December 31, 2013

Successful Portfolios LLC

Registered Investment Advisors

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Select Directional ETF Model

The Select Directional Model

As investors grow fearful, they sell riskier assets, like stocks, and buy safe haven assets such as U.S. Treasuries and gold. When investors grow more confident, they seek higher returns by re-investing in stocks. We designed the Select Directional ETF Model (SD Model) with a simple premise, buy the best performing assets and sell the laggards. The SD Model begins with eleven strategically selected ETFs, each representing a distinct asset class. The SD Model's objective ranking system and rebalancing rules ensure the portfolio stays invested in only the three highest ranked ETFs. A white paper with more information regarding the SD Model is available at http://successfulportfolios.com.

Portfolio Managers

H. Parker Evans, CFA, CMT

- Thirty years of experience as a professional investment advisor
- Chartered Financial Analyst (CFA), Chartered Market Technician (CMT)
- MBA from Nova Southeastern University in 1987, B.A. Economics from Eckerd College in 1982
- Co-founded Successful Portfolios LLC, February 2010

Bradley E. Norbom, CFA

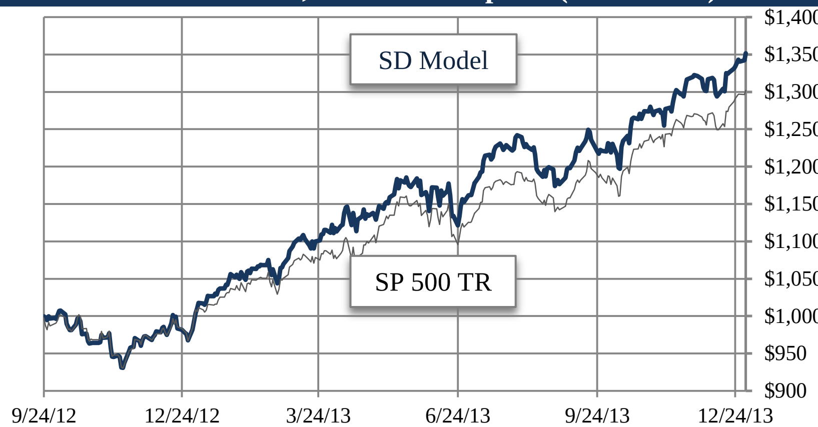
- Fifteen years of professional investment experience
- Author of *The Low Beta Model* and *The Select Directional ETF Model* white papers
- Chartered Financial Analyst (CFA)
- Bachelor of Science in Finance from the University of South Florida in 1995

Return and Risk Measures

Inception Date	**9/24/2012**
As of Date	**12/31/2013**
Total Net Assets	**$1,917,153**
No. of Assets Held	**3**

Returns	**SD Model**	**Benchmark**
Since Inception	35.16%	30.18%
Year to Date	37.68%	32.39%
Risk		
Portfolio Beta	1.006	1.000
Monthly Annualized Volatility from Incpt.	11.9%	11.5%

Growth of $1,000 from Inception (Net of Fees)



Summary of Actual Monthly Returns (Net of Fees)

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	SD Model	6.93%	1.47%	4.74%	1.79%	2.32%	-0.81%	6.19%	-3.87%	3.73%	3.98%	4.13%	2.29%	37.68%
	SP 500 Total Return	5.18%	1.36%	3.75%	1.93%	2.34%	-1.34%	5.09%	-2.90%	3.14%	4.60%	3.05%	2.53%	32.39%
2012	SD Model									-0.32%	-3.19%	0.84%	0.88%	-1.84%
	SP 500 Total Return									-1.30%	-1.85%	0.58%	0.91%	-1.67%

Historical Assets

Month Ending	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
	XLF	XLF	XLF	XLF	XLP	XLF	XLF	XLF	XLF	XLF	XLF	XLI	XLI
	XLV	XLV	XLV	XLV	XLV	XLV	XLV	XLV	XLV	XLV	XLV	XLV	XLV
	XLY	XLY	XLY	XLY	XLY	XLY	XLY	XLY	XLY	XLY	XLY	XLY	XLY

List of Select Directional Model Strategic Assets

ETF Ticker - Sector	Asset Class	Descriptions from the Respective ETF Fact Sheets
XLY-Consumer Discretionary[1]	Stock	Industries such as automobiles and components, consumer durables, apparel, hotels, restaurants, leisure, media, and retailing are primarily represented in this group. The Index includes McDonald's, Walt Disney Co., and Comcast.
XLP-Consumer Staples	Stock	The companies in this sector are primarily involved in the development and production of consumer products that cover food and drug retailing, beverages, food products, tobacco, household products, and personal products. Component stocks include Wal-Mart, Proctor & Gamble, Philip Morris International, and Coca-Cola.
XLE-Energy	Stock	Energy companies in this Index primarily develop and produce crude oil and natural gas, and provide drilling and other energy-related services. Leaders in the group include ExxonMobil Corp., Chevron Corp, and ConocoPhillips.
XLF-Financials	Stock	A wide array of diversified financial service firms are featured in this sector with business lines ranging from investment management to commercial and investment banking. Among the companies included in the Index are JPMorgan Chase, Wells Fargo, and BankAmerica Corp.
XLV-Health Care	Stock	Companies in this sector primarily include health care equipment and supplies, health care providers and services, biotechnology, and pharmaceuticals industries. Pfizer Inc., Johnson & Johnson, and Abbott Labs are included in this sector's mix.
XLI-Industrials	Stock	General Electric Co., Minnesota Mining & Manufacturing Co., and United Parcel are among the largest components by market capitalization in this sector. Industries in the Index include aerospace and defense, building products, construction and engineering, electrical equipment, conglomerates, machinery, commercial services and supplies, air freight and logistics, airlines, marine, road and rail, and transportation infrastructure companies.
XLB-Materials	Stock	This Index is primarily composed of companies involved in such industries as chemicals, construction materials, containers and packaging, metals and mining, and paper and forest products. Among its largest components are Monsanto, E.I. DuPont de Nemours & Co., and Dow Chemical Co.
XLK-Technology	Stock	Stocks primarily covering products developed by internet software and service companies, IT consulting services, semiconductor equipment and products, computers and peripherals, diversified telecommunication services and wireless telecommunication services are included in this Index. Components include Microsoft Corp., AT&T, International Business Machines Corp., and Cisco.
XLU-Utilities	Stock	The Utilities Index primarily provides companies that produce, generate, transmit or distribute electricity or natural gas. The component companies include Exelon Corp., Southern Co., and Dominion Resources Inc.
GLD-Gold[2]	Gold	SPDR® Gold Shares (GLD) offer investors an innovative, relatively cost efficient and secure way to access the gold market. Originally listed on the New York Stock Exchange in November of 2004, and traded on NYSE Arca since December 13, 2007, SPDR® Gold Shares is the largest physically backed gold exchange traded fund (ETF) in the world.
SHY-Short Term Treasuries[3]	Bonds	The iShares Barclays 1-3 Year Treasury Bond Fund (SHY) seeks to approximate the total rate of return that correspond generally to the price and yield performance, before fees and expenses, of the short-term sector of the United States Treasury market as defined by the Barclays U.S. 1-3 Year Treasury Bond Index.

[1] For more information and the risks associated with Select Spider ETFs, visit http://www.sectorspdr.com/
[2] For more information and the risks associated with SPDR Gold Shares, visit http://www.spdrgoldshares.com/

[3] For more information and the risks associated with the Barclays 1-3 Year Treasury Bond ETF, visit http://us.ishares.com/product_info/fund/overview/SHY.htm

Additional Information

Total Net Assets - Includes only the fee paying accounts invested in the SD Model.
Portfolio Beta - calculated from daily returns using the Excel formula =Slope(y,x).
Monthly Annualized Volatility - Calculated as the standard deviation of monthly returns multiplied by the square root of 12.
A **cash balance** is included when calculating Total Returns. The SD Model's cash balance is typically 1% of the portfolio.
Benchmark - The benchmark for the SD Model is the S&P 500 Total Return Index, Bloomberg Symbol <SPXT INDEX>.

Firm Definition

Successful Portfolios LLC is an independent Registered Investment Advisor formed in February 2010. Successful Portfolios LLC has no affiliations with any other investment advisors. For further information regarding our firm, fee structure, and our qualifications, please visit www.successfulportfolios.com.

Risks

Past or simulated results are not necessarily indicative of future performance. While we took steps to mitigate hindsight bias when developing the SD Model, SD simulated performance was nonetheless performed on historical data. We believe the data provided by Portfolio 123 to be accurate; however, we can make no guarantee of past or future data reliability.