



MANAGED ETF
PORTFOLIO
CHARACTERISTICS*
AS OF: JANUARY 31, 2012

Municipal Strategy:

Effective Duration: 6.34yrs
Average Maturity: 12.38yrs
Blended 30 Day SEC
Yield: 2.66%

Taxable Strategy:

Effective Duration: 5.21yrs
Average Maturity: 9.06yrs
Blended 30 Day SEC
Yield: 2.49%

Blend Strategy:

Effective Duration: 5.30yrs
Average Maturity: 8.97yrs
Blended 30 Day SEC
Yield: 2.12%

*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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2012 Off to a Quick Start

The Risk On/Risk Off dynamics that influenced fixed income returns in 2011 have continued into 2012.

The Municipal bond market in particular continues to be supported by a prolonged absence of meaningful, traditional new issue bonds, resulting in a persistent bid in the cash bond market. Recognizing the opportunity in Muni ETFs, Caprin maintained allocations longer in average maturity than the benchmark, and, in addition, added to yield generating sectors in a generally constructive environment for Municipal fixed income. These tactical decisions contributed towards 82 basis points in incremental return relative to the Managed Municipal ETF Strategy benchmark, net of fees.

Caprin Strategy	Jan 2012 Return	Benchmark	Jan 2012 Return
Managed Municipal Bond ETF	3.19% 3.13%*	Barclays Capital US Municipal Bond	2.31%
Managed Taxable Bond ETF	1.32% 1.26%*	Barclays Capital US Aggregate Bond	0.88%
Managed Tactical Blend ETF	2.50% 2.44%*	50% BC US Muni / 50% BC US Agg	1.60%

Improving economic conditions and sentiment helped lift returns in risk based assets as witnessed by stronger equity returns during January. Taxable fixed income sectors participated as well on the foundation of risk assets, producing improved returns for corporate and high yield bond sectors. Our preference for these yielder sectors in January boosted Managed Taxable Bond ETF Strategy returns 38 basis points over the benchmark, net of fees.

Challenges remain in positioning strategies with conviction in today's markets. Momentum remains fragile as European instability continues and our elected officials return to Washington in the midst of a contentious election year. Our Managed ETF strategies, though, are tuned to the opportunities created by long cycle fundamentals while ensuring a nimble posture to capture relative value shifts.

As we look ahead, we are increasingly convinced that investing and trading in markets driven by technology and real time responses requires strategies that shorten the distance to execution. Please contact your Caprin relationship or portfolio manager to learn more about our managed fixed income solutions and how they might be a part of your investment plans for 2012 and beyond.

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this piece, will be profitable, equal any corresponding indicated historical performance level(s), or be suitable for your portfolio. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion of information contained in this piece serves as the receipt of, or as a substitute for, personalized advice from Caprin Asset Management. To the extent that a reader has any questions regarding the applicability to their situation of any specific issue discussed above, they are encouraged to consult with the professional advisor of their choosing. A copy of our current written disclosure statement discussing our advisory services and fees is available for review upon request.