



Weekly Interest Rate & Economic Update

March 18, 2013

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Rate Update

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Safe Sector Income:

	Average Maturity	Yield-to-Worst
CA Municipal	1.00 years	0.440%
CA Municipal	2.01 years	0.544%
CA Municipal	3.00 years	1.005%
CA Municipal	5.00 years	1.212%
CA Municipal	7.02 years	1.500%
CA Municipal	10.00 years	2.043%
National Municipal	2.00 years	0.944%
National Municipal	5.01 years	1.353%
National Municipal	10.00 years	2.273%

Corporate Bond Income:

Corporate Income	5.00 years	1.854%
High-Yield Income	3.51 years	5.001%
High-Yield Income	8.01 years	6.777%

Equity Income:		3.720%
MLP Income:		6.090%

US Treasury Rates (03/18/13):

3 Month Treasury Bill:	0.08%	3 Year Treasury Note:	0.36%
6 Month Treasury Bill:	0.11%	5 Year Treasury Note:	0.81%
12 Month Treasury Note:	0.15%	7 Year Treasury Note:	1.16%
2 Year Treasury Note:	0.25%	10 Year Treasury Bond:	1.95%

Weekly Economic Update

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News

- Euro-Region finance ministers imposed a tax of up to 9.9% on all bank deposits in Cyprus. A Cypriot parliamentary vote on the levy, scheduled to take place today was postponed until Tuesday. Equity markets and banks are closed today in Greece and Cyprus for a scheduled bank holiday. Cypriot banks will remain closed tomorrow and Wednesday.
- Saudi Arabia's Oil Minister, Ali Al-Naimi said oil at \$100.00/barrel is a reasonable price and will remain at current levels for the foreseeable future.
- Apple Inc. (AAPL) is expected to boost its quarterly dividend approximately 56% to \$4.14/share. The resulting yield of approximately 3.7% (based on current price of \$452/share) would be higher than 86% of the companies in the S&P 500 Index.
- A man in Lake Hallie, WI tried to return a printer to Walmart without any proof of purchase. Upon examining the device employees found a single sheet of photocopy paper in the machine with two counterfeit \$100 bills printed on it. The police were summoned and found an additional \$300 of counterfeit money in his possession. He was arrested and charged with theft and forgery.

STATISTICS

National Unemployment Rate	7.7%	February 2013	
California Unemployment Rate	9.8%	January 2013	
Consumer Price Index (CPI)	2.0%	February 2013	Seasonally Unadjusted
Producer Price Index (PPI)	1.7%	February 2013	Seasonally Unadjusted
Gross Domestic Product (GDP)	0.1%	4th Quarter 2012	Annually Adjusted
Prime Rate	3.25%	03/18/13	
Gold (Spot)	\$1,606.90	03/18/13	
Silver (Spot)	\$28.91	03/18/13	
Crude Oil (NYMEX Crude Futures)	\$93.49	03/18/13	

	10/27/10	01/03/11	03/21/11	01/03/12	03/19/12	01/02/13	03/04/13	03/11/13	03/18/13
MUNICIPAL BONDS									
CA - 1 Year	0.509%	1.079%	0.924%	0.556%	0.422%	0.440%	0.430%	0.490%	0.440%
CA - 2 Years	0.947%	1.550%	1.370%	0.810%	0.635%	0.598%	0.598%	0.563%	0.544%
CA - 3 Years	1.317%	2.053%	1.524%	1.164%	0.932%	0.964%	0.974%	1.023%	1.005%
CA - 5 Years	1.889%	2.436%	2.161%	1.501%	1.445%	1.150%	1.200%	1.277%	1.212%
CA - 7 Years	2.465%	2.998%	2.702%	1.671%	2.198%	1.477%	1.478%	1.538%	1.500%
CA - 10 Years		3.842%	3.629%	2.396%	2.390%	1.901%	2.003%	2.093%	2.043%
NAT - 2 Years	1.102%	2.340%	1.520%	0.588%	0.544%	0.911%	0.974%	0.984%	0.944%
NAT - 5 Years		3.009%	2.948%	1.305%	1.141%	1.312%	1.322%	1.364%	1.353%
NAT - 10 years		3.783%	3.469%	2.315%	1.777%	2.185%	2.245%	2.299%	2.273%
CORP. BONDS									
INV. GRADE - 5 Years	1.459%	2.693%	2.441%	1.599%	1.807%	1.534%	1.791%	1.866%	1.854%
HI-YIELD - 3.5 YEARS		5.220%	4.723%	5.199%	5.061%	4.799%	5.005%	5.083%	5.001%
HI-YIELD - 8 YEARS	7.503%	6.735%	6.187%	6.275%	5.843%	6.532%	6.773%	6.824%	6.777%
EQUITY INCOME MODEL									
EQUITY INCOME MODEL VALUE	\$ 1,000,000.00	\$ 1,014,146.52	\$ 1,006,022.55	\$ 1,132,073.80	\$ 1,140,872.35	\$ 1,161,516.36	\$ 1,248,415.31	\$ 1,239,437.12	\$ 1,247,505.20
MLP INCOME MODEL									
MLP INCOME MODEL VALUE	\$ 1,000,000.00	\$ 1,066,140.90	\$ 1,075,988.25	\$ 1,170,773.07	\$ 1,192,141.63	\$ 1,193,866.24	\$ 1,312,872.84	\$ 1,345,031.40	\$ 1,316,377.90
US TREASURY									
3 - MONTH	0.120%	0.120%	0.070%	0.010%	0.080%	0.060%	0.100%	0.090%	0.080%
6 - MONTH	0.160%	0.180%	0.140%	0.060%	0.140%	0.120%	0.130%	0.110%	0.110%
12 - MONTH	0.210%	0.270%	0.230%	0.110%	0.190%	0.170%	0.150%	0.160%	0.150%
2 - YEAR	0.380%	0.600%	0.640%	0.250%	0.370%	0.270%	0.230%	0.260%	0.250%
3 - YEAR	0.570%	1.010%	1.120%	0.380%	0.580%	0.370%	0.360%	0.410%	0.360%
5 - YEAR	1.230%	2.020%	2.030%	0.880%	1.160%	0.780%	0.750%	0.900%	0.810%
7 - YEAR	1.930%	2.740%	2.720%	1.410%	1.720%	1.130%	1.150%	1.220%	1.160%
10 - YEAR	2.620%	3.340%	3.340%	1.950%	2.320%	1.830%	1.860%	2.040%	1.950%
BLENDED MODELS (45% Tax Bracket)									
ULTRA INCOME STRATEGY	1.880%	3.220%	2.850%	1.790%	1.520%	1.340%	1.360%	1.350%	1.290%
BLENDED INCOME STRATEGY	2.970%	4.010%	3.740%	2.870%	2.650%	2.520%	2.520%	2.500%	2.460%
BALANCED INCOME STRATEGY	4.190%	4.860%	4.670%	3.970%	3.800%	3.780%	3.740%	3.730%	3.690%
DIVERSIFIED INCOME STRATEGY	6.010%	6.160%	6.060%	5.660%	5.420%	5.630%	5.510%	5.470%	5.440%
DYNAMIC INCOME STRATEGY	6.730%	6.610%	6.560%	6.390%	6.120%	6.490%	6.370%	6.310%	6.300%

Model		Annual Income	TEY 35% (Bracket)	TEY 45% (Bracket)
Ultra Income Strategy				
Municipal Income - Short-Term	75%	\$ 4,080.00	\$ 6,276.92	\$ 7,418.18
Municipal Income - Mid-Term	25%	\$ 3,030.00	\$ 4,661.54	\$ 5,509.09
MLP Income	0%	\$ -	\$ -	\$ -
Equity Income	0%	\$ -	\$ -	\$ -
Corporate Income	0%	\$ -	\$ -	\$ -
High-Yield Income	0%	\$ -	\$ -	\$ -
	100%	\$ 7,110.00	\$ 10,938.46	\$ 12,927.27
		0.71%	1.09%	1.29%
Blended Income Strategy				
Municipal Income - Short-Term	50%	\$ 2,720.00	\$ 4,184.62	\$ 4,945.45
Municipal Income - Mid-Term	25%	\$ 3,030.00	\$ 4,661.54	\$ 5,509.09
MLP Income	10%	\$ 6,090.00	\$ 7,963.85	\$ 9,411.82
Equity Income	5%	\$ 1,860.00	\$ 2,432.31	\$ 2,874.55
Corporate Income	10%	\$ 1,854.00	\$ 1,854.00	\$ 1,854.00
High-Yield Income	0%	\$ -	\$ -	\$ -
	100%	\$ 15,554.00	\$ 21,096.31	\$ 24,594.91
		1.56%	2.11%	2.46%
Balanced Income Strategy				
Municipal Income - Short-Term	25%	\$ 1,360.00	\$ 2,092.31	\$ 2,472.73
Municipal Income - Mid-Term	25%	\$ 3,030.00	\$ 4,661.54	\$ 5,509.09
MLP Income	15%	\$ 9,135.00	\$ 11,945.77	\$ 14,117.73
Equity Income	15%	\$ 5,580.00	\$ 7,296.92	\$ 8,623.64
Corporate Income	15%	\$ 2,781.00	\$ 2,781.00	\$ 2,781.00
High-Yield Income	5%	\$ 3,388.50	\$ 3,388.50	\$ 3,388.50
	100%	\$ 25,274.50	\$ 32,166.04	\$ 36,892.68
		2.53%	3.22%	3.69%
Diversified Income Strategy				
Municipal Income - Short-Term	10%	\$ 544.00	\$ 836.92	\$ 989.09
Municipal Income - Mid-Term	20%	\$ 2,424.00	\$ 3,729.23	\$ 4,407.27
MLP Income	25%	\$ 15,225.00	\$ 19,909.62	\$ 23,529.55
Equity Income	25%	\$ 9,300.00	\$ 12,161.54	\$ 14,372.73
Corporate Income	5%	\$ 927.00	\$ 927.00	\$ 927.00
High-Yield Income	15%	\$ 10,165.50	\$ 10,165.50	\$ 10,165.50
	100%	\$ 38,585.50	\$ 47,729.81	\$ 54,391.14
		3.86%	4.77%	5.44%
Dynamic Income Strategy				
Municipal Income - Short-Term	5%	\$ 272.00	\$ 418.46	\$ 494.55
Municipal Income - Mid-Term	5%	\$ 606.00	\$ 932.31	\$ 1,101.82
MLP Income	30%	\$ 18,270.00	\$ 23,891.54	\$ 28,235.45
Equity Income	25%	\$ 9,300.00	\$ 12,161.54	\$ 14,372.73
Corporate Income	10%	\$ 1,854.00	\$ 1,854.00	\$ 1,854.00
High-Yield Income	25%	\$ 16,942.50	\$ 16,942.50	\$ 16,942.50
	100%	\$ 47,244.50	\$ 56,200.35	\$ 63,001.05
		4.72%	5.62%	6.30%

Assumptions:

Invested Amount: \$ **1,000,000.00**

Yields:	Yield	Notes:	Ave. Mat:
Municipal Income - Short-Term	0.5440%	Tax Free (California Residents)	2.01/years
Municipal Income - Mid-Term	1.2120%	Tax Free (California Residents)	5.00/years
MLP Income	6.0900%	85% Tax Efficient	
Equity Income	3.7200%	Assume 15% Qualified Tax Rate	
Corporate Income	1.8540%	Fully Taxable	5.00/years
High-Yield Income	6.7770%	Fully Taxable	8.01/years