



# APPLETON GROUP, LLC

INVESTMENT SOLUTIONS · WEALTH MANAGEMENT  
EMPLOYER-SPONSORED PLANS · CHARITABLE

## Appleton Group - Tax Managed Growth Portfolio

Strategy Inception: 1/1/2000; GIPS® Inception: 1/1/2006  
Data as of 12/31/2018

**OBJECTIVE:** Tax-efficient total return (capital appreciation plus income)

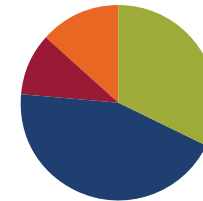
**INVESTMENT STRATEGY:** The Appleton Group Tax Managed Growth Portfolio combines an ETF trend-following discipline designed to systematically adjust the portfolio as market conditions change with a tax-advantaged strategy using high dividend paying exchange traded funds (ETFs). This strategy seeks to invest exclusively in exchange traded funds (ETFs) whose current price trend is rising, while eliminating exposure to ETFs whose current price trend is falling.

**SUITABILITY:** This risk-managed strategy is designed to be a core component for high income-earning investors with a longer-term time horizon. It is most frequently used in taxable accounts and trusts, and balances risk-managed growth, current income and tax efficiency.

### PORTFOLIO STATISTICS:

Portfolio Weighted Average Expense	0.11%
Estimated Annual Trading Expense	\$85
Target Yield	2.04%
Best Calendar-Year Return	+15.10%
Worst Calendar-Year Return	-11.27%

### ASSET ALLOCATION:



Asset Class	Aggregate%
Cash	32.3%
U.S. Equities	44.3%
Foreign Equities	10.2%
Bear Market	13.2%

### CURRENT HOLDINGS:

		Target	Actual
SPDR S&P 500 (SPY)	●	19.0%	21.1%
iShares Russell 1000 Value (IWD)	●	18.0%	17.3%
Schwab U.S. Large-Cap Growth ETF (SCHG)	●	23.0%	0.0%
Schwab International Equity ETF (SCHF)	●	12.0%	0.0%
Schwab Emerging Markets Equity ETF (SCHE)	●	10.0%	10.2%
Schwab U.S. Small-Cap ETF (SCHA)	●	7.0%	0.0%
iShares Russell 2000 Value (IWN)	●	6.0%	5.9%
Bear Market Securities	●	-	13.2%
Cash & Cash Equivalents	●	5.0%	32.3%

### ACTUAL PERFORMANCE

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Q4 2018	YTD 2018
Tax Managed Growth Portfolio	+13.33%	-5.04%	-8.36%	+9.52%	+1.82%	-11.27%	+11.84%	+11.34%	+2.74%	-3.73%	+4.32%	+15.10%	-8.97%	-5.99%
Morningstar US Tactical Fund Category	+16.72%	+6.85%	-23.59%	+20.30%	+10.53%	-3.36%	+9.45%	+8.62%	+2.41%	-5.93%	+5.99%	+12.63%	-9.24%	-7.68%

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Not FDIC Insured • May Lose Value  
No Financial Institution Guarantee

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**Benchmark Description:**

**Morningstar US Tactical Fund Category** - The Morningstar US Tactical Fund Category is a composite of global risk-managed strategies and represents a "best-fit" benchmark for the portfolio. You cannot invest directly in a category.

The benchmark is not intended as direct comparisons to the performance of the portfolio. Instead, it is intended to represent the performance of certain sectors of the overall securities market (e.g. equities, bonds, etc.), so that an investor may compare the effects of material market or economic conditions on the results portrayed. Respectively, the volatility and performance of the reported benchmark may be greater than or less than the volatility and performance of the investment portfolio.

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**Actual Performance Information:**

1. Actual performance quoted represents past performance and is no guarantee of future results.
2. Actual performance statistics for 1/1/2006-present represents actual client performance calculated using the Global Investment Performance Standards (GIPS).
3. While performance is compared to the benchmark indicated, client accounts may be fully invested, partially invested in cash equivalents, invested in inverse ("bear market") funds and/or "short" the market, depending on the portfolio selected. The actual amount of time invested in the market will vary with market conditions.
4. The principal value and return of ETFs 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. Performance statistics do not consider potential tax liabilities as a result of management activity. Please consult your tax advisor for further information.
5. Deviation from the models has produced and will produce substantially different results.
6. The Equal-Weighted Dispersion is 0.71.
7. Actual performance quoted is net of management fees, trading costs and investment expenses.
8. An investment pursuant to this strategy is subject to market risk and an investor may experience loss of principal.
9. There are 15 accounts in AG Tax Managed Portfolio; Market Value of \$11.8 million which is 6.6% of Firm Assets which are \$179.080 million as of December 31, 2018.

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**Principal Risks:***Loss of Money*

An investor may lose money when he or she buys or sells the investment, including part of the principal.

*Market Volatility*

The market value of the portfolio's securities may fall rapidly or unpredictably due to changing economic, political or market conditions.

*Active Management*

Performance is subject to the risk that the advisor's investment strategies are not suited to achieving the investment objective or do not perform as expected, which may cause the portfolio to lose value or underperform investments with similar objectives/strategies.

*Portfolio Turnover*

Active trading may create portfolio turnover of 100% or more, potentially resulting in increased transaction costs.

*Exchanged Traded Funds (ETFs)*

Assets invested in ETFs generally reflect the risks of owning the underlying securities they are designed to track, although they may be subject to greater liquidity risks and higher costs than owning the underlying securities directly due to their management fees.

*Portfolio of Funds*

A portfolio's risks are closely associated with the risks of the securities held by underlying funds. The ability of the portfolio to meet its investment objective depends on the ability of the underlying funds to meet theirs.

**General Disclosures:**

The Appleton Group Portfolios are not mutual funds. As market conditions fluctuate, the investment return and principal value of any investment will change. Before investing in any investment portfolio, the client and financial advisor should carefully consider the client's investment objective, time horizon, risk tolerance, and fees. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Appleton Group LLC utilizes ETFs as the primary underlying investment vehicle. Since each Appleton Group LLC portfolio is a "portfolio of funds" an investor will indirectly bear fees and expenses charged by the underlying ETFs and investment companies in which Appleton Group LLC invests in addition to the Appleton Group LLC's fees and expenses. The investment's performance may be impacted by its concentration in a certain type of security, adherence to a particular investing strategy or unique aspect of its structure and costs.

Performance results for clients invested pursuant to this proposal will vary due to market conditions and other factors, including cash flows, fund allocations, frequency and precision of rebalancing, cash balances, varying custodial fees, and the timing of fee deductions. As a result, actual performance for client accounts may differ materially from, and may be lower than, that of this presentation.

Part of the information in this presentation is based on data received from third parties and has not been independently verified as accurate. Such Information is believed to be reliable but is not guaranteed.

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The cumulative effect of fees and expenses can substantially reduce the growth of your investments. Fees and expenses are only one of the many factors to consider when you decide to invest. Please consider whether an investment in a particular managed strategy, along with your other investments, will help you achieve your financial goals.