



CAPSTONE TRADITIONAL EQUITY POOL
F Class

CAPSTONE
ASSET MANAGEMENT™

TRANSPARENCY REPORT
December 2018

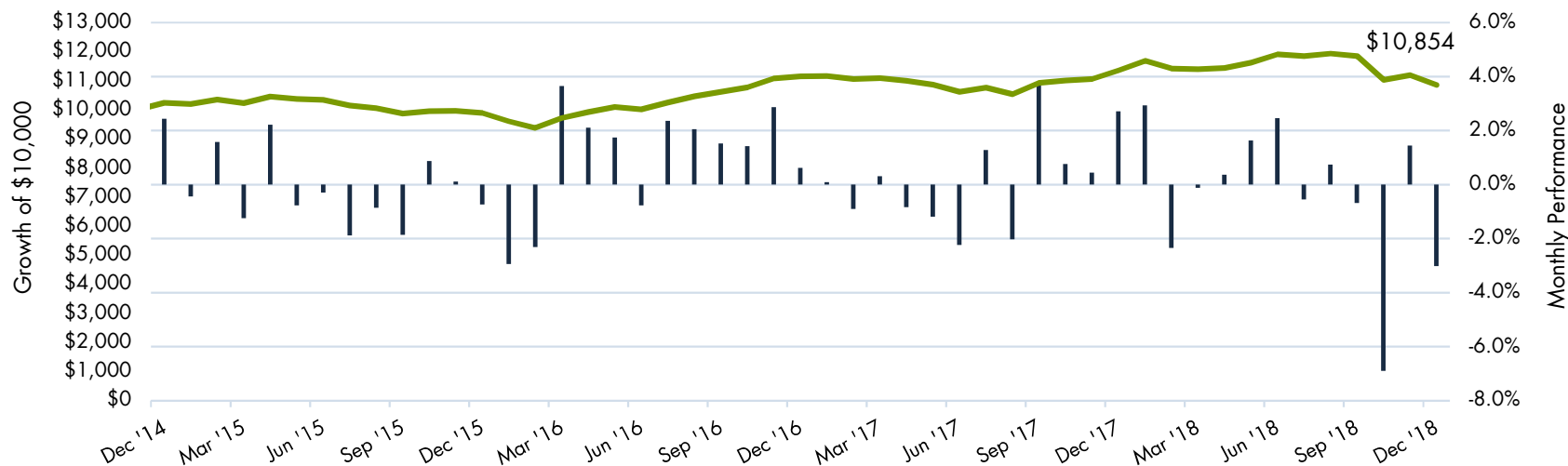
Fund Code: CVT411
 Current Price: \$10.7397
 Settlement: T + 3

First Trade Date: December 12, 2014
 Purchase Frequency: Weekly
 Redemption Frequency: Weekly

Assets Under Management: \$20 MM

PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2018	2.93%	-2.35%	-0.13%	0.36%	1.63%	2.46%	-0.56%	0.74%	-0.68%	-6.91%	1.45%	-3.02%	-4.42%
2017	0.09%	-0.91%	0.30%	-0.85%	-1.19%	-2.24%	1.27%	-2.04%	3.67%	0.75%	0.44%	2.71%	1.85%
2016	-2.95%	-2.32%	3.64%	2.10%	1.74%	-0.77%	2.35%	2.04%	1.52%	1.41%	2.87%	0.61%	12.70%
2015	-0.45%	1.57%	-1.25%	2.21%	-0.78%	-0.30%	-1.88%	-0.86%	-1.87%	0.87%	0.11%	-0.74%	-3.41%
2014												2.43%	2.43%



PERFORMANCE COMPARISON

	CTEP F CLASS	TSX TR ⁱ	XBB TR ⁱⁱ
1 Month	-3.02%	-5.40%	1.14%
3 Month	-8.42%	-10.11%	1.51%
6 Month	-8.88%	-10.62%	0.45%
1 Year	-4.42%	-8.89%	1.00%
2 Year	-1.34%	-0.30%	1.71%
3 Year	3.14%	6.37%	1.55%
Inception (Actual)	8.5%	9.9%	8.7%
Inception (Annualized) ⁱⁱⁱ	2.0%	2.3%	2.1%
2018	-4.4%	-8.9%	1.0%
2017	1.9%	9.1%	2.4%
2016	12.7%	21.1%	1.3%
2015	-3.4%	-8.3%	3.3%
# Negative Months	22/49	20/49	20/49
# Negative Weeks	102/217	102/217	95/217



RISK MEASURES

	CTEP F CLASS	TSX TR	XBB TR
Annualized Volatility ^{iv}	7.48%	11.54%	4.18%
β (With TSX As Market)	0.50	1.00	-0.03
Sharpe ^v (Inception)	0.2	0.1	0.3
1 Year Sharpe	-0.8	-0.9	-0.1
Semi-Volatility ^{vi}	7.61%	12.34%	4.52%
Sortino (Inception)	0.2	0.1	0.3
Treynor Ratio	0.0	0.0	-0.4
M ² (Modigliani)	3.3%	3.0%	5.0%
Jensen's α	0.5%	0.0%	1.4%
Skewness	-0.2	-0.4	-0.4
Excess Kurtosis	0.9	1.5	0.8
Max Drawdown	-12%	-22%	-5%
Time to Recovery	Feb '15 to Feb '16 567 days	Apr '15 to Jan '16 510 days	Sep '16 to Dec '16 ongoing days

CORRELATIONS^{vii}

	TSX TR	XBB TR	CAPSTONE FIXED INCOME	CAPSTONE NON- TRADITIONAL EQUITY	CAPSTONE MORTGAGE
CTEP F Class	0.73	-0.16	0.06	0.16	-0.18

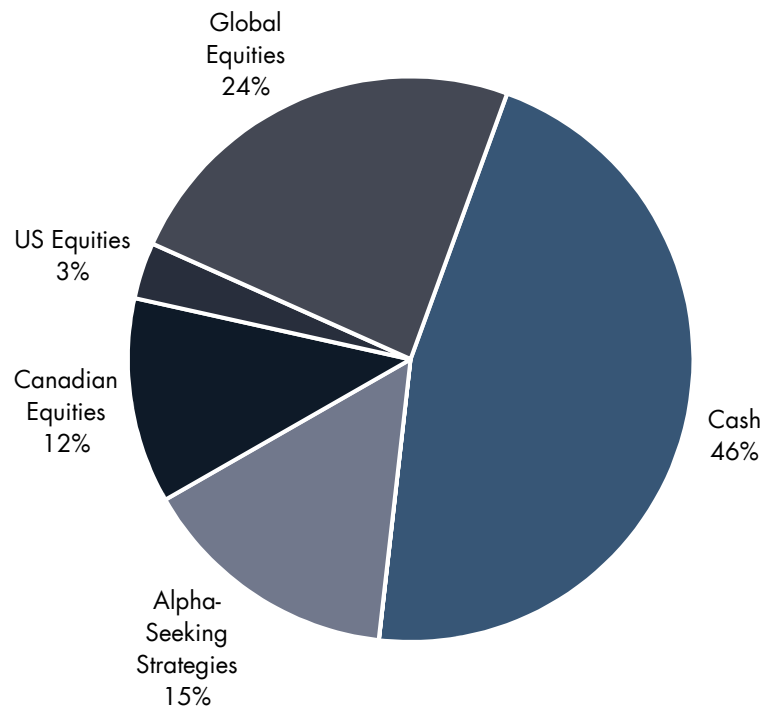


EXPOSURE & STRATEGIES

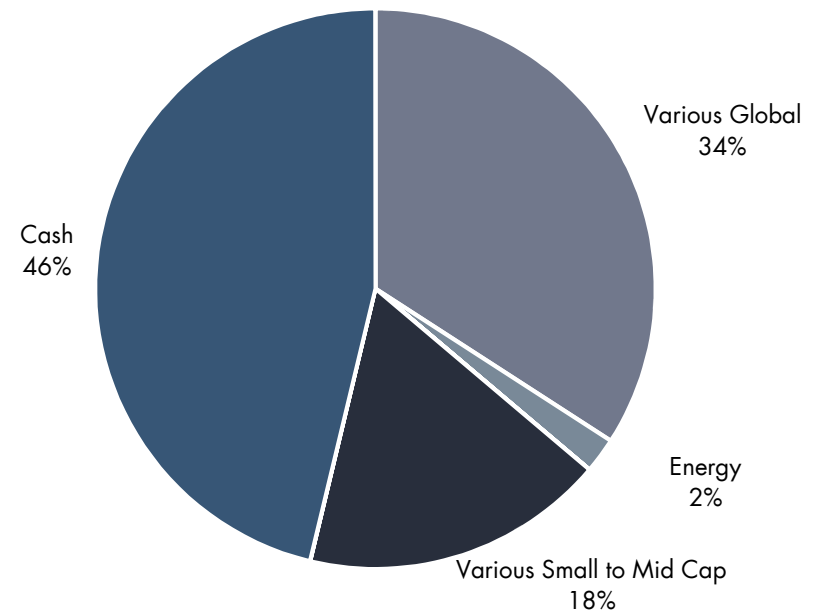
Market exposure and sector allocation are subject to occasional dramatic change.

Foreign currency exposures may be hedged using strategies at the fund or sub-advisor level. The fund does not take a strong view on currency and will tend to not fully hedge its exposures as is appropriate for a mid-to-long-term equity mandate.

MARKET EXPOSURES



SECTOR ALLOCATION

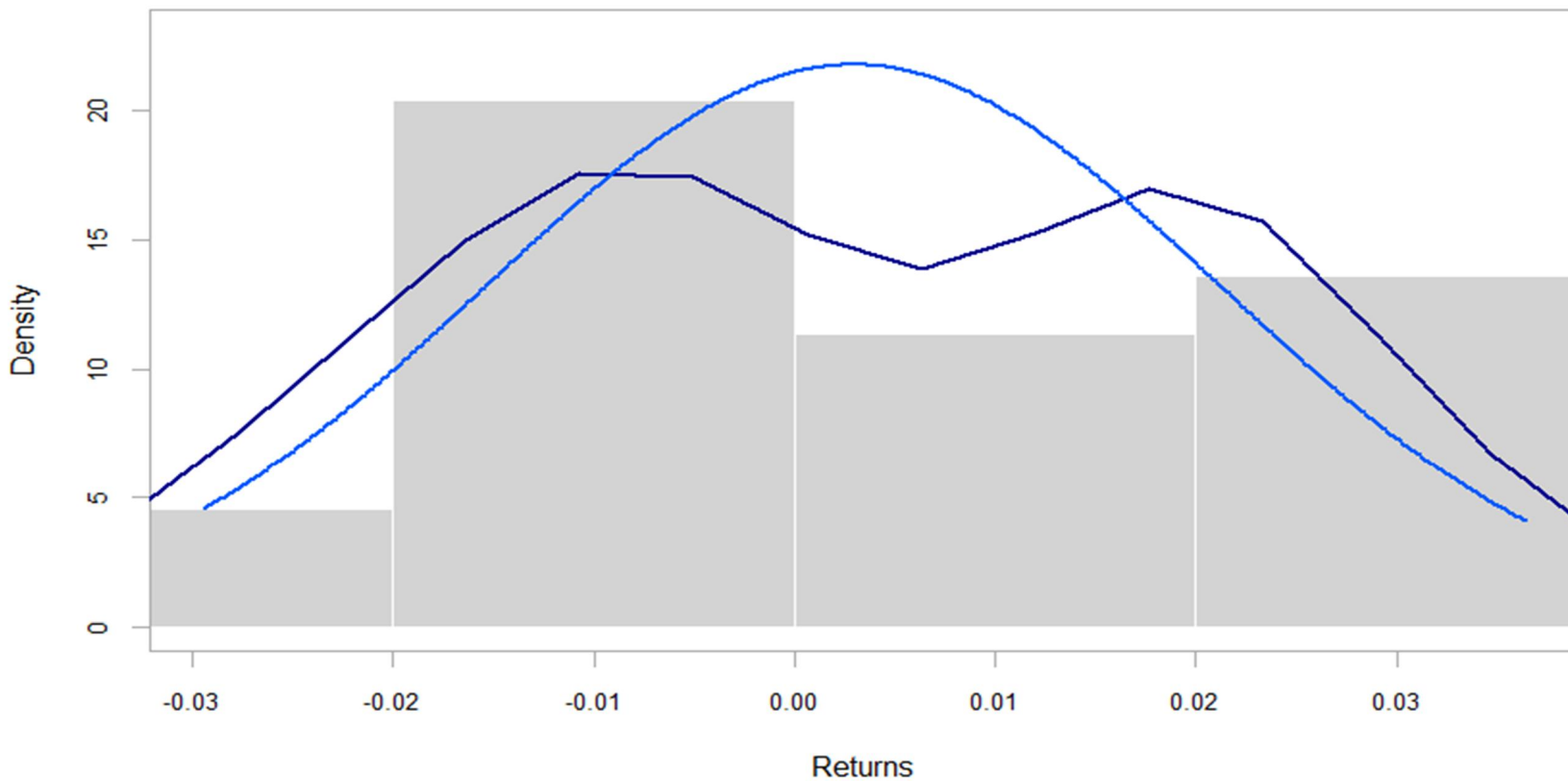


PROBABILITY DENSITY

Density of Monthly Returns vs. Gaussian Normal

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

Density of Monthly Returns vs. Gaussian Normal



DISCLOSURES

Capstone Traditional Equity Pool, F Class (CVT411) includes a 1.0% management fee. 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, iShares DEX Universe Bond Index Fund (XBB) “inception” matches CTEP F Class here for the sake of comparison.

ⁱⁱ iShares DEX Universe Bond Index ETF.

ⁱⁱⁱ Annualized using days since first trade date.

^{iv} Annualized standard deviation of weekly returns.

^v Sharpe ratio computed by dividing the difference between annualized CTEP F and benchmark bond performance by the annualized monthly standard deviation of CTEP F returns. Uses Canadian Benchmark 1 month bonds (as reported by FactSet Inc.) as the reliable benchmark that most closely matches CTEP F liquidity.

^{vi} The annualized standard deviation of weekly returns below arithmetic mean of all returns.

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

