



**FUND OVERVIEW**

Capital Direct I Income Trust is an open-end investment trust governed by the laws of Ontario. The trust is a pooled investment vehicle that holds a portfolio of residential mortgage loans to generate stable distributions to unitholders.

**INVESTMENT HIGHLIGHTS**

**Preserve Capital**  
**Generate Quarterly Income for Investors**  
**Not Correlated to Equity Markets**  
**Stable \$10 Unit Value**

**FUND DETAILS OF CAPITAL DIRECT I INCOME TRUST**

(As of July 1, 2016)

Manager	<b>Capital Direct Management Ltd.</b>	Weighted Average LTV	<b>53.7%</b>
Fund Type	<b>Open-ended Investment Trust</b>	Registered investment Qualified (RRSP, TFSA, RESP, LIF)	<b>Yes</b>
Inception Date	<b>June 2006</b>	Class A Eight Year Historical Return	<b>8.6%**</b>
Minimum Investment	<b>\$5000 for BC, AB, SK, MB, ON &amp; QC Investors</b>	Total Assets	<b>\$120 Million</b>
Term of Mortgages	<b>Limited to 2 years maximum</b>	Geographical Diversification	<b>BC, AB, ON, Atlantic</b>
Distributions	<b>Quarterly</b>	Trustee	<b>ComputerShare Trust Company of Canada</b>
Dividend Reinvestment Plan (DRIP)	<b>Yes</b>	Closings	<b>Monthly</b>
Class A Annualized Return for Q2 2016	<b>7.45%*</b>	Analyst Rating	<b>2: Very Good Return to Risk Ratio</b>
Mortgage Type	<b>Residential</b>		

FUNDSERV Code	Unit Class	Commission	Trailer	Management Fee	Income Participation	Redemptions
ITI100	A	1.5%	1%	2%	20% Maximum	Semi-Annual
ITI110	F	none	none	1%	20% Maximum	Semi-Annual
ITI120	C	none	1%	2%	20% Maximum	Semi-Annual

**Class A, F and C:** Units are retractable as at June 30 and December 31 in any year at a retraction price **equal to the declared but unpaid Return plus the Net Assets Value per Unit** subject to the following charges:

**Class A**

**Time of Retraction**

Prior to the 1st Anniversary of Acquisition	5%
After 1st Anniversary but before 2nd Anniversary	4%
After 2nd Anniversary but before 3rd Anniversary	3%
After 3rd Anniversary but before 4th Anniversary	2%
After 4th Anniversary but before 5th Anniversary	1%
After 5th Anniversary of Acquisition	0%

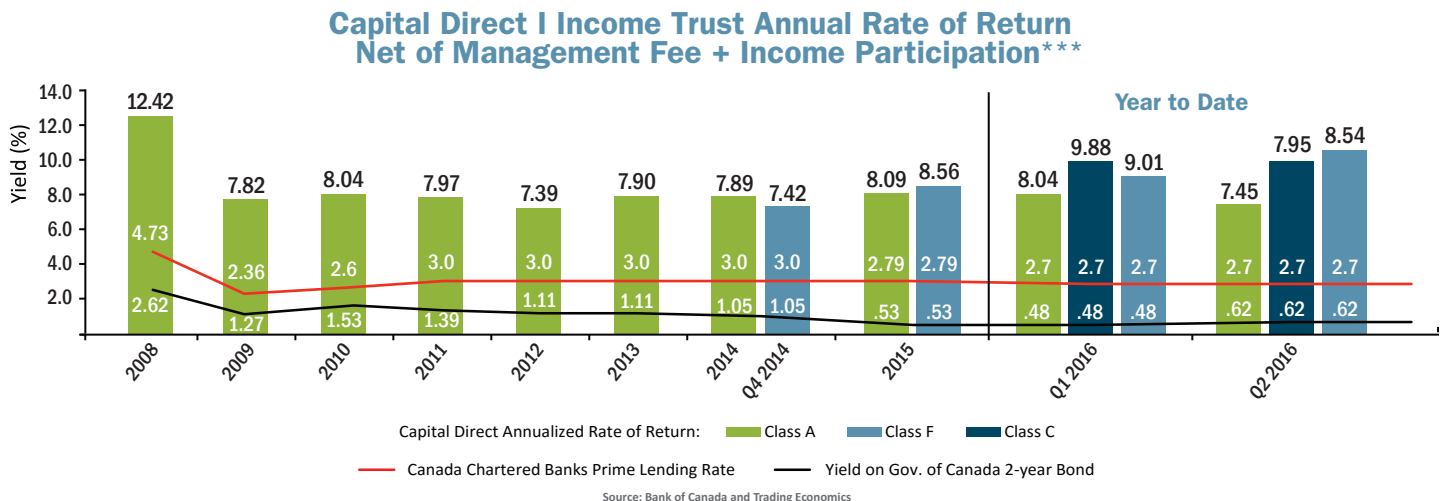
**DSC Charge**

**Class F and Class C**

**Time of Retraction**

Within the 1st 180 Days of Acquisition	2%
After 180 Days	0%

**Short Term Trading Charge**



This document does not provide disclosure of all information required for an investor to make an informed decision. Investors should read the offering memorandum, especially the risk factors relating to the securities offered, before making an investment decision. All subscriptions for the purchase of units are made pursuant to available exemptions. Sales of units in BC can be made directly with Capital Direct or through a Dealer/Advisor. Any sale of units in Alberta, Saskatchewan, Manitoba, Ontario or Quebec must be conducted through a Dealer/Advisor. All investments carry risk. Past performance is not an indication of future returns.

\* Annualized return is based on Q2 2016 income produced by the Class A Units of the Trust. No voluntary reduction in Management fees or Income Participation during this period.

\*\* Eight - Year Historical Effective Weighted Average Return as of Dec 31, 2015 is based on income produced by the Class A Units of the Trust after any voluntary reduction in Management fees or Income Participation.

\*\*\* Annual return is based on income produced by the assets of the Trust in that year after any voluntary reduction in Management fees or Income Participation. Annualized quarterly return (indicated by "Q") is based on income produced by the assets of the Trust in that quarter after any voluntary reduction in Management fees or Income Participation.

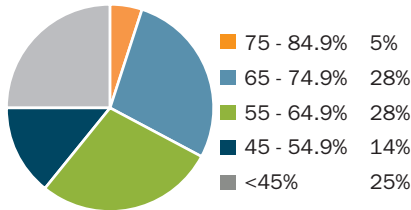


PORTFOLIO SUMMARY

Loan-to-Value (LTV)

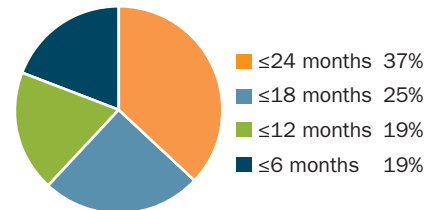
Calculated as financing outstanding divided by the value of security pledged.

Weighted Average LTV 53.7%



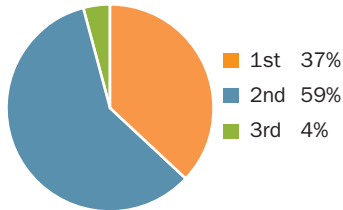
Term to Maturity

The remaining number of months until the principal of a mortgage is scheduled to be repaid.



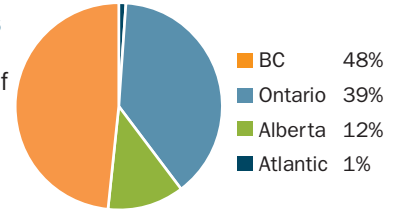
Security Position

Place in line held by the Fund should a borrower default.



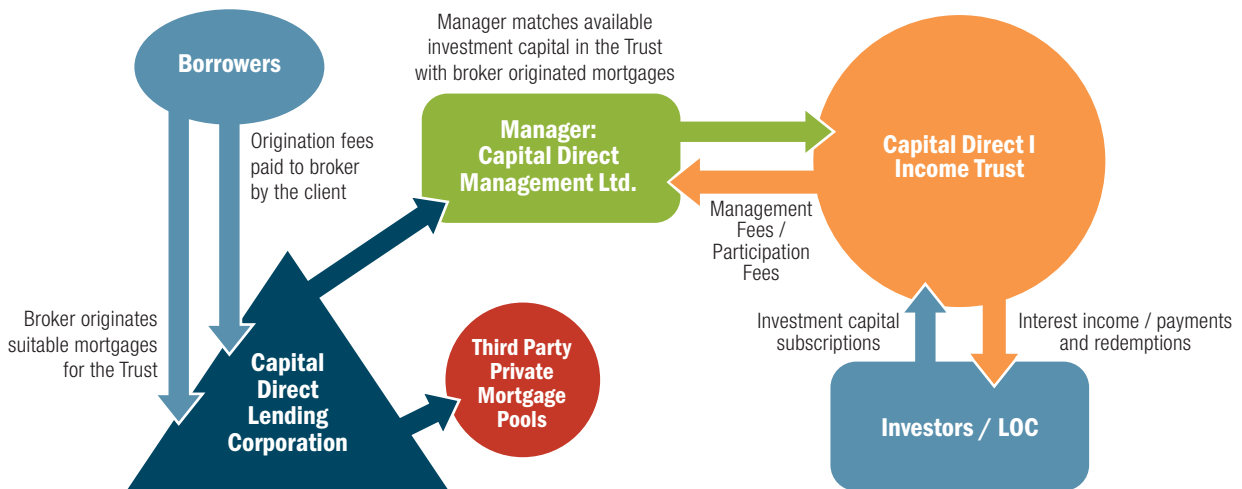
Location of Mortgages

Geographically diversified mortgages within 90 km of major urban areas.



Source: Company Reports

OVERVIEW



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All investments carry risk. Past performance is not an indication of future returns. Depending on what exemption is being relied upon, a purchaser will receive the appropriate risk acknowledgement and an Offering Memorandum. Any sale of units in Alberta, Manitoba, Saskatchewan, Ontario or Quebec must be conducted through a Dealer/Advisor. All subscriptions for the purchase of units are made pursuant to available exemptions.