

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, creating a sense of height and architectural scale. The buildings are dark against a lighter sky, and the perspective is from the ground looking up.

CAPSTONE MORTGAGE OPPORTUNITIES
FUND LP
F Class

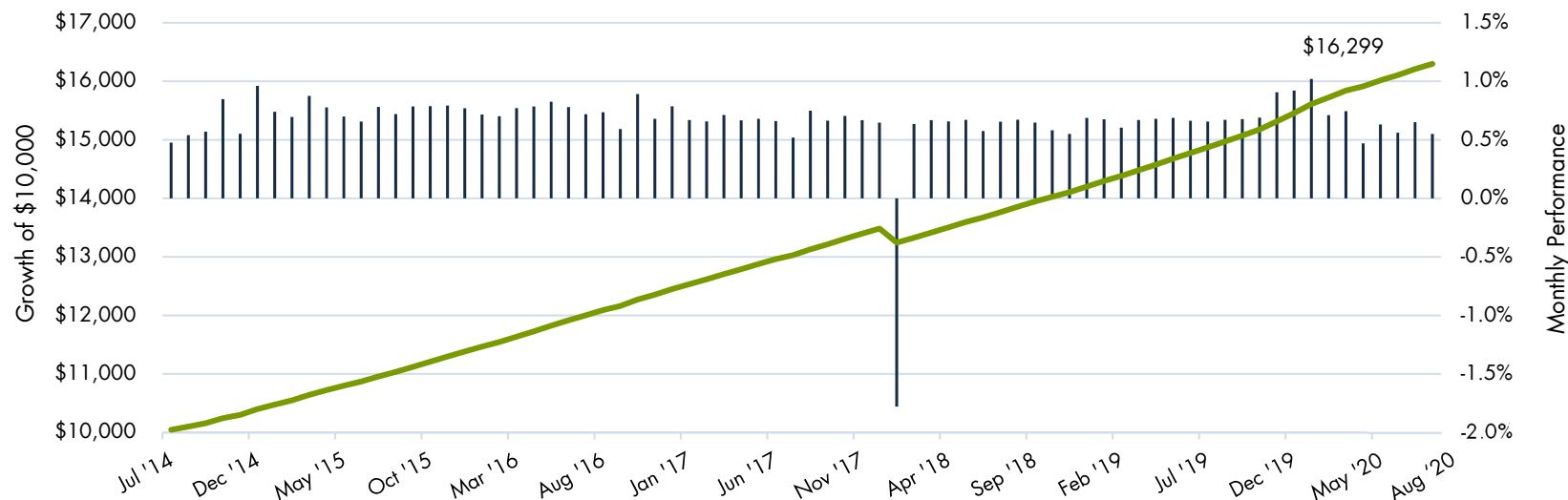
CAPSTONE
ASSET MANAGEMENT™

TRANSPARENCY REPORT
August 2020

<i>Fund Code:</i> CVT1011	<i>First Trade Date:</i> July 15, 2014	<i>Average LTV:</i> 59%
<i>Current Price:</i> \$102.6958	<i>Purchase Frequency:</i> Monthly	<i>Average Remaining Terms:</i> 6 Months
<i>Settlement:</i> T + 5	<i>Redemption Frequency:</i> Bi-Annual (January and July)	<i>Assets Under Management:</i> \$106 MM

PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2020	1.02%	0.71%	0.74%	0.47%	0.63%	0.56%	0.65%	0.55%					5.46%
2019	0.68%	0.60%	0.67%	0.68%	0.69%	0.66%	0.66%	0.67%	0.68%	0.69%	0.91%	0.92%	8.83%
2018	-1.78%	0.64%	0.67%	0.66%	0.67%	0.58%	0.65%	0.67%	0.65%	0.58%	0.55%	0.69%	5.32%
2017	0.67%	0.66%	0.71%	0.67%	0.68%	0.66%	0.52%	0.75%	0.66%	0.70%	0.67%	0.65%	8.29%
2016	0.72%	0.70%	0.77%	0.78%	0.83%	0.78%	0.72%	0.74%	0.59%	0.89%	0.68%	0.79%	9.36%
2015	0.74%	0.69%	0.88%	0.78%	0.70%	0.66%	0.78%	0.72%	0.79%	0.79%	0.79%	0.77%	9.46%
2014							0.48%	0.54%	0.57%	0.85%	0.55%	0.96%	4.01%



PRICES

Capstone Mortgage Opportunities Fund is priced monthly. It trades monthly for purchases and every January 31 and July 31 for redemptions.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2020	102.2534	102.3261	102.4023	102.4504	102.5150	102.5725	102.6393	102.6958				
2019	101.3184	101.3796	101.4484	101.5183	101.6217	101.6890	101.7557	101.8238	101.8927	101.9630	102.0553	102.1493
2018	100.5808	100.6172	100.6844	100.7504	100.8179	100.8759	100.9329	101.0007	101.0660	101.1248	101.1805	101.2500
2017	102.2923	102.3595	102.4323	102.5005	102.5701	102.6379	102.6911	102.7680	102.8363	102.9086	102.9773	103.0439
2016	101.3827	101.4538	101.5320	101.6117	101.6956	101.7749	101.8480	101.9229	101.9833	102.0741	102.1435	102.2239
2015	100.4694	100.5392	100.6272	100.7054	100.7757	100.8418	100.9206	100.9932	101.0725	101.1521	101.2324	101.3102
2014						100.0000	100.0476	100.1016	100.1586	100.2435	100.2988	100.3952



DISTRIBUTIONS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2020	0.9372	0.6542	0.6858	0.4325	0.5819	0.5173	0.6009	0.5082				
2019	0.6155	0.5506	0.6093	0.6192	0.5940	0.6062	0.5997	0.6136	0.6198	0.6324	0.8315	0.8457
2018	0.6302	0.6029	0.6048	0.5963	0.6078	0.5221	0.6028	0.6102	0.5880	0.5293	0.5013	0.6254
2017	0.6155	0.6048	0.6555	0.6139	0.6267	0.6095	0.4788	0.6921	0.6144	0.6512	0.6185	0.5991
2016	0.6523	0.6405	0.7031	0.7173	0.7552	0.7142	0.6576	0.6741	0.5435	0.8178	0.6244	0.7233
2015	0.6678	0.6283	0.7918	0.7038	0.6329	0.5948	0.7094	0.6535	0.7135	0.7166	0.7221	0.7005
2014							0.4281	0.4858	0.5136	0.7642	0.4973	0.8679

DISTRIBUTION POLICY

Capstone Mortgage Opportunities Fund typically distributes 90% of its distributable income at each monthly valuation. The undistributed 10% is reflected in the Net Asset Value per Unit (price). There is no guarantee of any distribution and the manager reserves the right to change the distribution policy at any time.



PERFORMANCE COMPARISON

	CMOF F CLASS	TSX TR ⁱ	XBB TR ⁱⁱ
1 Month	0.55%	2.35%	-1.41%
3 Month	1.77%	9.57%	1.80%
6 Month	3.66%	3.35%	3.96%
1 Year	8.87%	3.80%	5.55%
3 Year	7.48%	6.04%	5.38%
5 Year	8.11%	6.81%	3.96%
Inception (Actual)	62.99%	31.42%	28.75%
Inception (Annualized)	8.30%	4.56%	4.21%
2019	8.83%	22.88%	7.27%
2018	5.32%	-8.89%	1.00%
2017	8.29%	9.10%	2.42%
2016	9.36%	21.08%	1.25%
2015	9.46%	-8.32%	3.30%
# Negative Months	1/74	26/74	27/74



RISK MEASURES

	CMOF F	TSX TR	XBB TR
Annualized Volatility ⁱⁱⁱ	1.05%	12.17%	4.63%
β (TSX as market)	0.00	1.00	0.16
Sharpe ^{iv} (Inception)	6.9	0.3	0.7
1 Year Sharpe	7.6	0.2	1.0
Semi-Volatility ^v	3.51%	31.53%	8.88%
Sortino (Inception)	2.1	0.1	0.4
Skewness	-7.1	-1.5	0.7
Excess Kurtosis	57.1	8.8	2.8
Max Drawdown	-2%	-37% Feb '20 to Mar '20	-14% Mar '20 to Mar '20

REMAINING TERMS^{vi}

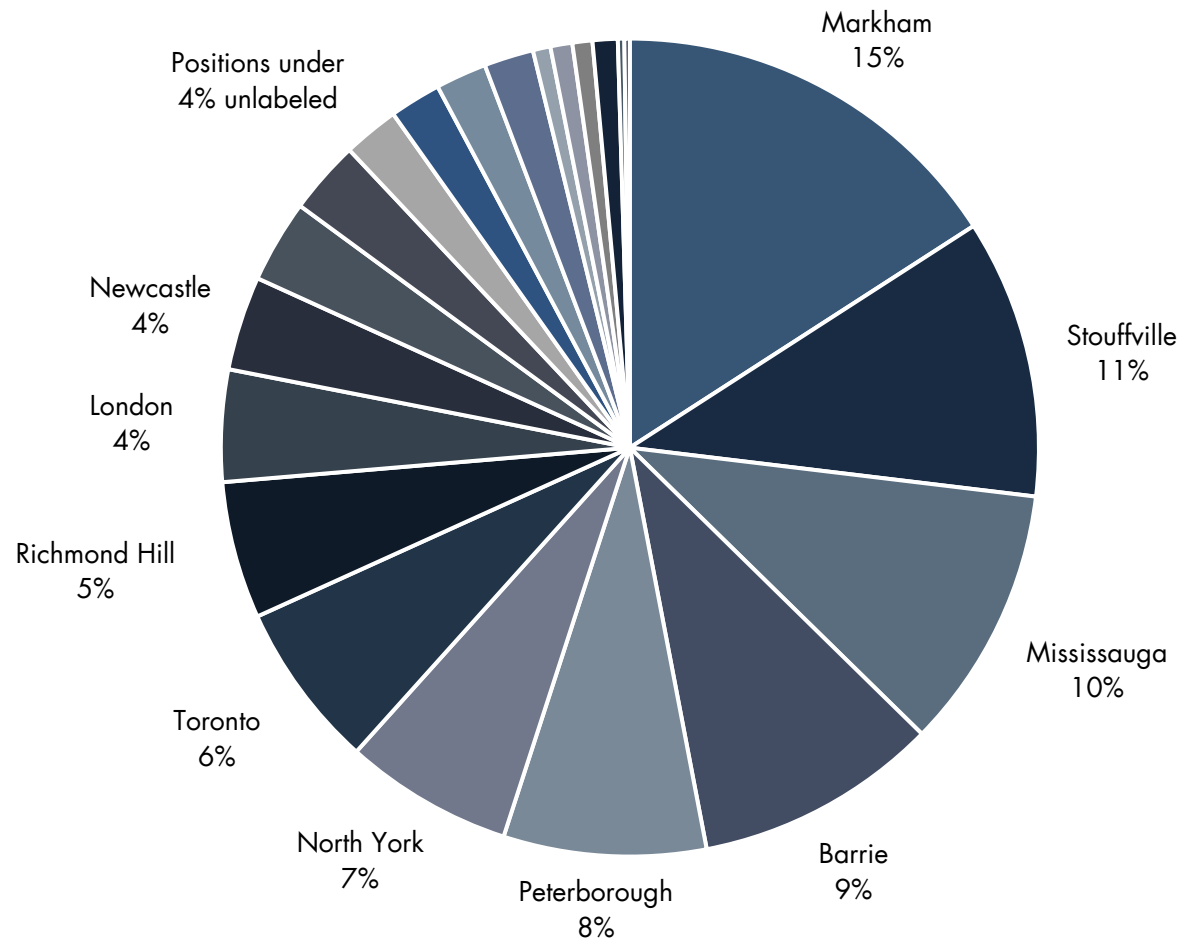
MONTHS	≤ 3	6	9	≥ 12
	52%	12%	1%	33%

CORRELATIONS^{vii}

	TSX TR	XBB TR	CAPSTONE FIXED INCOME	CAPSTONE TRADITIONAL EQUITY	CAPSTONE NON- TRADITIONAL EQUITY
CMOF F Class	0.01	0.09	0.06	-0.12	-0.15



PROPERTY LOCATIONS



LARGEST DEVELOPER POSITIONS

	A	B	C	D	E	TOTAL TOP 5 DEVELOPERS	AVERAGE PER DEVELOPER
Exposure as % of AUM	17%	12%	11%	8%	7%	55%	4%

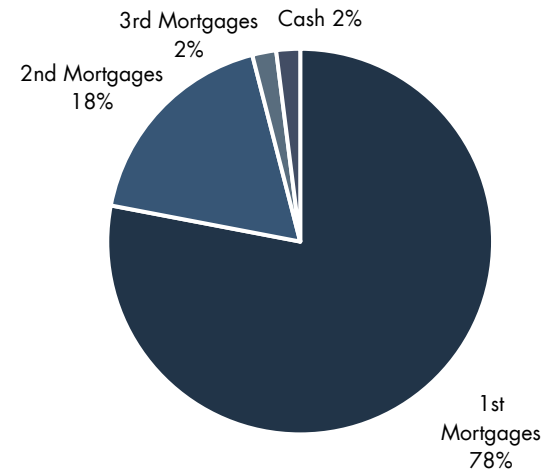
LARGEST MORTGAGE POSITIONS

	Z	Y	X	W	V	TOTAL TOP 5 PROJECTS	AVERAGE PROJECT SIZE
Exposure as % of AUM	12%	10%	8%	7%	7%	43%	3%

DEVELOPMENT TYPE^{viii}

Single Family	18%
Land	18%
Condos	13%
Retail Space	11%
Senior Condo	11%
Townhomes	9%
Student Housing	7%
Mixed	4%
High Density Res	2%
Retirement	2%
Apartments	1%

MORTGAGE PRIORITY



Total # Of Mortgages: 37

Total # Of Developers: 25



DISCLOSURES

The CMOF, F Class (CVT1011) includes an annual management fee of 0.75% and an administration fee of 0.15%. Registered dealers may charge additional service fees. Additional classes are available appropriate for dealers or directly managed portfolios of Capstone Asset Management.

This document is intended for dealer use and due diligence purposes only. It does not constitute an offering of securities. Prospective investors should seek professional investment advice before purchasing.

Individual investors are required to certify that they qualify as an accredited investor. Corporate and other legal entity investors must qualify as accredited investors or make an initial purchase of at least \$150,000.

ⁱ S&P/TSX Composite Index total return “inception” matches CMOF F Class here for the sake of comparison.

ⁱⁱ iShares Core Canadian Universe Bond Index ETF (XBB) total return “inception” matches CMOF F Class here for the sake of comparison.

ⁱⁱⁱ Annualized standard deviation of monthly returns.

^{iv} Sharpe ratio computed by dividing the difference between annualized CMOF F and benchmark bond performance by the annualized monthly standard deviation of CMOF F returns. Uses Canadian Benchmark 1 month bonds (as reported by FactSet Inc.) as the benchmark to match CMOF F liquidity.

^v Annualized standard deviation of monthly returns below arithmetic mean of all returns.

^{vi} Remaining terms of mortgages plus available extensions. Rounded to the nearest listed category. Weighted by principal value and estimated accrual; cash makes up the rest of the pool AUM.

^{vii} Measured on total return monthly for all available months of each respective pair.

^{viii} The allocations to each category reflect the percentage of the total net asset value. They will not always sum to 100% due to the variable cash positions within the portfolio.

