

MANAGED ETF
PORTFOLIO
CHARACTERISTICS**

AS OF: 4/30/2013

Tactical Muni ETF:

Duration: 5.17yrs

Average Maturity: 7.56Yrs

Indicated Yield: 2.90%

Blended 30-Day

SEC Yield: 1.92%

Core Plus ETF:

Duration: 5.51yrs

Average Maturity: 7.25yrs

Indicated Yield: 2.82%

Blended 30-Day

SEC Yield: 3.07%

Tactical Opportunity ETF:

Duration: 5.81yrs

Average Maturity: 8.59yrs

Indicated Yield: 3.28%

Blended 30-Day

SEC Yield: 3.28%

**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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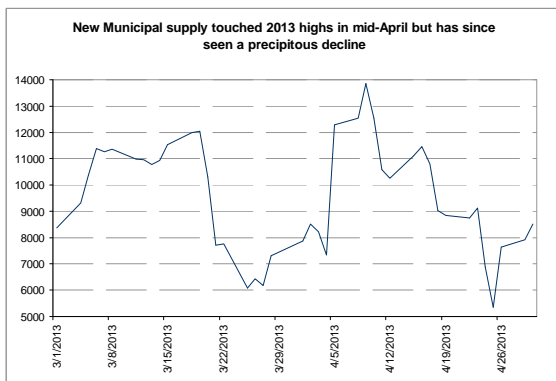
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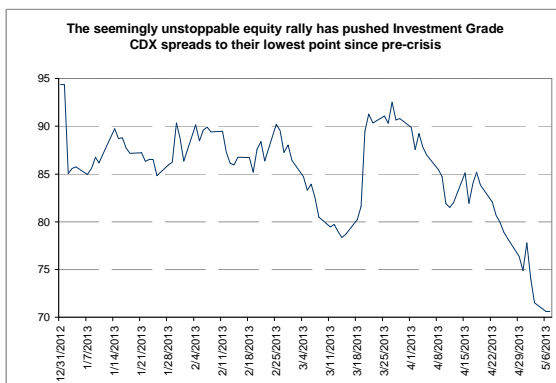
Strategic Overview

- Historically large weekly and 30-day visible Muni supply drove our underweight to Muni sector in Tactical Opportunity strategy for most of April, until supply fell to more manageable levels late in the period
- Low-rate environment pushed demand for tax-exempts offering additional yield versus highest-rated paper; positioned in HY Muni and California state-specific ETFs to capitalize on yield-seeking and California's improving credit outlook
- Removed US Treasury exposure in Core Plus strategy in wake of Cyprus banking turmoil, which had sparked renewed demand for quality assets in late March and early April
- Modestly better-than-anticipated corporate earnings provided support for ongoing strength in US equity markets and justification for our continued emphasis on risk sectors in the Core Plus and Tactical Opportunity strategies

Charts of Interest



Source: Bloomberg



Source: Bloomberg

What We Are Reading

- [Market's \\$20 Trillion Yielding 1% Shows Austerity Mistaken](#)
- [Bogle: We Need to Fix the Bond Index](#)
- [SEC Announces Panelists for Credit Ratings Roundtable](#)
- [Biggest Muni Exodus Since Whitney Ignores May Win Streak](#)

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: Correction in MUB's discount in April to more historically normal premium levels overwhelmed our strategic positioning in HY Muni and California state-specific sectors

	April 2013	YTD 2013	12 Months Ending 4/13
Tactical Muni ETF Strategy	1.55%	1.99%	4.86%
iShares National Tax Free Muni ETF (MUB)	1.75%	1.78%	4.48%
Barclays Municipal Bond Index	1.10%	1.39%	5.18%

Core Plus ETF: Strategy benefited from dual overweight in Corporate and US Treasury sectors as April showcased a simultaneous equity and Treasury rally

	April 2013	YTD 2013	12 Months Ending 4/13
Core Plus ETF Strategy	1.07%	1.24%	4.41%
iShares US Aggregate Bonds ETF (AGG)	0.97%	1.04%	3.74%
Barclays US Aggregate Bond Index	1.01%	0.89%	3.68%

Tactical Opportunity ETF: Overweighting High-Yield Muni and Corporate sectors assisted April performance, but the boost was largely offset by MUB's mid-month premium/discount correction

	April 2013	YTD 2013	12 Months Ending 4/13
Tactical Opportunity ETF Strategy	1.26%	1.82%	5.86%
50% MUB/ 50% AGG	1.36%	1.41%	4.13%
50% Muni Index/ 50% Taxable Index	1.05%	1.14%	4.44%