

Proprietary Investments

An investment portfolio purposefully constructed for the preservation and creation of wealth under the responsible and qualified management of the
Sovereign Wealth Reserve

CapB Investment Fund

Proprietary Investments

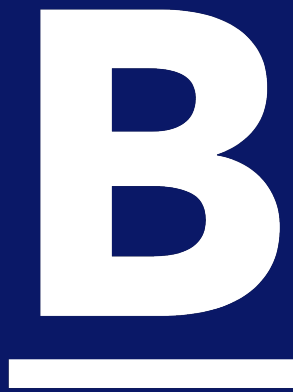
Public Disclosure
General Issue: Class A

Opening Notice

A sovereign and independent fund brought forth by the finest of **CapB**.

In this document, we present a certain portfolio of investments that is directly managed by the Sovereign Wealth Reserve ("the Reserve" or "SWR"), to which all necessary managerial considerations have been applied.

We advise our dear reader to review all required and relevant information that relate to the activities of the Reserve and seek guidance from the Reserve itself for any specific inquiry that may concern any or all investment activities undertaken publicly or privately.



With the justified incentive, and for practical intent, **CapB** hereby claims the Sovereign Wealth Reserve to be its sole privately-held investment fund that ventures into the common realms of Finance, Investment, and Asset Management.

In this General Issue, the Sovereign Wealth Reserve shall disclose information, for all interested parties, about a particular investment preference, either designated or undertaken by management, courtesy of **CapB**.

Such a preference pertains to **deflation-themed** investments.

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1. Important Information

Investment Notice

The Sovereign Wealth Reserve shall only restrict certain information, deemed insensitive or non-confidential, that concern deflation-themed investments.

Proprietary Intent

The relevant intent of this document is to showcase a possible, yet feasible, investment opportunity that suites a prudent investor's economic preferences, time horizon, and risk tolerance.

Investment Objective

The explicit investment objective seeks to suggest a risk-adjusted portfolio composed of particular deflation-themed investments.

Investment Proposal

Post the 2008 financial debacle, primary unsecured funding markets came to an abrupt halt, especially at the crucial Repo-dealer level. The pivotal change was upon global finance due to the wide perception of systemic and counter-party risk.

A sort-of silent deflationary wave ensued, and no longer had growth been attributed to actual credit creation by bank-affiliated institutions, but had in fact been unsustainably fueled by financial engineering schemes (i.e. share buybacks, debt securitization, stock issuances, and swap contracts). The emphasis on growth shifted more towards practical means, wherein the swaths of corporate executives' decision-making now heavily targeted earnings growth by pragmatic means of outright financialization.

What even exacerbates this situation is the continuing centralization of bank credit, issued mostly to renowned and "healthy" large corporations, along with a general decline in the overall yield curve for the many advanced economies (an important point of reference).

Keep in mind that the "Net Interest Margin" is key to the survival of banks.



Underlying Allocations

The types of assets involved in this particular portfolio are as follows:

- U.S sovereign debt securities: Treasury Bills, Notes and Bonds
- Direct bank deposits
- Bullion assets: Gold and Silver

The U.S Dollar Purview & Deflation

What prevails in the aftermath of the numerous transitory trends of inflation is a solid illustration of deflation. Such has been the case since 2008 wherein bouts of inflationary expectations have tended to cloud the true perception of the trajectory of global trade and finance. All USD-related assets/investments showcase outperformance under this purview.

Perceived Long-term Benefits

Until a serious paradigm shift genuinely occurs, deflation would even still have to be resolved. Yet, the perception of risk remains in this economic environment at which certain investment preferences are treated much favorably.

Ticker: SWRDEF

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