



Weekly Interest Rate & Economic Update

April 15, 2013

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Rate Update

April 15, 2013

Safe Sector Income:

	Average Maturity	Yield-to-Worst
CA Municipal	1.00 years	0.388%
CA Municipal	2.00 years	0.500%
CA Municipal	3.00 years	0.962%
CA Municipal	5.00 years	1.190%
CA Municipal	7.01 years	1.422%
CA Municipal	10.00 years	2.111%
National Municipal	2.00 years	0.976%
National Municipal	5.01 years	1.244%
National Municipal	10.00 years	2.199%

Corporate Bond Income:

Corporate Income	5.01 years	1.833%
High-Yield Income	3.51 years	4.980%
High-Yield Income	8.00 years	6.685%

Equity Income:		3.520%
MLP Income:		5.870%

US Treasury Rates (04/15/13):

3 Month Treasury Bill:	0.06%	3 Year Treasury Note:	0.29%
6 Month Treasury Bill:	0.09%	5 Year Treasury Note:	0.68%
12 Month Treasury Note:	0.12%	7 Year Treasury Note:	0.99%
2 Year Treasury Note:	0.23%	10 Year Treasury Bond:	1.70%

Weekly Economic Update

April 15, 2013

News

- China's Gross Domestic Product (GDP) rose 7.7% in the first quarter of 2013, down from fourth quarter growth of 7.9%. Economists had predicted an increase of 8%.
- Spot Gold prices are down approximately 10% today and Spot Silver prices are down approximately 13% today.
- The National Association of Home Builders/Wells Fargo Index of (home) builder confidence dropped to 42, the lowest level since October 2012. Economists projected an index level of 45, according to Bloomberg News. Readings below 50 generally indicate more respondents consider conditions to be poor.
- The federal minimum wage is \$7.25 hour. There are 19 states (plus the District of Columbia) with minimum wage rates higher than the federal minimum level:

Arkansas	\$7.75	Michigan	\$7.40
Arizona	\$7.80	Missouri	\$7.35
California	\$8.00	Montana	\$7.80
Colorado	\$7.78	Nevada	\$8.25
Connecticut	\$8.25	New Mexico	\$7.50
DC	\$8.25	Ohio	\$7.85
Florida	\$7.79	Oregon	\$8.95
Illinois	\$8.25	Rhode Island	\$7.75
Massachusetts	\$8.00	Vermont	\$8.60
Maine	\$7.50	Washington	\$9.19

STATISTICS

National Unemployment Rate	7.6%	March 2013	
California Unemployment Rate	9.6%	February 2013	
Consumer Price Index (CPI)	2.0%	February 2013	Seasonally Unadjusted
Producer Price Index (PPI)	1.1%	March 2013	Seasonally Unadjusted
Gross Domestic Product (GDP)	0.4%	4th Quarter 2012	Annually Adjusted
Prime Rate	3.25%	04/15/13	
Gold (Spot)	\$1,376.26	04/15/13	
Silver (Spot)	\$23.44	04/15/13	
Crude Oil (NYMEX Crude Futures)	\$88.35	04/15/13	

	10/27/10	01/03/11	04/18/11	01/03/12	04/16/12	01/02/13	04/03/13	04/08/13	04/15/13
MUNICIPAL BONDS									
CA - 1 Year	0.509%	1.079%	0.810%	0.556%	0.474%	0.440%	0.420%	0.395%	0.388%
CA - 2 Years	0.947%	1.550%	1.208%	0.810%	0.655%	0.598%	0.532%	0.501%	0.500%
CA - 3 Years	1.317%	2.053%	1.499%	1.164%	0.807%	0.964%	0.988%	0.965%	0.962%
CA - 5 Years	1.889%	2.436%	2.085%	1.501%	1.359%	1.150%	1.200%	1.170%	1.190%
CA - 7 Years	2.465%	2.998%	3.114%	1.671%	1.465%	1.477%	1.477%	1.399%	1.422%
CA - 10 Years		3.842%	3.942%	2.396%	2.593%	1.901%	2.001%	1.968%	2.110%
NAT - 2 Years	1.102%	2.340%	1.225%	0.588%	0.857%	0.911%	0.921%	0.900%	0.976%
NAT - 5 Years		3.009%	2.398%	1.305%	1.053%	1.312%	1.299%	1.214%	1.244%
NAT - 10 years		3.783%	3.475%	2.315%	1.827%	2.185%	2.216%	2.173%	2.199%
CORP. BONDS									
INV. GRADE - 5 Years	1.459%	2.693%	2.771%	1.599%	1.552%	1.534%	1.804%	1.766%	1.833%
HI-YIELD - 3.5 YEARS		5.220%	4.115%	5.199%	5.010%	4.799%	4.968%	4.910%	4.980%
HI-YIELD - 8 YEARS	7.503%	6.735%	6.490%	6.275%	6.337%	6.532%	6.660%	6.597%	6.685%
EQUITY INCOME MODEL									
EQUITY INCOME MODEL VALUE	\$ 1,000,000.00	\$ 1,014,146.52	\$ 1,033,162.19	\$ 1,132,073.80	\$ 1,128,644.08	\$ 1,161,516.36	\$ 1,281,023.51	\$ 1,280,460.84	\$ 1,311,700.16
MLP INCOME MODEL									
MLP INCOME MODEL VALUE	\$ 1,000,000.00	\$ 1,066,140.90	\$ 1,096,973.40	\$ 1,170,773.07	\$ 1,142,330.54	\$ 1,193,866.24	\$ 1,368,661.13	\$ 1,365,024.43	\$ 1,359,286.44
US TREASURY									
3 - MONTH	0.120%	0.120%	0.060%	0.010%	0.080%	0.060%	0.070%	0.060%	0.060%
6 - MONTH	0.160%	0.180%	0.110%	0.060%	0.130%	0.120%	0.100%	0.100%	0.090%
12 - MONTH	0.210%	0.270%	0.210%	0.110%	0.170%	0.170%	0.140%	0.130%	0.120%
2 - YEAR	0.380%	0.600%	0.640%	0.250%	0.270%	0.270%	0.250%	0.230%	0.230%
3 - YEAR	0.570%	1.010%	1.130%	0.380%	0.400%	0.370%	0.340%	0.290%	0.290%
5 - YEAR	1.230%	2.020%	2.070%	0.880%	0.830%	0.780%	0.780%	0.690%	0.680%
7 - YEAR	1.930%	2.740%	2.770%	1.410%	1.340%	1.130%	1.100%	1.000%	0.990%
10 - YEAR	2.620%	3.340%	3.410%	1.950%	1.950%	1.830%	1.860%	1.710%	1.700%
BLENDED MODELS (45% Tax Bracket)									
ULTRA INCOME STRATEGY	1.880%	3.220%	2.580%	1.790%	1.510%	1.340%	1.270%	1.220%	1.220%
BLENDED INCOME STRATEGY	2.970%	4.010%	3.560%	2.870%	2.650%	2.520%	2.400%	2.350%	2.360%
BALANCED INCOME STRATEGY	4.190%	4.860%	4.570%	3.970%	3.830%	3.780%	3.590%	3.550%	3.550%
DIVERSIFIED INCOME STRATEGY	6.010%	6.160%	5.980%	5.660%	5.590%	5.630%	5.290%	5.260%	5.250%
DYNAMIC INCOME STRATEGY	6.730%	6.610%	6.550%	6.390%	6.360%	6.490%	6.120%	6.090%	6.090%

Model		Annual Income	TEY 35% (Bracket)	TEY 45% (Bracket)
Ultra Income Strategy				
Municipal Income - Short-Term	75%	\$ 3,750.00	\$ 5,769.23	\$ 6,818.18
Municipal Income - Mid-Term	25%	\$ 2,975.00	\$ 4,576.92	\$ 5,409.09
MLP Income	0%	\$ -	\$ -	\$ -
Equity Income	0%	\$ -	\$ -	\$ -
Corporate Income	0%	\$ -	\$ -	\$ -
High-Yield Income	0%	\$ -	\$ -	\$ -
	100%	\$ 6,725.00	\$ 10,346.15	\$ 12,227.27
		0.67%	1.03%	1.22%
Blended Income Strategy				
Municipal Income - Short-Term	50%	\$ 2,500.00	\$ 3,846.15	\$ 4,545.45
Municipal Income - Mid-Term	25%	\$ 2,975.00	\$ 4,576.92	\$ 5,409.09
MLP Income	10%	\$ 5,870.00	\$ 7,676.15	\$ 9,071.82
Equity Income	5%	\$ 1,760.00	\$ 2,301.54	\$ 2,720.00
Corporate Income	10%	\$ 1,833.00	\$ 1,833.00	\$ 1,833.00
High-Yield Income	0%	\$ -	\$ -	\$ -
	100%	\$ 14,938.00	\$ 20,233.77	\$ 23,579.36
		1.49%	2.02%	2.36%
Balanced Income Strategy				
Municipal Income - Short-Term	25%	\$ 1,250.00	\$ 1,923.08	\$ 2,272.73
Municipal Income - Mid-Term	25%	\$ 2,975.00	\$ 4,576.92	\$ 5,409.09
MLP Income	15%	\$ 8,805.00	\$ 11,514.23	\$ 13,607.73
Equity Income	15%	\$ 5,280.00	\$ 6,904.62	\$ 8,160.00
Corporate Income	15%	\$ 2,749.50	\$ 2,749.50	\$ 2,749.50
High-Yield Income	5%	\$ 3,342.50	\$ 3,342.50	\$ 3,342.50
	100%	\$ 24,402.00	\$ 31,010.85	\$ 35,541.55
		2.44%	3.10%	3.55%
Diversified Income Strategy				
Municipal Income - Short-Term	10%	\$ 500.00	\$ 769.23	\$ 909.09
Municipal Income - Mid-Term	20%	\$ 2,380.00	\$ 3,661.54	\$ 4,327.27
MLP Income	25%	\$ 14,675.00	\$ 19,190.38	\$ 22,679.55
Equity Income	25%	\$ 8,800.00	\$ 11,507.69	\$ 13,600.00
Corporate Income	5%	\$ 916.50	\$ 916.50	\$ 916.50
High-Yield Income	15%	\$ 10,027.50	\$ 10,027.50	\$ 10,027.50
	100%	\$ 37,299.00	\$ 46,072.85	\$ 52,459.91
		3.73%	4.61%	5.25%
Dynamic Income Strategy				
Municipal Income - Short-Term	5%	\$ 250.00	\$ 384.62	\$ 454.55
Municipal Income - Mid-Term	5%	\$ 595.00	\$ 915.38	\$ 1,081.82
MLP Income	30%	\$ 17,610.00	\$ 23,028.46	\$ 27,215.45
Equity Income	25%	\$ 8,800.00	\$ 11,507.69	\$ 13,600.00
Corporate Income	10%	\$ 1,833.00	\$ 1,833.00	\$ 1,833.00
High-Yield Income	25%	\$ 16,712.50	\$ 16,712.50	\$ 16,712.50
	100%	\$ 45,800.50	\$ 54,381.65	\$ 60,897.32
		4.58%	5.44%	6.09%

Assumptions:

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

Yields:	Yield	Notes:	Ave. Mat:
Municipal Income - Short-Term	0.5000%	Tax Free (California Residents)	2.00/years
Municipal Income - Mid-Term	1.1900%	Tax Free (California Residents)	5.00/years
MLP Income	5.8700%	85% Tax Efficient	
Equity Income	3.5200%	Assume 15% Qualified Tax Rate	
Corporate Income	1.8330%	Fully Taxable	5.01/years
High-Yield Income	6.6850%	Fully Taxable	8.00/years