



## 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. As they 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 containing more information regarding the SD Model is available at <http://successfulportfolios.com>.

## Portfolio Manager

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

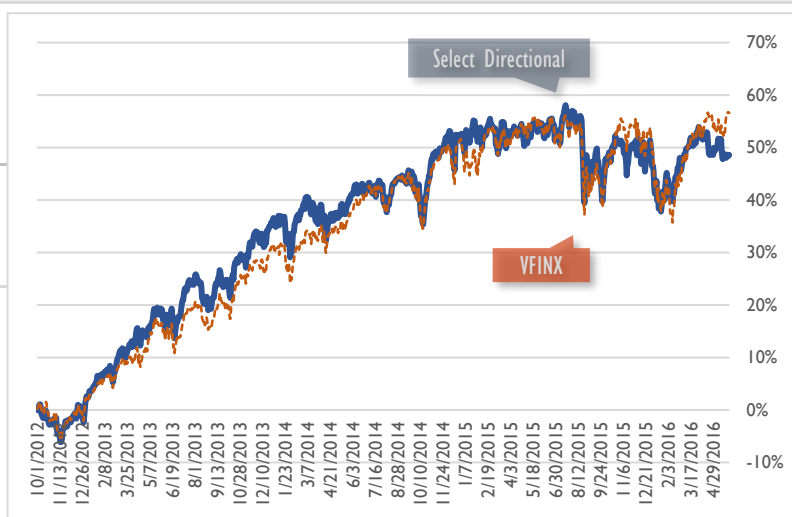
## Return and Risk Measures

Composite Inception	10/1/2012
As of Date	5/31/2016
Total Net Assets	\$2,271,518
No. of Securities Held	3

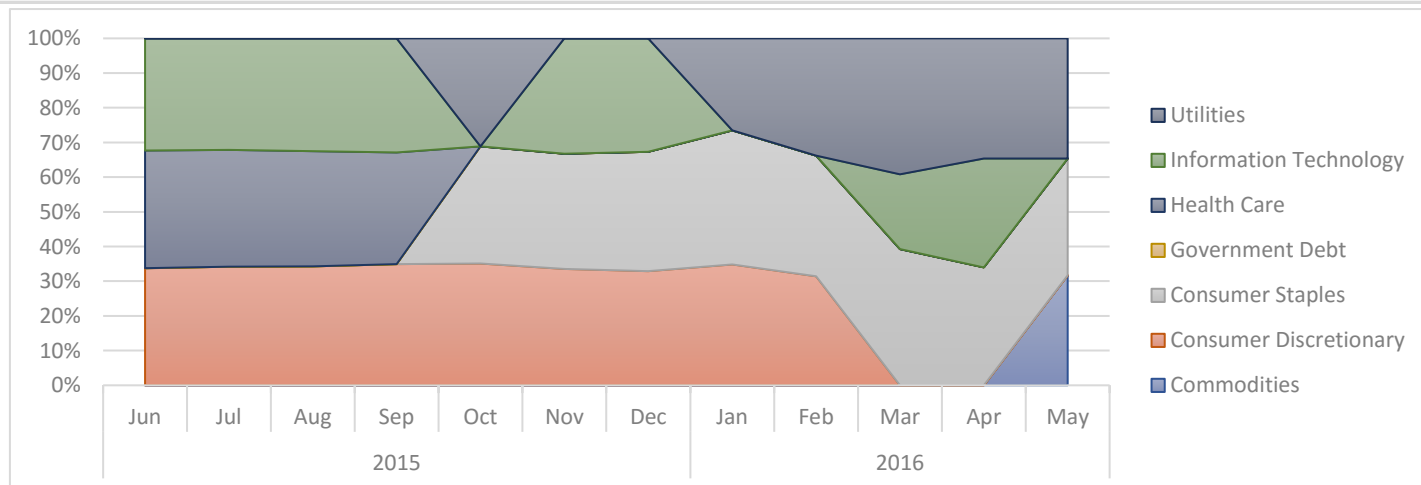
Total Returns	SD Model	Benchmark
Since Inception	48.6%	56.6%
Year to Date	-0.1%	3.5%

Risk		
1 Yr Portfolio Beta	0.85	1.00
1 Yr Daily Annualized	0.96%	1.01%
Volatility		
Max Draw Down	-10.60%	-11.16%

## Net of Fees Total Return from Inception



## Historical Sector Walk



## Summary of Actual Monthly Returns (Net of Fees)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	Select Directional	-2.88%	0.87%	5.03%	-2.85%	-0.02%								-0.07%
	VFINX Total Return	-4.98%	-0.16%	6.79%	0.37%	1.77%								3.48%
2015	Select Directional	0.09%	1.90%	-1.39%	-1.01%	2.37%	-1.37%	3.45%	-6.57%	-2.54%	5.40%	-0.56%	-0.78%	-1.53%
	VFINX Total Return	-3.02%	5.73%	-1.57%	0.97%	1.27%	-1.92%	2.08%	-6.04%	-2.49%	8.43%	0.29%	-1.59%	1.30%
2014	Select Directional	-3.15%	5.36%	-1.11%	-0.20%	2.49%	0.78%	-1.49%	3.12%	-0.28%	2.38%	3.06%	-0.59%	10.54%
	VFINX Total Return	-3.47%	4.56%	0.82%	0.72%	2.34%	2.04%	-1.40%	3.99%	-1.42%	2.42%	2.71%	-0.26%	13.51%
2013	Select Directional	6.92%	1.46%	4.73%	1.78%	2.31%	-0.23%	6.17%	-3.86%	3.72%	3.94%	4.10%	2.04%	37.96%
	VFINX Total Return	5.16%	1.33%	3.74%	1.89%	2.33%	-1.34%	5.08%	-2.92%	3.14%	4.62%	2.99%	2.51%	32.15%
2012	Select Directional										-2.68%	0.84%	0.87%	-1.01%
	VFINX Total Return										-1.87%	0.58%	0.89%	-0.42%

## Select Directional Universe

Ticker - Description	Recent Price	Port. Weight	Sector
XLU - Utilities Select Sector SPDR Fund	\$ 51	34.5%	Utilities
XLP - Consumer Staples Select Sector SPDR Fu	\$ 54	33.3%	Consumer Staples
GLD - SPDR Gold Shares	\$ 122	32.2%	Commodities
XLB - Materials Select Sector SPDR Fund	\$ 47		Materials
XLK - Technology Select Sector SPDR Fund	\$ 42		Information Technology
SHY - iShares 1-3 Year Treasury Bond ETF	\$ 85		Government Debt
XLV - Health Care Select Sector SPDR Fund	\$ 68		Health Care
XLE - Energy Select Sector SPDR Fund	\$ 96		Energy
XLY - Consumer Discretionary Select Sector SF	\$ 77		Consumer Discretionary
XLF - Financial Select Sector SPDR Fund	\$ 25		Financials
XLI - Industrial Select Sector SPDR Fund	\$ 54		Industrials

## Additional Information

Total Net Assets - Includes only the fee paying accounts invested in the SD Model.

1 Yr Portfolio Beta - Calculated from daily returns using the Excel formula =Slope(y,x).

1 Yr Daily Annualized Volatility - Calculated as the standard deviation sample of the 252 most recent daily returns.

A cash balance is included when calculating Total Returns. The SD Model's cash balance is typically 1% of the portfolio.

Benchmark - Total Return of the Vanguard 500 Index Investor Fund (VFINX), an investable proxy for the S&P 500 Index.

Recent Price - The closing price for a stock as of the date of the report and retrieved from Interactive Brokers.

Max Draw Down - The greatest percent change from peak to trough.

Performance is expressed in US Dollars.

## 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 [successfulportfolios.com](http://successfulportfolios.com).

Successful Portfolios LLC claims compliance with the Global Investment Performance Standards (GIPS®).

## Composite Definition and Description

The Select Directional (SD) Model Composite is a carve-out composite. A carve-out represents a specific strategy within a portfolio with a broader strategic investment mandate. The total return calculation for the SD Model Composite is net of fees and includes a cash position, usually about 1%. The SDM is a rotational ETF strategy that rebalances monthly to the top 3 price performing ETFs in a universe consisting of all 9 Select Sector Spyder ETFs, the SPDR Gold Shares ETF, and the iShares Short Term Treasuries ETF. A white paper with more information regarding the SDM is available at <http://successfulportfolios.com>. A list of all composites with descriptions is available upon request.

## Risks

Past returns or simulated results are not indicative of future performance. While we took steps to mitigate hindsight bias when developing the SD Model, 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.

The portfolio manager, in his sole discretion, may override model investment decisions when he deems it to be in the best interest of the client.