



CAPSTONE
ASSET MANAGEMENT™

CAPSTONE
NON-TRADITIONAL EQUITY POOL



CAPSTONE NON TRADITIONAL EQUITY POOL

Since 2014 Capstone has employed rigorous due diligence and analysis to create its Non-Traditional Equity Pool, which takes advantage of the many value-based opportunities in this complex arena, making them available to all our institutional and private investors. To achieve its objectives, the Pool has been constructed using a diversified portfolio of Canadian and foreign assets with low correlations to traditional domestic and global equity markets. Given the broad nature of non-traditional investments, assets contained in the pool can offer the potential for capital appreciation, high cash flows, or both.

The Pool primarily focuses on the three areas of real estate, private equity and debt, and infrastructure. With this focus investors can access a diversified portfolio of non-traditional investments that provides a core holding within a balanced portfolio. The inclusion of the Pool will reduce the portfolio's volatility and improve performance for the risk taken. In addition, the inclusion of this Pool allows investors to then further customize their portfolio based on their own risk preferences and performance objectives by combining this balanced approach with other strategies focused on specific non-traditional markets.



Non-Traditional investments are often referred to as alternative investments. This broad category of asset types includes investments that are outside the scope of traditional bond and stock markets and generally do not trade on public exchanges. Examples include real estate assets, commodities, private debt and equity, infrastructure projects and hedge funds.

Non-traditional investments are often characterized by high barriers to entry, illiquidity, high yields and high returns. They generally do not react in the same way as traditional investments to the ups and downs of the bond and stock markets. Their uncorrelated volatility is a compelling reason to include non-traditional investments in a diversified portfolio.

For quite some time, large pension and endowment institutions have recognized the need to include non-traditional assets in their investment strategies. However, many investors have not been afforded the same opportunities due to common restrictions such as limited availability, large minimums, complexity, and lock-up periods. In addition to overcoming these hurdles, the world of non-traditional instruments is broad, diverse and can be difficult to navigate without specialized knowledge.

THE CAPSTONE NON-TRADITIONAL
EQUITY POOL TAKES ADVANTAGE OF THE
MANY VALUE BASED OPPORTUNITIES
IN THIS COMPLEX ARENA.

THE FUND MANAGER

Established in 2004 and headquartered in Langley, British Columbia, Capstone Asset Management serves a broad client base including private clients, foundations, and institutions. Through Pooled Funds and Limited Partnerships, Capstone provides investors with effective portfolio diversification by offering a broad array of investments within and outside traditional markets.

Capstone is the Fund Manager and Portfolio Manager of the Capstone Non-Traditional Equity Pool. Upon the identification of an investment opportunity, a rigorous due diligence process is completed by the Investment Management Team. The suitability is then assessed by the voting members of the firm's Investment Committee, and a full review is completed by the firm's Compliance Team.



ACCESSING THE POOL

The Capstone Non-Traditional Equity Pool is a key component of many of our discretionary portfolios, but it can also be accessed as a standalone investment, subject to certain conditions. It is also available to institutional investors.

HOW RISKY IS IT?

Capstone has rated this Pool as medium risk. We consider the investment approval process to be disciplined and thorough with security of an underlying asset in most cases. Please see the Information Memorandum for further information on the specific risks of this Pool.

WHAT IS THE TARGET RATE OF RETURN?

The Pool seeks to provide a long-term annualized rate of return in excess of 6%.

DISTRIBUTIONS

- › Occur quarterly
- › Are reinvested as additional units unless requested as cash
- › Are comprised of capital gains, interest, or dividends

BENEFITS

- › Pooled Fund structure enables funding of multiple diverse opportunities thereby reducing overall risk
- › Access to opportunities not available at retail level
- › Weekly valuation and liquidity
- › Equity exposure that is not correlated to the traditional stock markets



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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