

IF YOU PAY TAX ON APPROX THIS AMOUNT IN 2011		YOUR FED TAX RATE IS	YOUR APPLICABLE TAX RATE IN PR IS	TO MATCH A TAX FREE RETURN IN PUERTO RICO* OF									
Joint Return	Single Return			1.00%	2.00%	2.50%	3.00%	3.50%	4.00%	4.50%	5.00%	5.50%	
				YOU WOULD HAVE TO EARN									
\$75,000	\$50,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$100,000	\$75,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$150,000	\$100,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$200,000	\$150,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$250,000	\$200,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$300,000	\$250,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$350,000	\$300,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$400,000	\$350,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$450,000	\$450,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$500,000	\$500,000	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	
\$1,000,000+	\$1,000,000+	0%	34.6%	1.53%	3.06%	3.82%	4.59%	5.35%	6.12%	6.88%	7.65%	8.41%	

\*In lieu of federal income tax, incomes above \$60,000 are subject to a 34.65% PR tax from which PR exempts its own bonds.

Prepared by Lebenthal & Co. LLC March 2011 from sources believed to be accurate.

Using the yellow highlights as an example, run a finger across the row with your approximate taxable income, and another finger down a column with the tax-free yield you are considering. Do you belong in municipal bonds? Where your two fingers intersect is the answer: the amount that a taxable investment of comparable quality and maturity would have to pay you to match the muni.