

**MANAGED ETF
PORTFOLIO
CHARACTERISTICS****

AS OF: 2/28/2013

Tactical Muni ETF:

Effective Duration: 5.47yrs
Average Maturity: 8.36yrs
Indicated Yield: 2.93%
Blended 30-Day
SEC Yield: 1.94%

Core Plus ETF:

Effective Duration: 4.84yrs
Average Maturity: 6.64yrs
Indicated Yield: 2.55%
Blended 30-Day
SEC Yield: 1.95%

Tactical Opportunity ETF:

Effective Duration: 5.42yrs
Average Maturity: 8.47yrs
Indicated Yield: 2.94%
Blended 30-Day
SEC Yield: 2.22%

**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

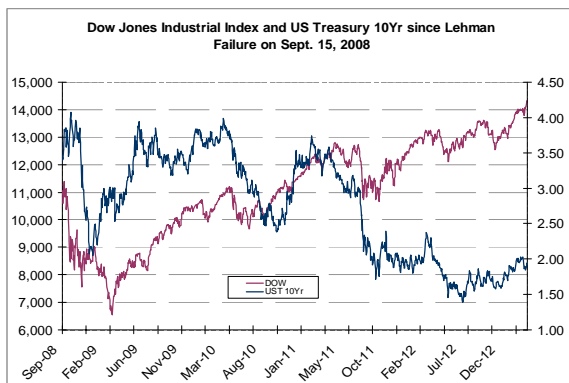
CAPRINBONDS.COM

Media Contact:
aplotkin@caprinbonds.com

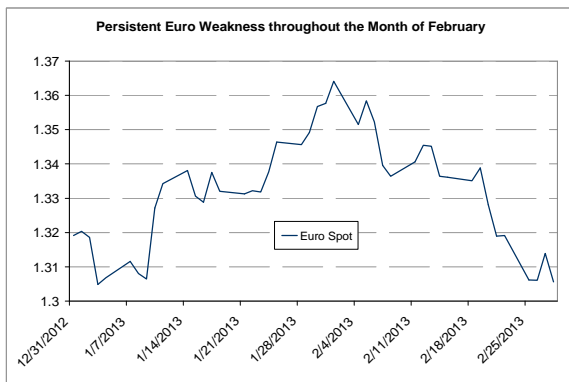
Strategic Overview

- Congress and the White House's unwillingness to work across the aisle supported our relatively neutral posture ahead of the sequestration deadline, which leaders failed to meet
- A weakening yen, a new wave of negative Eurozone news, and the recent precedent of volatile springs in Europe drove our decision to remove international sector exposure in late February
- Sharp growth in California's new issuance calendar prompted a reduction in our California-specific overweight in the Tactical Muni strategy and its elimination in the Tactical Opportunity strategy
- Our slight overweight to the corporate and high yield sectors served us well in late February as equities set the stage for their early-March run to all-time highs

Charts of Interest



Source: Bloomberg



Source: Bloomberg

What We Are Reading

- [Myths Around the Muni Tax Exemption](#)
- [NJ Unfunded Pension Liabilities Widen to \\$47.2 Billion](#)
- [School Bonds with Costly Balloon Payments](#)
- [Fed Governor Raises the Specter of a Bubble in Junk Bonds](#)

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, opportunistic trading in California, and High Yield exposure have benefitted Caprin strategies.

| | Feb 2013 | 12 Months Ending 2/13 | 2012 |
|--|--------------|-----------------------|--------------|
| Tactical Muni ETF Strategy | 0.43% | 4.90% | 6.54% |
| iShares National Tax Free Muni ETF (MUB) | 0.53% | 4.09% | 5.19% |
| Barclays Municipal Bond Index | 0.30% | 5.00% | 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.

| | Feb 2013 | 12 Months Ending 2/13 | 2012 |
|--------------------------------------|--------------|-----------------------|--------------|
| Core Plus ETF Strategy | 0.37% | 3.26% | 5.03% |
| iShares US Aggregate Bonds ETF (AGG) | 0.59% | 2.98% | 3.75% |
| Barclays US Aggregate Bond Index | 0.50% | 3.13% | 4.23% |

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

| | Feb 2013 | 12 Months Ending 2/13 | 2012 |
|--|--------------|-----------------------|--------------|
| Tactical Opportunity ETF Strategy | 0.40% | 5.13% | 6.71% |
| 50% MUB/ 50% AGG | 0.56% | 3.55% | 4.49% |
| 50% Muni Index/ 50% Taxable Index | 0.40% | 4.07% | 5.50% |