

MANAGED ETF  
PORTFOLIO  
CHARACTERISTICS\*\*

AS OF: 6/24/2013

Tactical Muni ETF:

Duration: 2.61yrs  
Average Maturity: 3.28yrs  
Indicated Yield: 2.23%  
Blended 30-Day  
SEC Yield: 1.31%

Core Plus ETF:

Duration: 2.32yrs  
Average Maturity: 3.71yrs  
Indicated Yield: 1.97%  
Blended 30-Day  
SEC Yield: 1.71%

Tactical Opportunity ETF:

Duration: 2.45yrs  
Average Maturity: 4.35yrs  
Indicated Yield: 2.40%  
Blended 30-Day  
SEC Yield: 1.69%

\*\*Blended Portfolio  
Characteristics based upon  
official Fund data published by  
each sponsor firm and have  
been compiled using weighted  
averages of then current  
portfolio positioning. These  
characteristics are believed to  
be accurate but are not  
guaranteed.

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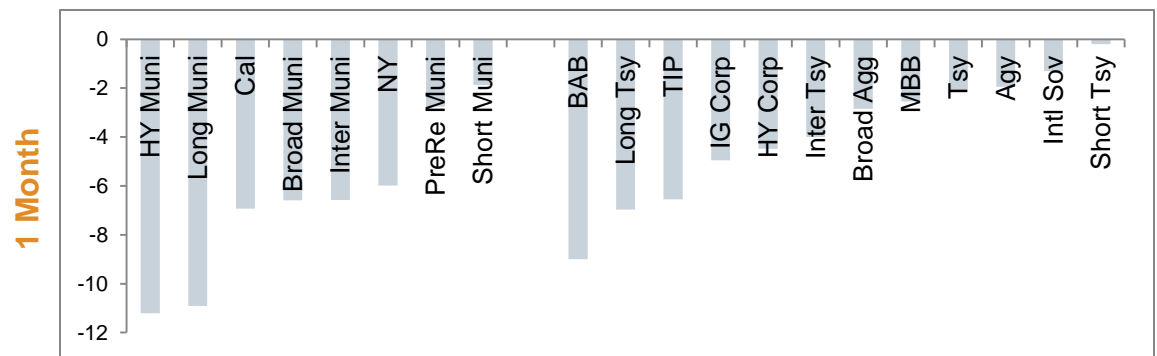
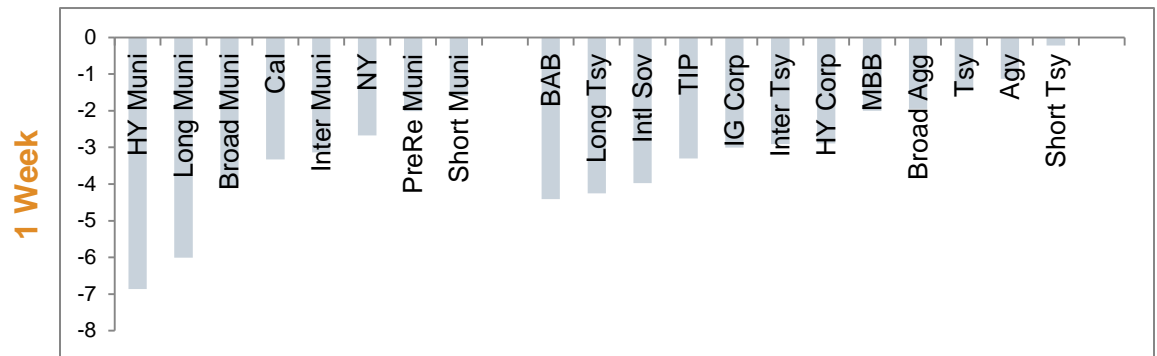
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## Strategic Overview

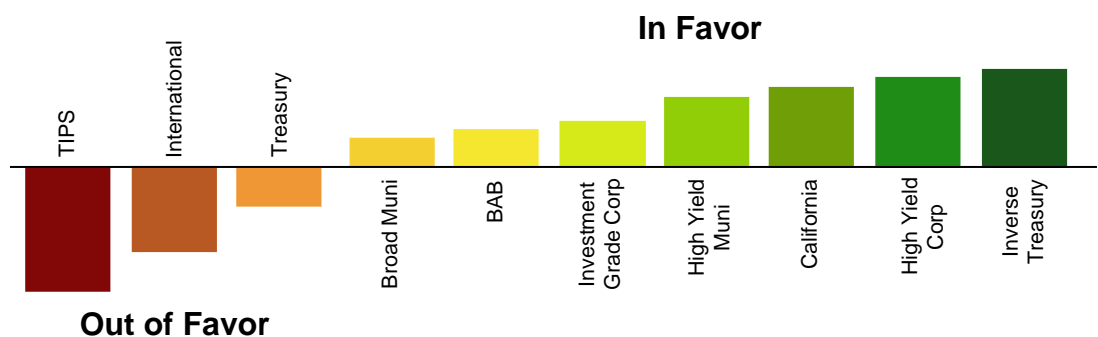
- Fed meeting and press conference sparked a sharp selloff across asset classes. Market expectation of Fed's removal of QE3, potentially as early as this year, is driving asset prices lower. Downward momentum is thus far proving contagious.
- Discounts dominate the landscape, particularly for Muni ETFs -- largely the result of real-time price mechanisms in ETFs. Historically these sharp spikes in premiums and discounts have corrected either through price recovery of the ETF or with prices in the cash market catching up to the ETF market.
- While Caprin has positioned managed ETF accounts defensively with allocations to inverse Treasury ETFs, discounts of long positions continue to present headwinds.

## Trending



Source: Bloomberg as of 6/21/13

## Caprin Views



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