



CAPSTONE
ASSET MANAGEMENT™

CAPSTONE TREASURY POOL



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The Capstone Treasury Pool provides investors access to a high yielding investment while maintaining daily liquidity.

Through the use of a Pool structure investors can aggregate their money and gain access to rates not generally accessible to retail investors in traditional savings accounts.

The strategy's mandate is designed to provide a solution that helps meet clients' short to mid-term cash requirements and to generate regular interest income at a rate that is comparable with other short-term investment options.

To accomplish this mandate, the Pool invests primarily in negotiated high interest deposit accounts with Canadian banks. This allows investors to benefit from a competitive yield while preserving capital and maintaining the daily access to their cash.

This Pool is an excellent cash equivalent solution for individuals with a short to mid-term savings need, corporations with excess working capital, or a cash component in a diversified investment portfolio.



In 2022 and early 2023, rampant inflation borne from the global pandemic and the Russian invasion of Ukraine resulted in a rapid and largely unprecedented rise in interest rates.

Although inflation will eventually moderate, investors and consumers are finding that the purchasing power of their financial assets is deteriorating more quickly than we have typically experienced. It is therefore of the utmost importance that an individual or institution's cash holdings be placed in an investment vehicle that will grow that cash at a competitive rate without sacrificing stability of income or capital preservation.

The Capstone Treasury Pool was launched in May 2023 to provide such a solution to investors. The Pool targets a rate of return that is tied to the Bank of Canada overnight rate and seeks to generate returns consisting exclusively of regular and dependable interest income.

THERE ARE MANY REASONS INDIVIDUALS OR ORGANIZATIONS REQUIRE EASY ACCESS TO THEIR CASH, WHILE ALSO WANTING TO RECEIVE AN APPROPRIATE YIELD. HOWEVER, SACRIFICING LIQUIDITY FOR COMPETITIVE RATES IS NOT A NECESSARY TRADE OFF.

THE CAPSTONE TREASURY FUND ADDRESSES THIS POTENTIAL MISMATCH WITH DAILY LIQUIDITY AND A COMPETITIVE RATE.

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, Limited Partnerships and separately managed accounts, 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 Treasury Pool. Although the Pool primarily invests in high interest accounts with Canadian banks, as other opportunities are presented, Capstone's Investment Management Team completes a rigorous due diligence process on them. A potential investment's 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 Treasury Pool is a component used within our discretionary portfolios, but it can also be accessed as a standalone investment, subject to certain conditions. It is available to both institutional and individual investors.

HOW RISKY IS IT?

Capstone has rated this Pool as low risk. Please see the Information Memorandum for further information on the specific risks of the Pool.

WHAT IS THE TARGET RATE OF RETURN?

The Pool seeks to provide a long-term annualized rate of return in excess of 4% in the current interest rate environment.

DISTRIBUTIONS

- › Occur weekly
- › Are reinvested as additional units unless requested as cash
- › Are exclusively composed of interest income

BENEFITS

- › Daily valuation and liquidity
- › Access to institutional rates not typically available at the retail level





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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