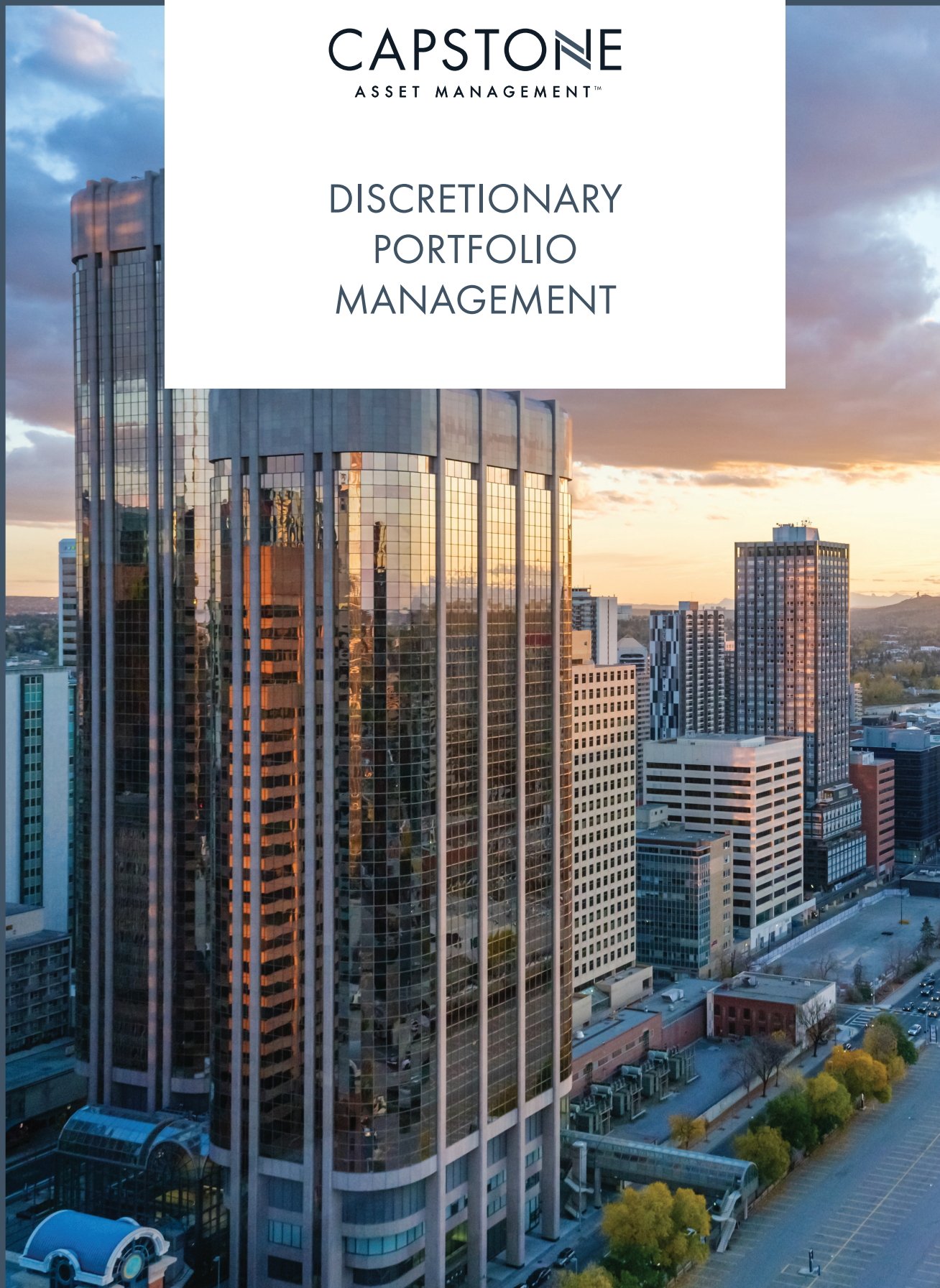


CAPSTONE  
ASSET MANAGEMENT™

DISCRETIONARY  
PORTFOLIO  
MANAGEMENT



# CAPSTONE ASSET MANAGEMENT

We provide fee-based discretionary asset management to individuals, families, corporations and organizations. We have the ability to manage all registered account types, including RRSPs, TFSAs, RESPs, RDSPs as well as Taxable, Corporate, Trust and Pension accounts.

When you entrust us with the management of your assets, we take the time to understand your personal and financial objectives. Our strategy for portfolio growth is tailored to your specific needs while focused on delivering the best possible risk adjusted return. It is our conviction that in order to serve you well, we need to know you.

Our investment approach is governed by our Biblical worldview. We believe the Bible has investing principles that are applicable to everyone. In fact, we believe that a Biblically informed approach to investing is far more encompassing than either simple stock screening, or traditional approaches to “ethical investing”. Some of the principles we regularly apply to our advice and research are:

- › Preserve capital and minimize speculation,
- › Do not presume upon the future,
- › Minimize debt,
- › Live and give generously,
- › Steward the assets that God entrusts to each of us.



## OUR PHILOSOPHY

A DISCIPLINED APPROACH IS IMPERATIVE TO REACHING YOUR INVESTMENT OBJECTIVES. TO ACHIEVE THIS, WE FOCUS ON:

### RISK-ADJUSTED RETURN

All investments in a portfolio are carefully evaluated and selected for their potential to maximize return for the level of risk taken. We believe it is important to be realistic about returns to avoid stretching risk.

### EFFECTIVE DIVERSIFICATION

Traditional markets alone are insufficient to provide a well balanced, diversified portfolio - even with the best skill and experience, it is not possible to know with certainty what will happen next. We use both traditional and non-traditional assets to provide true diversification and reduce overall portfolio risk.

### A LONG-TERM PERSPECTIVE

We are patient and employ a long-term perspective. We recognize that the fear of trailing short-term performance can prompt decisions that cost return in the long run.

### COMBINING GROWTH & VALUE

We buy VALUE assets where intrinsic value and starting yield will contribute to long term performance. And GROWTH assets are considered only when the price is reasonable for the expected return.

### TOP DOWN AND BOTTOM UP

We begin our research with a “top-down” look at global and regional conditions. A “bottom-up” process is then used to select securities that meet our value or growth criteria.

### COMPETITIVE FEES

We know that the fees and costs within a portfolio must be minimized as they can seriously erode long term performance. We strive to provide our clients with excellent value and transparent reporting to ensure accountability to this principle.





## OUR PROCESS

### DEFINE YOUR GOALS

We take into consideration your past financial experience, your future vision, and goals. We analyze your investment assets within the context of your overall net worth.

### CREATE A STRATEGY

After capturing your goals, we discuss your risk profile. By considering your needs, appetite for risk and capacity for loss, we determine the strategic asset allocation that is most appropriate. This information is recorded in your Investment Policy Statement, which governs how we manage your investments.

### IMPLEMENT THE PORTFOLIO

After agreeing and signing our Investment Policy Statement, we implement the recommended strategic asset allocation.

### ONGOING REVIEW

Client meetings are held on a regular basis with one of our Portfolio Managers. Updates are provided in the form of quarterly statements and commentaries. We proactively monitor and rebalance your portfolio to ensure that it remains within the guidelines of your Investment Policy Statement. As your circumstances change, we re-evaluate your investment objectives and adjust accordingly.



EFFECTIVE DIVERSIFICATION CAN LOWER RISK AND GIVE YOU PEACE OF MIND.



# OUR COMPETITIVE ADVANTAGE

## TRANSPARENCY

Our fee-based approach ensures we act in your best interest. We do not receive commissions from the sale of financial products or through our work with third-party providers. Our fees are 1.50% per annum with tiered management fee reductions for portfolios greater than \$1 million.

## SECURE CUSTODY

The physical possession of all assets is maintained by our Custodian (owned by a Canadian bank), a separate legal entity from Capstone Asset Management.

## EXPERTISE

Our team includes six Portfolio Managers, four of whom hold the prestigious CFA Charter. We are pleased to offer a high staff to client ratio with a strong team of office support staff.

## NIMBLE AND RESPONSIVE

As a boutique investment manager, when the economic landscape shifts, we can quickly and effectively make any necessary changes with the goal of generating the best possible risk adjusted return.

## TEAM APPROACH

Our team is made up of an Investment Committee (IC) consisting of Portfolio Managers, and an Investment Management Team (IMT) made up of Analysts and Portfolio Managers. Together, they work to find the perfect balance for our clients. While the IMT is responsible for research and analysis, the IC complements the overall research process through strategic asset allocation, risk management, portfolio construction and continuous monitoring of clients' portfolios.

## INDEPENDENCE

We are not affiliated with any other investment fund company or distributor, and we do not endorse any investment provider.

## INNOVATIVE PRODUCTS

Effective diversification is achieved through access to a broad array of investments within and outside traditional markets. Non-traditional strategies include assets such as mortgages, infrastructure, real estate, and private equity. Capstone clients enjoy unique investment opportunities, as our funds provide access to high barrier opportunities typically available only to institutional investors.



Capstone Asset Management Inc. is a Portfolio Manager, Investment Fund Manager and Exempt Market Dealer active in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland & Labrador.

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