

MANAGED ETF
PORTFOLIO
CHARACTERISTICS**

AS OF: 12/31/2012

Tactical Muni ETF:

Effective Duration: 5.51yrs

Average Maturity: 8.02yrs

Indicated Yield: 2.90%

Core Plus ETF:

Effective Duration: 5.22yrs

Average Maturity: 7.02yrs

Indicated Yield: 3.17%

Tactical Opportunity ETF:

Effective Duration: 5.57yrs

Average Maturity: 8.50yrs

Indicated Yield: 3.34%

**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.

1802 Bayberry Court, Suite 202
Richmond, Virginia 23226
804] 648-3333

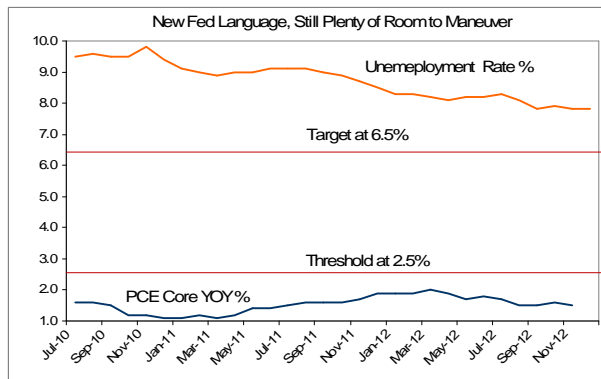
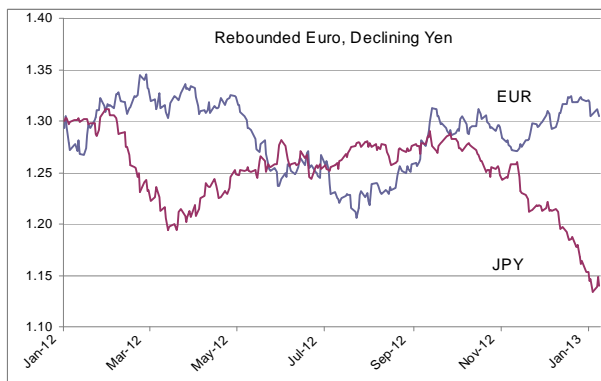
CAPRINBONDS.COM

Media Contact:
aplotkin@caprinbonds.com

Strategic Overview

- Even with the 10-year Treasury yield upticking to start the year, the quest for high yield remains
- The lack of new supply has prompted volatility in premiums and discounts, where we're seeking tactical opportunities
- With U.S. fiscal woes persisting, we're interested in international diversification
- In 2012, our three ETF strategies outperformed their respective benchmarks by an average of 1.75 percentage points before fees, or more than what a 10-year Treasury yielded to close the year

Charts of Interest



What We are Reading

[Junk Bond Default Rate Falls](#)

[Big Asset Managers Plan to Post Money Fund Values Daily](#)

[Fed Profit of \\$88.9 Billion Sent to Treasury in 2012](#)

[State Budgets May Reshape US Politics](#)

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.

Managed ETF Performance (Net of Fees)

Tactical Muni ETF: Long bias and High Yield exposure have benefitted Caprin strategies vs Bond Indexes.

	Dec 2012	4Q	2012
Tactical Muni ETF Strategy	-2.63%	-0.40%	6.54%
iShares National Tax Free Muni ETF (MUB)	-2.58%	-0.32%	5.19%
Barclays Municipal Bond Index	-1.24%	0.67%	6.76%

Core Plus ETF: Long bias expressed through Taxable Munis coupled with High Yield and Investment Grade Corporate allocations have supported Caprin returns vs Indexes.

	Dec 2012	4Q	2012
Core Plus ETF Strategy	-0.39%	0.16%	5.03%
iShares US Aggregate Bonds ETF (AGG)	-0.24%	-0.02%	3.75%
Barclays US Aggregate Bond Index	-0.14%	0.22%	4.23%

Tactical Opportunity ETF: Tactical trading around Muni and Taxable market relationships has helped boost returns versus blended benchmarks.

	Dec 2012	4Q	2012
Tactical Opportunity ETF Strategy	-1.46%	0.08%	6.22%
50% MUB/ 50% AGG	-1.41%	-0.16%	4.49%
50% Muni Index/ 50% Taxable Index	-0.69%	0.45%	5.50%