



CAPSTONE MORTGAGE POOL
A Class

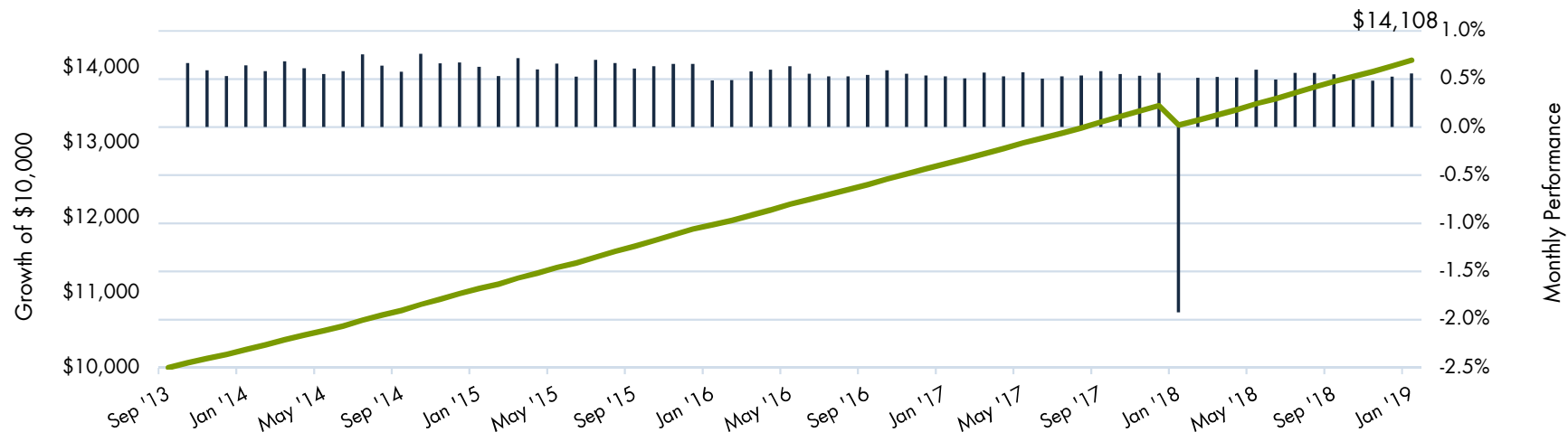
CAPSTONE
ASSET MANAGEMENT™

TRANSPARENCY REPORT
January 2019

<i>Fund Code:</i>	CVT101	<i>First Trade Date:</i>	September 30, 2013	<i>Average LTV:</i>	64%
<i>Current Price:</i>	\$9.7263	<i>Purchase Frequency:</i>	Monthly	<i>Average Remaining Terms:</i>	4 Months
<i>Settlement:</i>	T + 5	<i>Redemption Frequency:</i>	Monthly	<i>Assets Under Management:</i>	\$133 MM

PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	0.56%												0.56%
2018	-1.92%	0.51%	0.52%	0.51%	0.60%	0.49%	0.56%	0.56%	0.55%	0.49%	0.48%	0.52%	3.92%
2017	0.53%	0.51%	0.56%	0.52%	0.57%	0.50%	0.52%	0.53%	0.58%	0.55%	0.53%	0.56%	6.67%
2016	0.48%	0.49%	0.58%	0.60%	0.63%	0.55%	0.53%	0.53%	0.54%	0.59%	0.55%	0.54%	6.80%
2015	0.62%	0.53%	0.72%	0.60%	0.66%	0.52%	0.70%	0.66%	0.61%	0.63%	0.65%	0.65%	7.82%
2014	0.64%	0.58%	0.68%	0.61%	0.55%	0.58%	0.76%	0.64%	0.57%	0.76%	0.66%	0.67%	7.97%
2013										0.66%	0.59%	0.53%	1.79%



DISTRIBUTIONS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2019	0.0514											
2018	0.0664	0.0473	0.0484	0.0875	0.0517	0.0455	0.0519	0.0519	0.0507	0.0457	0.0447	0.0804
2017	0.0500	0.0482	0.0537	0.0500	0.0541	0.0480	0.0500	0.0510	0.0552	0.0524	0.0507	0.0861
2016	0.0460	0.0463	0.0550	0.0568	0.0600	0.0528	0.0503	0.0501	0.0515	0.0564	0.0528	0.0831
2015	0.0591	0.0502	0.0679	0.0569	0.0626	0.0497	0.0664	0.0632	0.0577	0.0600	0.0623	0.0698
2014	0.0834	0.0770	0.0511	0.0376	0.0318	0.0368	0.0548	0.0641	0.0552	0.0728	0.0635	0.1815
2013												0.1526

DISTRIBUTION POLICY

Capstone Mortgage Pool typically distributes 95% of its distributable income at each monthly valuation. The undistributed 5% is reflected in an income of the Net Asset Value per Unit (price). The distribution on the last valuation date of the year is typically larger to ensure the Pool does not return distributable income. There is no guarantee of any distribution and the manager reserves the right to change the distribution policy at any time.



PERFORMANCE COMPARISON

	CMP A CLASS	TSX TR	XBB TR	CANADIAN MIC TR
1 Month	0.56%	8.74%	1.50%	4.27%
3 Month	1.57%	4.28%	3.77%	5.84%
6 Month	3.21%	-3.92%	2.81%	9.97%
1 Year	6.55%	0.47%	3.43%	14.97%
2 Year	5.30%	3.52%	2.55%	10.79%
3 Year	5.81%	9.81%	1.99%	13.32%
4 Year	6.27%	4.52%	1.21%	12.59%
5 Year	6.61%	5.64%	3.04%	11.56%
Inception (Actual)	41.08%	42.32%	19.58%	75.16%
Inception (Annualized)	6.66%	6.84%	3.41%	11.08%
2018	3.92%	-8.89%	1.00%	8.98%
2017	6.67%	9.10%	2.42%	10.01%
2016	6.80%	21.08%	1.25%	16.67%
2015	7.82%	-8.32%	3.30%	12.25%
2014	7.97%	10.55%	8.28%	5.83%
# Negative Months	1/64	23/64	24/64	14/64



RISK MEASURES

	CMP A	TSX TR ⁱ	XBB TR ⁱⁱ	CANADIAN MIC INDEX TR ⁱⁱⁱ
Annualized Volatility ^{iv}	1.10%	8.87%	3.78%	5.96%
β (TSX as market)	0.01	1.00	0.06	0.30
Sharpe (Inception)	5.3	0.7	0.7	1.7
1 Year Sharpe	4.7	-0.1	0.5	2.3
Semi-Volatility ^{vi}	3.64%	19.17%	7.45%	12.48%
Sortino (Inception)	1.6	0.3	0.3	0.8
Skewness	-7.5	0.0	0.7	0.1
Excess Kurtosis	58.4	1.3	2.8	1.6
Max Drawdown	-2%	-22% Apr '15 to Jan '16	-5% Sep '16 to Dec '16	-6% Oct '14 to Dec '14

REMAINING TERMS^{vii}

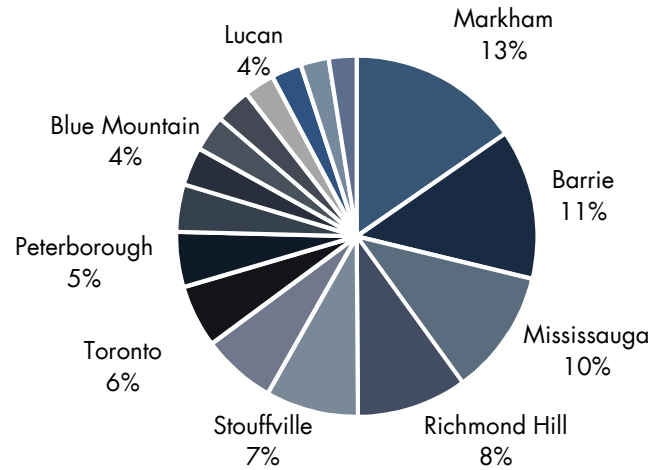
MONTHS	≤ 3	6	9	≥ 12
	57%	24%	2%	4%

CORRELATIONS^{viii}

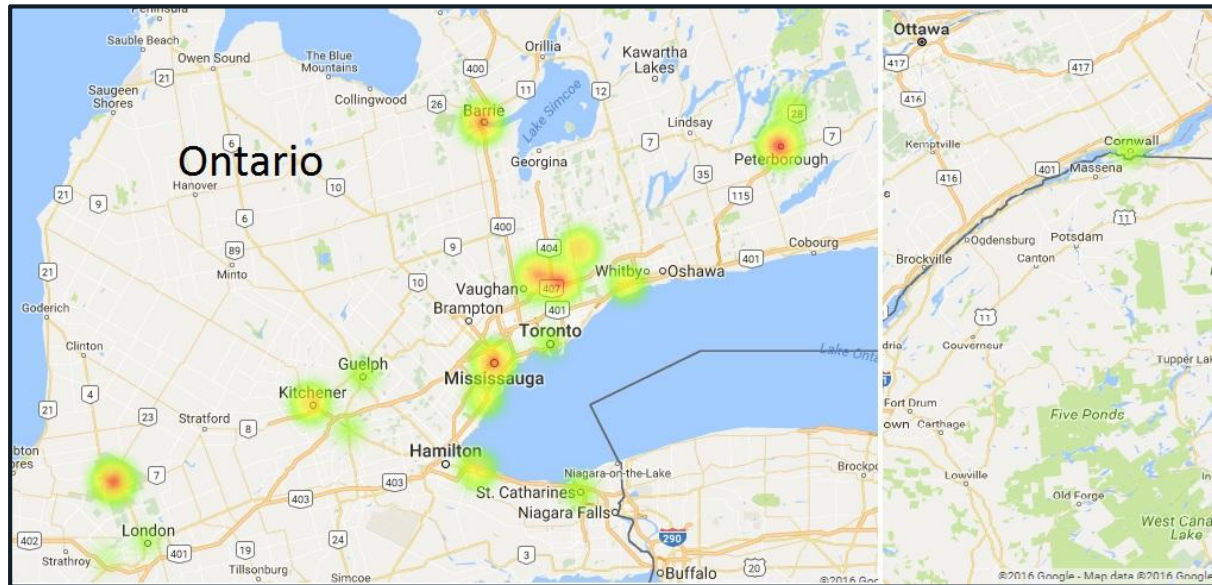
	TSX TR	XBB TR	MIC TR	CAPSTONE FIXED INCOME	CAPSTONE TRADITIONAL EQUITY	CAPSTONE NON-TRADITIONAL EQUITY
CMP A Class	0.09	0.17	0.13	0.03	-0.17	-0.29



PROPERTY LOCATIONS



Positions under 4% unlabeled.



LARGEST DEVELOPER POSITIONS

	A	B	C	D	E	TOTAL TOP 5 DEVELOPERS	AVERAGE PER DEVELOPER
Exposure as % of AUM	15%	10%	7%	6%	6%	44%	3.7%

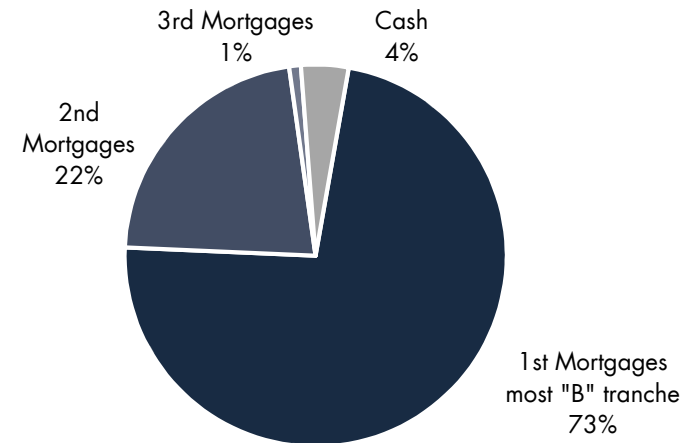
LARGEST MORTGAGE POSITIONS

	Z	Y	X	W	V	TOTAL TOP 5 PROJECTS	AVERAGE PROJECT SIZE
Exposure as % of AUM	6%	6%	5%	5%	5%	26%	2.1%

DEVELOPMENT TYPE^{ix}

Single Family	17%
Land	14%
Retail Space	14%
Townhomes	13%
Condos	8%
Retirement	8%
Senior Condo	7%
Student Housing	6%
High Density Res	5%
Apartments	4%

MORTGAGE PRIORITY



Total # Of Mortgages: 44

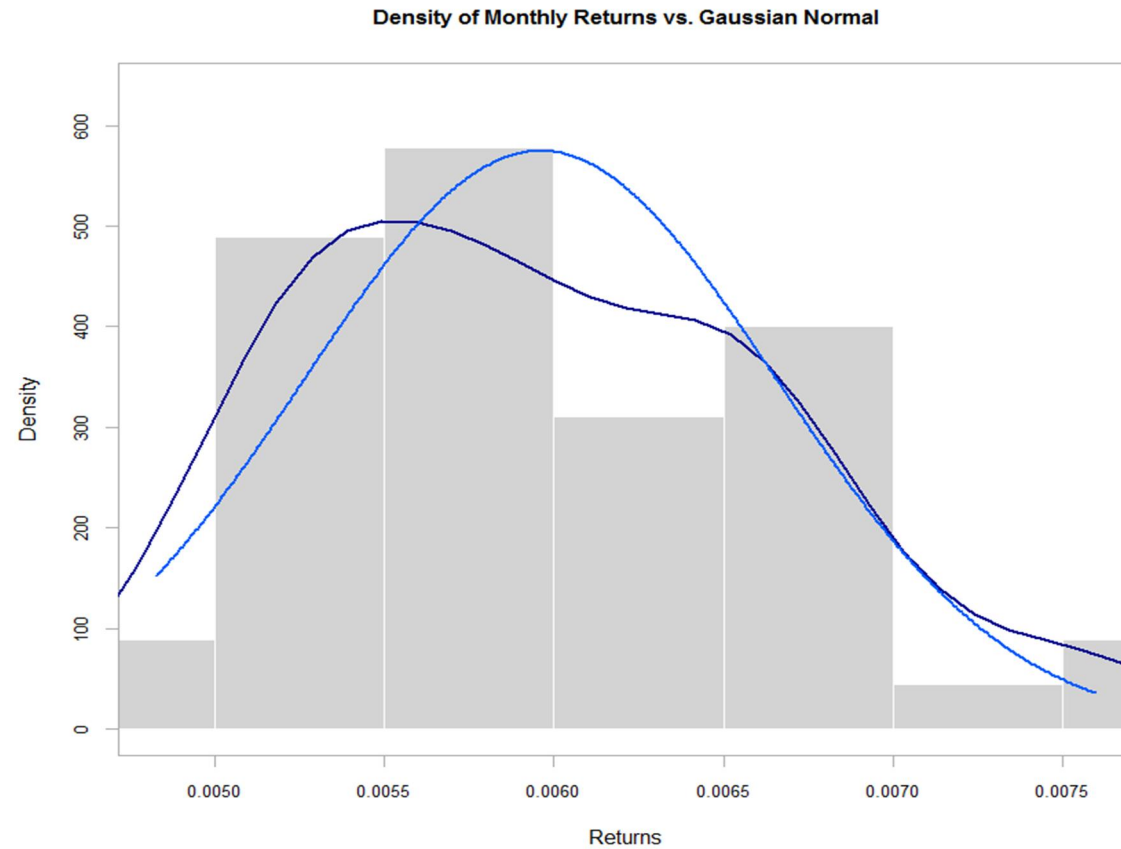
Total # Of Developers: 26



PROBABILITY DENSITY

Density of Monthly Returns vs. Gaussian Normal

Purple density plot compares observed distribution with **Blue** Gaussian Normal density plot.



DISCLOSURES

Capstone Mortgage Pool, A Class (CVT101) includes a 2.0% management fee of which 1.0% is payable as a service fee to appropriately registered dealers. Other classes are available.

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 TSX, XBB, and Canadian MIC “inception” matches CMP A Class here for the sake of comparison. All calculations use total return.

ⁱⁱ iShares Dex Universe Bond Index ETF, “XBB”.

ⁱⁱⁱ The Canadian MIC Index is constructed by Capstone Asset Management using equal-weighted total returns of five publically-traded Mortgage Investment Corporations (net of fees but not trading costs): Atrium Mortgage Investment Corporation (AI-TSE), Eclipse Residential Mortgage Investment Corporation Class A (ERM-TSE), Firm Capital Mortgage Investment Corporation (FC-TSE), Timbercreek Mortgage Investment Corporation (TMC-TSE), and Trez Capital Mortgage Investment Corporation Class A (TZZ-TSE).

^{iv} Annualized standard deviation of monthly returns.

^v Sharpe ratio computed by dividing the difference between annualized CMP A and benchmark bond performance by the annualized monthly standard deviation of CMP A returns. Uses Canadian Benchmark 1 month bonds (as reported by FactSet Inc.) averaged over the time since inception to match CMP A liquidity.

^{vi} Annualized standard deviation of monthly returns below arithmetic means of all returns.

^{vii} 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.

^{viii} Measured on total return monthly for all available months.

^{ix} 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 position within the portfolio.

