

MANAGED ETF
PORTFOLIO
CHARACTERISTICS**
AS OF: 3/31/2015

Tactical Muni ETF:
Duration: 4.85yrs
Average Maturity: 11.65yrs
Indicated Yield: 2.88%
Blended 30-Day
SEC Yield: 1.87%

Core Plus ETF:
Duration: 4.72yrs
Average Maturity: 6.84yrs
Indicated Yield: 2.03%
Blended 30-Day
SEC Yield: 1.75%

Tactical Opportunity ETF:
Duration: 4.66yrs
Average Maturity: 8.92yrs
Indicated Yield: 2.46%
Blended 30-Day
SEC Yield: 1.87%

**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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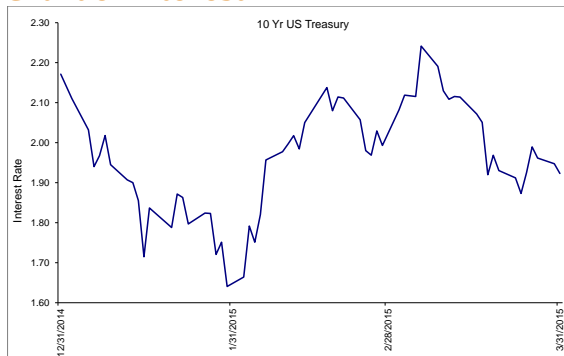
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Strategic Overview

- Q1 saw an increase in volatility but still generally positive results from fixed income. Strong January performance was driven by the ECB announcing its intention to begin Quantitative Easing (QE), but a weak February wiped out much of the earlier gains as US labor markets improved. March followed with a more bond friendly tone as low sovereign yields and mixed economic data captured investors' attention.
- The Federal Reserve remained accommodative and removed the term "patient" from their March announcement. They also lowered their "dot forecasts" suggesting that their outlook may be less optimistic than previously thought.
- Our exposure to yield sectors added value during the quarter. In the municipal market, MUB was up 0.67%, while the insured muni fund (PZA) more than doubled that, returning 1.39%. High Yield (HYD) saw some of the most impressive performance, rising nearly four times that of the broad market, increasing an impressive 2.41%.
- Investment Grade Corporates were additive as spreads generally contracted, as was our avoidance of International bond exposure. A strong dollar and low sovereign yields continued to play havoc on the sector.
- During Q1, we adjusted our Tactical Opportunity strategy to slightly favor taxable bonds over municipals as muni new issuance increased 60% over Q1 '14. This elevated supply generally caused munis to lag their taxable counterparts in the quarter.

Chart of Interest



US Treasury volatility, ended the quarter with positive return bias. Economic slowdown, low inflation and strong US dollar are keeping rates low.
Source: Bloomberg

What We Are Reading

- [US Growth Seen Slower Amid Dollar Headwinds](#)
- [Wages Could Be Depressed Longer Than Expected](#)
- [Housing Market Sees Signs of Spring](#) (subscription required)
- [Drought Shapes California's Future](#)

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

	March 2015	Q1 2015	12 Months Ending 3/15
Gross	0.17%	0.88%	6.61%
Net*	0.02%	0.45%	4.78%
Barclays 1-15 Yr Municipal Bond Index	0.21%	0.85%	6.45% ¹

¹ Index Prior to 1/1/15 was Barclays Capital Municipal Bond Index

Core Plus ETF Strategy

	March 2015	Q1 2015	12 Months Ending 3/15
Gross	0.18%	1.31%	5.06%
Net*	0.03%	0.87%	3.25%
Barclays US Aggregate Bond Index	0.46%	1.61%	5.69%

Tactical Opportunity ETF Strategy

	March 2015	Q1 2015	12 Months Ending 3/15
Gross	0.18%	1.21%	6.56%
Net*	0.03%	0.76%	4.71%
50% Tactical Muni Index / 50% Core Plus Index	0.34%	1.23%	6.07% ²

² Index Prior to 1/1/15 was a blend of the Barclays Capital Municipal Bond Index and Barclays Capital Aggregate Bond Index

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