

MANAGED ETF
PORTFOLIO
CHARACTERISTICS**
AS OF: 9/30/2014

Tactical Muni ETF:
Duration: 5.19yrs
Average Maturity: 10.40yrs
Indicated Yield: 3.03%
Blended 30-Day
SEC Yield: 2.19%

Core Plus ETF:
Duration: 5.45yrs
Average Maturity: 7.36yrs
Indicated Yield: 2.49%
Blended 30-Day
SEC Yield: 2.41%

Tactical Opportunity ETF:
Duration: 5.46yrs
Average Maturity: 10.44yrs
Indicated Yield: 3.02%
Blended 30-Day
SEC Yield: 2.50%

**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

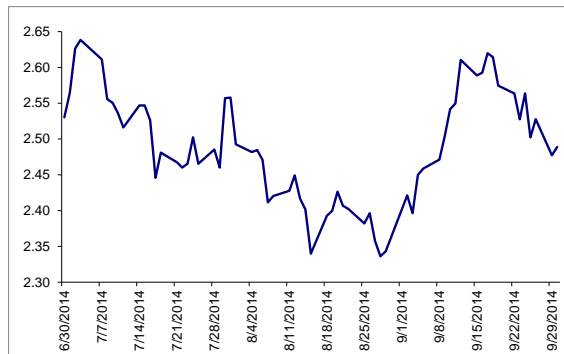
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Media Contact:
aplotkin@caprinbonds.com

Strategic Overview

- US Treasuries traded in a narrow range in Q3 despite wild speculation surrounding the Fed's rate intentions and a deeply concerning geopolitical landscape. Signs of a prolonged global slowdown resulted in a decidedly 'risk-off' trend to conclude September.
- The Federal Reserve preserved its dovish posture despite heavy front-running activity ahead of its mid-September meeting. The central bank remained committed to low rates for a 'considerable time' and continued to wind down its asset purchasing program.
- Exposure in the High Yield Muni space and longer regions of the yield curve helped boost Tactical Muni performance. Positions in shorter-maturity Muni ETFs underperformed those with longer duration and tempered Q3 results.
- In the Core Plus strategy, Q3 performance was aided by the longer duration positioning and exposure to the Build America Bond (BAB) sector. These gains were overshadowed by our exposure to Investment Grade and High Yield Corporate debt through the risk-off cycle.
- The Tactical Opportunity strategy benefited from an overweight to the Municipal space, which dealt with challenging supply amidst fervent demand. Participation in the High Yield Muni space also helped performance, while High Yield Corporate exposure detracted.

Chart of Interest



Fed speculation and geopolitical tensions drove much of the volatility in the 10-Year US Treasury in Q3.

Source: Bloomberg

What We Are Reading

- [Fed May Slow Tightening if World Growth Disappoints](#)
- [Bonds Important in Any Rate Environment](#)
- [US Jobless Claims Drop to 14-Year Low](#)
- [Detroit Settles with Holdout Creditor FGIC](#)

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

Tactical Muni ETF Strategy

	Q3 2014	YTD	12 Months Ending 9/14
Gross	1.61%	7.03%	7.33%
Net*	1.17%	5.64%	5.47%
iShares National Tax Free Muni ETF (MUB)	1.63%	7.03%	8.08%
Barclays Municipal Bond Index	1.49%	7.59%	7.93%

Core Plus ETF Strategy

	Q3 2014	YTD	12 Months Ending 9/14
Gross	0.03%	3.79%	3.90%
Net*	-0.40%	2.45%	2.11%
iShares US Aggregate Bonds ETF (AGG)	0.28%	3.66%	3.90%
Barclays US Aggregate Bond Index	0.16%	4.09%	3.95%

Tactical Opportunity ETF Strategy

	Q3 2014	YTD	12 Months Ending 9/14
Gross	1.09%	6.15%	6.50%
Net*	0.66%	4.78%	4.68%
50% MUB/ 50% AGG	0.96%	5.68%	5.47%
50% Muni Index / 50% Taxable Index	0.83%	5.83%	5.92%

*Net of Fee performance reduced by max hypothetical fee of 1.75%. Actual experience may vary.