

MANAGED ETF
PORTFOLIO
CHARACTERISTICS**

AS OF: 3/31/2013

Tactical Muni ETF:

Duration: 5.35yrs
Average Maturity: 8.05rs
Indicated Yield: 2.99%
Blended 30-Day
SEC Yield: 1.99%

Core Plus ETF:

Duration: 5.23yrs
Average Maturity: 6.96yrs
Indicated Yield: 2.92%
Blended 30-Day
SEC Yield: 1.90%

Tactical Opportunity ETF:

Duration: 5.35yrs
Average Maturity: 8.25yrs
Indicated Yield: 3.27%
Blended 30-Day
SEC Yield: 2.21%

**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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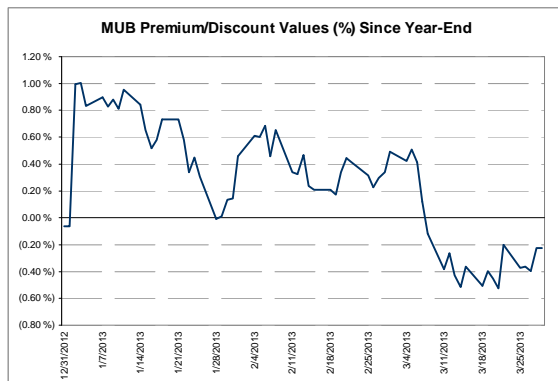
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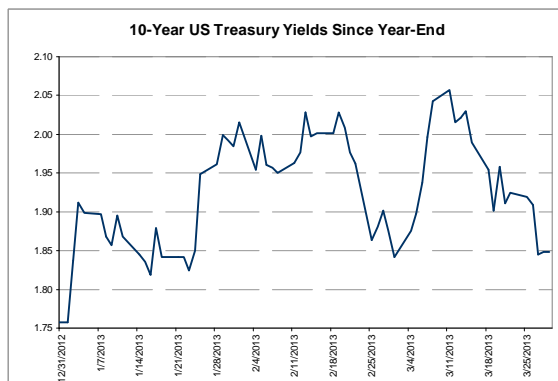
Strategic Overview

- Cyprus's banking fiasco and scramble for 11th-hour ECB bailout funds reopened larger questions about the Eurozone's smaller economies and the EU's ability to preserve a cohesive currency regime.
- We upped exposure to US Treasuries in the Core Plus ETF strategy to better position ourselves for increased quality demand.
- A 3-month high in the Bond Buyer 30-day visible supply and heightened concerns over Puerto Rico's ballooning pension issues prompted our underweight to the Municipal sector in our Tactical Opportunity ETF strategy.
- We added exposure to MUB (iShares S&P National AMT-Free Municipal Bond Fund) in our Tactical Muni strategy. MUB consistently traded below its net asset value in late March, offering investors an attractive entry point.

Charts of Interest



Source: Bloomberg



Source: Bloomberg

What We Are Reading

- [April and Municipals](#)
- [Stockton and San Bernardino: A Tale of Two Bankruptcies](#)
- [Odd Allies Fight Against Taxing Municipals](#)
- [Puerto Rico Has Biggest Loss Since 2008 as Pension Changes Loom](#)

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: Outperformance relative to the passive alternative attributable primarily to High Yield Muni exposure and capitalizing on brief premium/discount opportunities among Intermediate Muni ETFs

	March 2013	12 Months Ending 3/13	2012
Tactical Muni ETF Strategy	-1.16%	4.38%	6.54%
iShares National Tax Free Muni ETF (MUB)	-1.30%	3.58%	5.19%
Barclays Municipal Bond Index	-0.43%	5.23%	6.76%

Core Plus ETF: Mid-March purchase of 7-10yr UST ETF (IEF) in response to escalating Cyprus turmoil helped performance as global investors sought haven investments

	March 2013	12 Months Ending 3/13	2012
Core Plus ETF Strategy	0.16%	4.20%	5.03%
iShares US Aggregate Bonds ETF (AGG)	0.10%	3.67%	3.75%
Barclays US Aggregate Bond Index	0.08%	3.79%	4.23%

Tactical Opportunity ETF: Benefited from Taxable sector overweight versus Municipals as tax-exempt issuance hit a 2013 high. Also participated in premium/discount rotations in Intermediate Muni ETFs

	March 2013	12 Months Ending 3/13	2012
Tactical Opportunity ETF Strategy	-0.48%	5.56%	6.71%
50% MUB/ 50% AGG	-0.60%	3.64%	4.49%
50% Muni Index/ 50% Taxable Index	-0.17%	4.51%	5.50%