Appleton Group Risk Managed Growth Fund. Please consult the Appleton Group Risk Managed Growth Fund prospectus for additional information. Client does not pay an Advisory Fee to ADVISER under this Agreement with respect to the assets invested in the Appleton Group Risk Managed Growth Fund for the entire period of such investment.

Client agrees to pay ADVISER a late penalty in the amount of \$100 per month or 2% per month, whichever is greater, for any fees or expense reimbursements that ADVISER receives more than ten business days late. Client agrees to pay all ADVISER's reasonable attorneys fees and collection costs if ADVISER has uncollected accounts-receivable from Client for more than a month. Client acknowledges that ADVISER will immediately stop providing all counsel services (including financial planning, portfolio design, asset allocation, rebalancing, and performance reporting) in the event that ADVISER has uncollected accounts-receivable from Client for more than a month.

For additional information on other types of fees or expenses that may be incurred in managing client accounts please refer to **Item 12 Brokerage Practices - Other Expenses and Charges**.

### Item 6 Performance Based Fees and Side-By-Side Management

ADVISER does not conduct any performance based fee advisory business or activities.

### Item 7 Types of Clients

ADVISER generally provides investment advice to the following:

- Individuals
- Mutual funds
- Profit sharing plans and participants
- Pensions and other retirement plans
- Corporations or other business entities
- Trust, estates, or other charitable organizations

ADVISER manages Separate accounts exclusively on a discretionary trading basis. ADVISER's minimum investment amount for establishing and maintaining an account is \$200,000 and an Employer Sponsored Qualified Retirement Plan is \$1,000,000. Exceptions may be granted to this minimum.



## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

**Investment Philosophy** - The Appleton Group Wealth Management Discipline™ is designed to address an investor's desire to achieve useful, meaningful portfolio returns over time with only as much investment risk as is absolutely necessary along the way. It targets net portfolio returns over time that are considered generally necessary for an individual investor to maintain distributions in retirement, for endowments/pensions to meet spending goals in perpetuity, and for pre-retirees to achieve measurable progress toward saving goals.

The Appleton Group Wealth Management Discipline™ combines two fundamental aspects to successful portfolio management: 1) What to own, and 2) When to own. It addresses the importance of investing in both "at-risk assets" and "no-risk assets," and the importance of adjusting an investor's exposure to each in response to changing market conditions.

Implementation of The Appleton Group Wealth Management Discipline™ is designed to be systematic in nature, objective, dispassionate, and most importantly is designed to produce performance characteristics that are predictable and repeatable during various market environments. The discipline seeks to efficiently balance investment risk with investment reward, systematically exposing investors to more "at-risk assets" during periods of sustained market advances, and in turn to more "risk-free assets" during periods of sustained market declines. It seeks to limit portfolio losses during market environments that are unsupportive of at-risk assets, and seeks to achieve significant market correlation during environments that are supportive of at-risk assets.

**Strategy** - All of our investment offerings utilize our time-tested, proprietary investment strategy we call The Appleton Group Wealth Management Discipline™. This strategy carefully analyzes current price trends for a wide variety of growth market segments, including U.S. Equities, Foreign Emerging Markets, U.S. Real Estate, Commodity-based Equities, and High Yield Bonds. Our exposure to each of these holdings is adjusted in real time as market conditions change.

During sustained market advances, we will often have significant exposure to these growth segments, which may comprise as much as 95% of a portfolio's holdings. However, during sustained market declines, our exposure to each segment will be either reduced significantly or eliminated altogether in favor of low risk and/or no risk investment options (such as bonds and cash).

This flexible approach to investment management has demonstrated significant advantages over less-flexible strategies, with a well-documented history of higher returns over our history with significantly less risk along the way.

ADVISER invests in cash, cash equivalents, bonds, shares of common or preferred stock, unit investment trusts, ETF's, mutual funds, options, variable annuity sub-accounts, or other alternative securities.

clearTREND® - This online research tool analyzes price movements for a nearly endless number of investment securities over various time periods, and calculates which time periods are best to consider when making investment decisions. Using state-of-the-art technology, clearTREND considers an analytical technique called "Simple Moving Average Crossover," a powerful method of comparing two or more price trends to objectively generate buy and sell recommendations. clearTREND has powerful reporting capabilities and easy-to-use navigation.

**Risk of Loss on all ADVISER Investment Strategies** - The Appleton Group Wealth Management Discipline™ prioritizes risk and return management over tax efficiency. The Appleton Group Wealth Management Discipline has a measurable performance history through all three market environments (rising markets, falling markets and stagnant markets). This performance history is rigorously documented, and includes all necessary metrics for advisors and investors to objectively evaluate the benefits and limitations of the discipline. Such metrics include mean return (net performance), beta (risk), alpha (value added by manager), standard deviation (predictability), and R-squared (market dependence needed for returns).

There are risks inherent in all financial decisions and transactions. ADVISER cannot guarantee the current or future client account performance, or the success of any investment decision or strategy that ADVISER may use with client accounts or assets. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is no assurance of future performance.

## Item 9 Disciplinary Information

ADVISER has no disciplinary information history to disclose. ADVISER Associates have no disciplinary information history to disclose.

## Item 10 Other Financial Industry Activities and Affiliations



**Mutual Fund** - ADVISER serves as advisor to **The Appleton Group Risk Managed Growth Fund**, an investment company registered under the 1940 Investment Act. The Appleton Group Risk Managed Fund employs an ETF trend-following discipline designed to systematically adjust the portfolio as market conditions change. This strategy seeks to invest exclusively in ETFs whose current price trend is rising, while eliminating exposure to ETFs whose current price trend is falling. The Appleton Group Risk Managed Growth Fund has a "Total Return" (capital appreciation plus income) investment objective. The Fund is designed to be a core component in a diversified investment portfolio, complimenting investment vehicles which may be less responsive to changing market conditions. For additional information on the Appleton Group Risk Managed Growth Fund please refer to the Fund prospectus for important information including investment objective, risks, charges and expenses. You may obtain a hard copy of the Appleton Group PLUS Fund prospectus by calling 1-866-993-7767. The Appleton Group Risk Managed Growth Fund is distributed by Quasar Distributors, LLC.

**Broker-Dealer** - ADVISER IARs may be licensed as registered representatives of Quasar Distributors, LLC (Quasar), a registered broker-dealer with the SEC and FINRA, and a member of the SIPC. Quasar Distributors, LLC, underwrites and distributes mutual funds including the Appleton Group Risk Managed Growth Fund. ADVISER and ADVISER's IARs that are licensed as registered representatives do not receive any commissions, fees or income from Quasar's activities as an underwriter and distributor of the Appleton Group Risk Managed Growth Fund.

### **Conflicts Regarding Other Financial Industry Activities and Affiliations**

ADVISER addresses these conflicts through the following Compliance Oversight Policies:

**Conflicts of Interest** - ADVISER must disclose any potential or actual conflicts of interest when dealing with clients.

**ADVISER Obligations** - ADVISER and its IARs are subject to the following specific obligations when dealing with clients:

- The duty to have a reasonable, independent basis for its investment advice;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs, and circumstances; and,
- A duty to be loyal to clients.

Mark Scheffler, Chief Executive Officer and the Chief Compliance Officer (CCO) of ADVISER and his designees are responsible for supervising ADVISER advisory accounts, planning activities and referrals to from other investment advisers. The main reports and documents the CCO reviews to supervise/review these activities are Investment Services Agreement, new account documents, trade tickets, confirmations, brokerage statements, performance reports, daily activity reports and planning documents. The CCO may delegate certain advisory compliance responsibilities to designees that report to him.

### **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Investment Advisers Act of 1940 imposes a fiduciary duty on investment advisers. As a fiduciary, ADVISER has a duty of utmost good faith to act solely in the best interests of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all ADVISER Associates to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principle underlying this Code of Ethics and represents the expected basis of all of our dealings with our clients.

This Code of Ethics consists of the following core principles:

- ADVISER Associates are expected to conduct their personal securities transactions in accordance with the ADVISER Personal Trading Policy and will strive to avoid any actual or perceived conflict of interest with the client.
- ADVISER, ADVISER Associates or related persons of ADVISER may invest in the same securities that ADVISER invests in client accounts.
- The interests of clients will be placed ahead of ADVISER's or any ADVISER Associate's own investment interests.
- ADVISER Associates will not take inappropriate advantage of their position with ADVISER.
- ADVISER Associates are expected to act in the best interest of each of our clients.
- ADVISER Associates are expected to comply with federal and state securities laws.
- ADVISER's CCO supervises the trading activities of all ADVISER Associates.

This Code of Ethics response is only intended to provide clients and potential clients with a summary description of ADVISER's Code of Ethics. If current clients or potential clients want to review ADVISER's entire Code of Ethics they may obtain a copy of it by calling ADVISER at 920.993.7727 or writing to Mark Scheffler, The Appleton Group, LLC, 100 W. Lawrence Street 3rd Floor, Appleton, WI 54911, or e-mailing ADVISER at [info@appletongrouponline.com](mailto:info@appletongrouponline.com).



## Item 12 Brokerage Practices

**Custodian/Broker-Dealer Arrangements** - If the Custodian/Broker-Dealer for an account is ADVISER directed, then ADVISER shall consider a number of factors including, without limitation, best execution, the overall direct net economic impact on account assets (including commissions which may not be the lowest available, but which will not be higher than the generally prevailing competitive range) the financial stability of the Custodian/Broker-Dealer, the efficiency with which the transaction is effected, the ability to effect the transactions where complicating factors are involved, the availability of the Custodian/Broker-Dealer to stand ready to execute possible difficult transactions in the future, and other matters involved in the receipt of brokerage and research services.

ADVISER may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. ADVISER is independently owned and operated and not affiliated with Schwab. Schwab provides ADVISER with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional.

Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For ADVISER's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to ADVISER other products and services that benefit ADVISER but may not benefit its clients' accounts. Some of these other products and services assist ADVISER in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of ADVISER fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of ADVISER accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to ADVISER other services intended to help ADVISER manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to ADVISER by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Appleton Group, LLC. While as a fiduciary, ADVISER endeavors to act in its clients' best interests, and ADVISER recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to ADVISER of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

**Client Direct Accounts** - If the Custodian/Broker-Dealer for an account is client directed, the client will have the responsibility to negotiate the terms and arrangements with the Custodian/Broker-Dealer and ADVISER will not seek better execution services through other Custodian/Broker-Dealers.

**Trading** – ADVISER allocates trades to clients in a fair and equitable manner that will be applied consistently to all clients. Personal accounts of ADVISER, its investment advisor representatives, Associates and family members will not be treated more favorably than any other client account. ADVISER will make every attempt to completely fill all block order trades. In the event where there is a partial fill of the trade the trade will be allocated as follows: Small (100 share) and odd lot positions filled in entirety then prorated across the remaining shareholders.

All variable annuities managed within the Asset Management Program by ADVISER will have their variable annuity sub-account transactions processed through the Custodian of record for the variable annuities.

**Trading Error Corrections** - It is ADVISER's policy to ensure clients are made whole following a trade error. Specifically, when a trade error occurs in a client account that results in a loss, ADVISER will reimburse the client. If the trade error was made in a client account resulting in a gain, the client will keep the gain, unless the Custodian/Broker-Dealer keeps the gain. If the trade error was made in a block trading account and client funds were not at risk and the trade results in a gain, the Custodian/Broker-Dealer keeps the gain.



**Client Direct Accounts-** If the Custodian/Broker-Dealer for an account is client or Referral Advisor directed, the client or Referral Advisor will have the responsibility to negotiate the terms and arrangements with the Custodian/Broker-Dealer and ADVISER will not seek better execution services through other Custodian/Broker-Dealers.

**Other Expenses and Charges** - Custodian/Broker-Dealer fees, expenses, and commission charges can either be separate and distinct from the fees charged by ADVISER, or included within the client account Management Fees. The Custodian/Broker-Dealer fee, expense, and commission charge arrangement is disclosed to the client when the client enters into an Asset Management Program Agreement with ADVISER.

Clients may incur certain charges imposed by third parties other than ADVISER in connection with investments placed in the account, including but not limited to IRA and Qualified Retirement Plan Fees, and other Custodian/Broker-Dealer fees, expenses, and commission; and mutual fund and variable annuity internal expenses, commissions, sales loads, 12(b)-1 fees, trail fees and surrender charges. ADVISER does not participate in such compensation arrangements. The purchase of mutual fund shares in client's account can result in certain processing and mailing charges that are not incurred when shares are purchased directly from the mutual fund company.

### **Item 13 Review of Accounts**

**Reviews** - Mark Scheffler, Chief Executive Officer, the Chief Compliance Officer (CCO) of ADVISER and staff designees are responsible for reviewing ADVISER's asset management accounts. As a general rule, ADVISER will obtain financial information from prospective clients to determine the appropriate ADVISER Investment Strategies. ADVISER's CCO or staff designees will perform the initial review of client accounts.

ADVISER will consult with clients regarding client accounts as the need arises or when special situations are noted. Clients establishing and maintaining Asset Management Program accounts will have their accounts reviewed at least quarterly unless changes in a client's financial situation or changes in the market conditions trigger a more frequent review. Both the holdings and performance of each of our client accounts may be audited on an annual basis by an independent, certified public accounting firm (at no cost to the client).

**clearTREND®** is only an online research tool that analyzes price movements for a nearly endless number of investment securities over various time periods, and calculates which time periods are best to consider when making investment decisions. ADVISER does not conduct suitability reviews of **clearTREND** portfolios established by clients.

**Reports** - Clients receive quarterly performance reports from ADVISER describing account performance and holdings. Clients will receive a monthly account statement from the Custodian showing the account activity as well as positions held in the account at month's end. No less than on a quarterly basis, client will receive a statement from the Custodian for transactions and holdings.

The main reports and documents the CCO or the firms designees, review are completed asset management agreements, new account documents, suitability updated forms, transaction reports, monthly/quarterly Custodian/Broker-Dealer statements, and performance reports.

### **Item 14 Client Referrals and Other Compensation**

### **Item 15 Custody**

ADVISER has custody of client assets due only to our ability to deduct fees from client accounts. The Broker-Dealer/Custodian of client assets sends account statements directly to clients. Clients receive account statements from the Broker-Dealer/Custodian. Clients should carefully review those statements. Under no other circumstance does ADVISER have custody of client assets outside of our ability to deduct fees from client accounts.

### **Item 16 Investment Discretion**

ADVISER uses discretionary trading authority to buy, sell and direct investments within the client accounts, including reinvestment of proceeds from assets sold and income attributable to client accounts, in cash, cash equivalents, bonds,



shares of common or preferred stock, unit investment trusts, ETF's, mutual funds, options, variable annuity sub-accounts, or other alternative securities selected by ADVISER for client accounts.

### **Item 17 Voting Client Securities**

As a general rule, ADVISER will not exercise proxy-voting authority over the securities held in client accounts or qualified retirement plan assets. The obligation to vote client proxies shall at all times rest with the clients. However, clients may contact ADVISER for advice or information about a particular proxy vote. ADVISER shall not be deemed to have proxy-voting authority solely as a result of providing such advice to a client. Should ADVISER inadvertently receive proxy information for a security held in a client account or qualified retirement plan, such information shall be immediately forwarded to client.

The only exception to ADVISER's proxy voting policy is where ADVISER serves as advisor to the Appleton Group Risk Managed Growth Fund, an investment company registered under the 1940 Investment Act. The Board of Trustees has adopted proxy voting policies and procedures ("Proxy Policies") wherein the Trust has delegated to ADVISER the responsibility for voting proxies relating to portfolio securities held by the Fund as part of its investment advisory services, subject to the supervision and oversight of the Board of Trustees.

### **Item 18 Financial Information**

ADVISER has no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.



## PRIVACY POLICY NOTICE

**The Appleton Group, LLC takes your privacy very seriously. We have a commitment to protect your privacy and the confidentiality of your personal and financial information.**

At The Appleton Group, our most important asset is our relationship with you. We are honored that you have entrusted us with your financial affairs, and we are committed to safeguarding the privacy of the information we maintain about you. Establishing and adhering to an effective privacy policy is an important part of that dedication. As providers of products and services that involve compiling personal — and sometimes, sensitive — information, protecting the confidentiality of that information has been, and will continue to be, a top priority throughout Appleton Group and its affiliated custodians. Whether you are a current client, former client, or a potential client, we believe that you should know about the information we collect, the measures we take to safeguard it, and the situations in which we might share information with select business partners. This notice explains how The Appleton Group handles — and protects — the personal information we collect. Our privacy promise derives from basic principles of trust, ethics, and integrity:

### **1. We collect only the client information necessary to consistently deliver responsive products and services.**

The Appleton Group collects information that helps serve your financial needs; provide high standards of customer service; develop and offer new products or services for our customers and potential clients; and fulfill legal and regulatory requirements. The information collected generally varies depending on the products or services you request and may include:

- Information provided in personal interviews or on applications and related forms, for example, name, address, Social Security number and annual income.
- Responses from your employer or benefit plan sponsor regarding any investment products we may provide, for example, name, age, address and Social Security number.
- Information about your relationships with us, such as products or services purchased, and account balances (if applicable), which we may obtain in writing, during telephone or Internet transactions.

### **2. We maintain safeguards to ensure information security.**

We have implemented security standards and processes — including physical, electronic and procedural safeguards — to ensure that access to client information is limited to select employees who may need it to do their jobs. They are required to respect the confidentiality of all client information.

### **3. We limit how, and with whom, we share client information.**

First and foremost, we do not sell lists of our clients, nor do we disclose client information to marketing companies with the exception of companies we may hire to provide specific services for us, as described below. We will share client information only for the following reasons: When it is necessary to disclose information to third parties to effect, administer, or enforce a transaction that you request or authorize — for example, when we provide information we collect to a custodian company from which you wish to purchase shares. When you have requested a insurance product, the insurance company may use a common application; in this way, the information you provide and authorize us to obtain may subsequently be used by one or all of these companies as necessary to determine — and offer to you — the product most appropriate for your needs. We may be required by law or regulation to disclose information to third parties — for example, in response to a subpoena; to prevent fraud; and to comply with rules of, or inquiries from, industry regulators. In some cases, we may share information we collect — for example, name, address, age and Social Security number, with other businesses such as our securities broker-dealers/custodians or insurance companies and agencies to process or service a transaction you have requested, to facilitate enhanced client services. The Appleton Group will not share information about you with another company unless you so direct us, or unless we ask you beforehand and give you a chance to say no. Furthermore, as permitted by federal and state laws, we may share or exchange information with companies engaged to work with us, such as:

- Third-party administrators and vendors hired to effect administer or enforce a transaction that you request or authorize; to develop or maintain software; or to perform marketing research.
- Financial services entities, insurance companies, or securities broker-dealers/custodians, with which we have joint marketing agreements. The information we may share is described in Section 1.
- We won't share information about you with third parties to market products to you. We uphold these privacy principles throughout The Appleton Group and with our business partners.

Companies with which we share client information are required to maintain the confidentiality of that information. In those states where privacy or consumer information laws are more restrictive than our privacy policy, we will restrict our sharing of your information to comply with state law. We will reaffirm this policy annually in writing, as long as you maintain an ongoing relationship with The Appleton Group. This policy may change from time to time. We will notify you in writing when a change occurs. In this notice of our privacy promise, the words “you” and “client” are used to mean any individual who obtains or has obtained a financial product or service from The Appleton Group that is to be used primarily for personal, family or household purposes.



#### **4. Greater Accuracy Means Better Protection:**

We are committed to keeping accurate, up-to-date records to help ensure the integrity of the information we maintain about you. If you identify an inaccuracy in this information, or if you need to make a change to it, please contact us promptly by calling The Appleton Group at 920-993-7727 or 1-866-993-7727.





# APPLETON GROUP, LLC

INVESTMENT SOLUTIONS · WEALTH MANAGEMENT  
EMPLOYER-SPONSORED PLANS



Mark C. Scheffler  
Senior Portfolio Manager & Principal

## **Mark C. Scheffler**

Senior Portfolio Manager, Principal and Chief Executive Officer

### **The Appleton Group, LLC**

Form ADV Part 2 Disclosure Brochure Supplement

December 31, 2015

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**Phone:** 920.993.7727, Extension 14

**Fax:** 920.993.7779

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This Disclosure Brochure Supplement provides information about **Mark C. Scheffler** that supplements the **The Appleton Group, LLC** Form ADV Part 2 Disclosure Brochure referenced above. If you have any questions about the contents of this Disclosure Brochure Supplement, please contact us by phone at 920.993.7727 or e-mail at [info@appletongrouponline.com](mailto:info@appletongrouponline.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or any state securities authority.

Additional information about **Mark C. Scheffler** also is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

Born: 1969

### **Education**

**Lawrence University**, Appleton, WI, Bachelor of Arts in Music, attended from 1988 to 1992

## **Business Background over the last five (5) years**

The Appleton Group, LLC, Registered Investment Adviser  
Position: Senior Portfolio Manager, Principal and Chief Executive Officer, from April 2002 to Present. Mark founded The Appleton Group, LLC in April 2002. Mark's commitment to objective, independent wealth management led him to establish The Appleton Group LLC in April of 2002. With 20 years of experience in the financial services industry, Mark serves as portfolio manager for our private client group, and co-manages all assets held by our proprietary mutual fund and our separately managed account clients. His responsibilities include risk analysis, asset allocation, market research, and institutional client development.

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**Robert W. Baird & Company, a Registered Broker-Dealer**

**Position: Registered Representative, from December 1995 to March 2002.** Mark sold securities and insurance products through Robert W. Baird & Company from 1995-2002.

**Disciplinary Information**

Mark C. Scheffler has no disciplinary information history to disclose.

**Other Business Activities**

Mark has no outside business activities. His professional business activities are dedicated to his duties with The Appleton Group, LLC.

**Additional Compensation**

Mark C. Scheffler is an author. He wrote a book on investing entitled "On the Right Side of the Market." Outside of his writing, he has no additional compensation.

**Supervision**

Mark C. Scheffler is supervised by Karen Anderson, Chief Operations Officer and Chief Compliance Officer for The Appleton Group, LLC. Ms. Anderson's contact information is:

Address: 100 W. Lawrence Street, Suite 306, Appleton, WI 54911

Phone number: 920.993.772, Ext. 10

E-mail: kanderson@appletongrouponline.com





## APPLETON GROUP, LLC

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Peter Mutschler  
Co-Portfolio Manager &  
Director of Trading

### **Peter A. Mutschler**

Co-Portfolio Manager, Director of Trading

### **The Appleton Group, LLC**

### **Form ADV Part 2 Disclosure Brochure Supplement**

December 31, 2015

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This Disclosure Brochure Supplement provides information about **Peter A. Mutschler** that supplements the The **Appleton Group, LLC** Form ADV Part 2 Disclosure Brochure referenced above. If you have any questions about the contents of this Disclosure Brochure Supplement, please contact us by phone at 920.993.7727 or e-mail at [info@appletongrouponline.com](mailto:info@appletongrouponline.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or any state securities authority. Additional information about **Peter A. Mutschler** also is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience**

Born: 1966

#### **Education**

The University of Wisconsin – Madison, WI, Bachelor of Arts in English, attended from 1984-1989.

#### **Business Background over the last five (5) years**

The Appleton Group, LLC, Registered Investment Adviser  
Position: Co-Portfolio Manager, Director of Trading, from April 2005 to Present. Peter serves as co-portfolio manager, performing all investment management activities including daily market research, trading, asset allocation, and position reconciliation. Peter serves as an additional resource to the advisory community, offering his expertise and intensive knowledge of The Appleton Group Wealth Management Discipline™ to investment advisors and consultants.

#### **Quasar Distributors, LLC, Distributor/Broker-Dealer**

**Position: Registered Representative, from June 2006 to July 1, 2013.**

He holds the following Securities license: Series 65.



## **Disciplinary Information**

Peter A. Mutschler has no disciplinary information history to disclose.

## **Other Business Activities**

Peter has no outside business activities. His professional business activities are dedicated to his duties with The Appleton Group, LLC.

## **Additional Compensation**

Peter has no additional compensation.

## **Supervision**

Peter A. Mutschler is supervised by Mark C. Scheffler, Senior Portfolio Manager, Principal and Chief Executive Officer for The Appleton Group, LLC as well as Karen M. Anderson, Chief Operations Officer and Chief Compliance Officer. Their contact information is:

Address: 100 W. Lawrence Street, Suite 306, Appleton, WI 54911

Phone number: 920.993.7727

Mark is ext. 14 and Karen is ext. 10

E-mail: mscheffler@appletongrouponline.com & kanderson@appletongrouponline.com





## APPLETON GROUP, LLC

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Wendy Hoeft  
Sr. Private Client Advisor &  
Advisor to Employer Plans

### **Wendy M. Hoeft**

Sr. Private Client Advisor &

Advisor to Employer Plans

### **The Appleton Group, LLC**

#### **Form ADV Part 2 Disclosure Brochure Supplement**

December 31, 2015

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This Disclosure Brochure Supplement provides information about **Wendy M. Hoeft** that supplements the The **Appleton Group, LLC** Form ADV Part 2 Disclosure Brochure referenced above. If you have any questions about the contents of this Disclosure Brochure Supplement, please contact us by phone at 920.993.7727 or e-mail at [info@appletongrouponline.com](mailto:info@appletongrouponline.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or any state securities authority. Additional information about **Wendy M. Hoeft** also is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience**

Born: 1954

#### **Education**

Kent State: 1971 – 1972, French Studies.

California College for Health Sciences: 1984 – 1985, Respiratory Therapy.

### **Business Background over the last five (5) years**

The Appleton Group, LLC, Registered Investment Adviser

Position: Sr. Private Client Advisor & Advisor to Employer Plans, from January 2006 to Present. Wendy serves as a private client advisor, with expertise in the financial needs of families and in serving the company-sponsored retirement plan market. Prior to joining The Appleton Group LLC, Wendy focused on individual wealth management services, advising plan sponsors and assisting plan participants at Members Financial Services through CUNA Brokerage Services. Wendy began her career in wealth management with Robert W. Baird & Co. Inc. in 1997.



Wendy earned the AIF® Designation from the Center for Fiduciary Standards. The AIF Designation certifies she has specialized knowledge of fiduciary standards of care and their application to the investment management process.

**Quasar Distributors, LLC, Distributor/Broker-Dealer**

**Position: Registered Representative, from January 2006 to July 1, 2013.**

She holds the Series 65 Securities license.

**Disciplinary Information**

Wendy M. Hoeft has no disciplinary information history to disclose.

**Other Business Activities**

Wendy has no outside business activities. Her professional business activities are dedicated to her duties with The Appleton Group, LLC.

**Additional Compensation**

Wendy has no additional compensation.

**Supervision**

Wendy M. Hoeft is supervised by Mark C. Scheffler, Senior Portfolio Manager, Principal and Chief Executive Officer for The Appleton Group, LLC as well as Karen M. Anderson, Chief Operations Officer and Chief Compliance Officer. Their contact information is:

Address: 100 W. Lawrence Street, Suite 306, Appleton, WI 54911

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Mark is ext. 14 and Karen is ext. 10

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## APPLETON GROUP, LLC

INVESTMENT SOLUTIONS · WEALTH MANAGEMENT  
EMPLOYER-SPONSORED PLANS



Alexander Hunt  
Private Client Advisor and  
Advisor to Employer Plans

### **Alexander J. Hunt**

Private Client Advisor and Advisor to Employer Plans

### **The Appleton Group, LLC**

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December 31, 2015

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This Disclosure Brochure Supplement provides information about **Alexander J. Hunt** that supplements the **The Appleton Group, LLC** Form ADV Part 2 Disclosure Brochure referenced above. If you have any questions about the contents of this Disclosure Brochure Supplement, please contact us by phone at 920.993.7727 or e-mail at [info@appletongrouponline.com](mailto:info@appletongrouponline.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or any state securities authority.

Additional information about **Alexander J. Hunt** also is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience**

Born: 1988

#### **Education**

**Northwestern University**, Evanston, IL, Bachelor of Arts in Psychology with an emphasis in music, graduated December 2013

#### **Business Background over the last five (5) years**

The Appleton Group, LLC, Registered Investment Adviser

Position: Private Client Advisor and Advisor to Employer Plans, from March 2015 to Present. Research Associate from February 2014 to March 2015. Alexander joined our firm's research staff in February 2014 and has quickly risen to the role of private client advisor and advisor to corporate 401(k) and other retirement plans. Alexander serves his clients with a deep understanding of our firm's flexible investment management discipline as well as our financial planning process. He brings a unique perspective to our advisory team, having majored in psychology and minored in music at

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Northwestern University. Alexander is a life-long Wisconsin resident, and enjoys playing music, reading and fishing. Prior to 2014, Alexander was a student at the Northwestern University, Evanston.

He holds the following Securities license: Series 65.

### **Disciplinary Information**

Alexander J. Hunt has no disciplinary information history to disclose.

### **Other Business Activities**

Alexander has no outside business activities. His professional business activities are dedicated to his duties with The Appleton Group, LLC.

### **Additional Compensation**

Alexander has no additional compensation.

### **Supervision**

Alexander J. Hunt is supervised by Mark C. Scheffler, Senior Portfolio Manager, Principal and Chief Executive Officer for The Appleton Group, LLC as well as Karen M. Anderson, Chief Operations Officer and Chief Compliance Officer. Their contact information is:

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