

CELERNUS MORTGAGE AND INCOME TRUST FUND (CMIT)



As at June 30, 2018

CLASS A

WHY INVEST IN THIS FUND

- Consistent monthly income and rate of return*
- Mortgage investments secured by real property
- Experienced management team

FUND DETAILS

Manager:

Celernus Investment Partners Inc.

Inception Date: May 2013

AUM: 49.8 million

Minimum investment: \$25,000

Advisory fee: 0.85%

Performance fee:

20%; above 4% hurdle

High water mark: Yes

Subscriptions: Weekly

Redemptions: Weekly

Prime Broker:

National Bank Independent Network (NBIN)

Auditor: BDO Canada LLP

Administrator:

Convexus Managed Services Inc.

Lawyer: WeirFoulds LLP

Eligible accounts:

RSP, RESP, RRIF, TFSA, cash

FUND CODES

CIP200A - No Load

CIP200B - 1% Dealer Service

INVESTMENT TEAM



Gord Martin, MBA
Managing Partner

Full Bio can be found at www.celernus.com/people

FUND OVERVIEW

The Celernus Mortgage and Income Trust Fund (CMIT) aims to provide investors consistent monthly income while simultaneously protecting capital, primarily through investments in mortgages with a loan to value measure that provides a desirable degree of security of capital. In addition to first and second mortgages, CMIT may also invest in other asset backed debt, government and corporate bonds and debentures, convertible debt, common equities, warrants, preferred shares, trust units, REITs, derivative instruments and other securities.

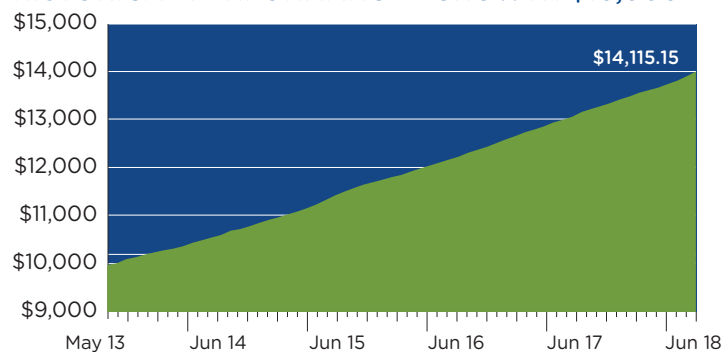
COMPOUND RETURNS (%) Class A

1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	INCEPTION
0.75	1.95	3.34	6.49	6.66	6.87	6.83

MONTHLY RETURNS (%) Class A

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2018	0.41	0.39	0.55	0.51	0.68	0.75	-	-	-	-	-	-	3.33
2017	0.46	0.52	0.64	0.43	0.51	0.77	0.47	0.46	0.48	0.56	0.47	0.57	6.55
2016	0.59	0.48	0.50	0.53	0.49	0.68	0.51	0.51	0.63	0.64	0.55	0.63	6.96
2015	0.63	0.72	0.85	0.87	0.72	0.61	0.62	0.44	0.45	0.48	0.38	0.62	7.63
2014	0.71	0.52	0.54	0.52	0.86	0.32	0.56	0.64	0.57	0.49	0.59	0.53	7.07
2013	-	-	-	-	0.27	0.87	0.42	0.55	0.43	0.47	0.34	0.49	3.90

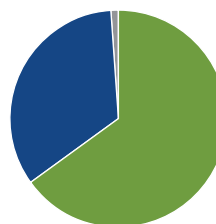
HISTORICAL PERFORMANCE - GROWTH \$10,000



Number of Mortgages:	98
Average Size of Investment:	\$528,146
Weighted Average Loan-To-Value:	66.6%
Weighted Average Term to Maturity:	174 days

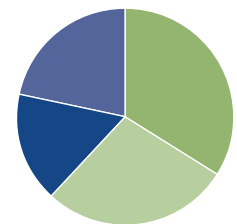
MORTGAGE POSITION

1st Position	65.0%
2nd Position	34.1%
3rd Position or higher	0.9%



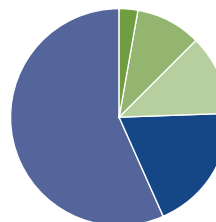
TERM

Within 3 months	34.0%
Between 3 and 6 months	28.0%
Between 6 and 9 months	16.5%
Between 9 and 12 months	21.5%
Greater than 1 year	0.0%



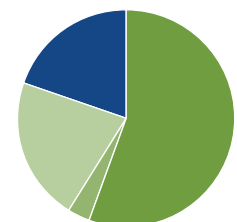
LOAN TO VALUE

40% or lower	3.0%
41 to 50%	9.7%
51 to 60%	11.8%
61 to 70%	19.1%
71 to 80%	56.4%
80% or greater	0.0%



ZONING

Residential	55.4%
Multi-Res	3.8%
Commercial	21.4%
Land	19.4%



CELERNUS MORTGAGE AND INCOME TRUST FUND (CMIT)



As at June 30, 2018

CLASS A

DISTRIBUTIONS (\$)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2018	0.040	0.040	0.059	0.040	0.040	0.107	-	-	-	-	-	-	0.323
2017	0.040	0.040	0.099	0.040	0.040	0.046	0.040	0.040	0.083	0.040	0.040	0.103	0.651
2016	0.040	0.040	0.091	0.040	0.040	0.084	0.040	0.040	0.082	0.040	0.040	0.084	0.661
2015	0.040	0.040	0.134	0.040	0.040	0.140	0.040	0.040	0.073	0.040	0.040	0.210	0.877
2014	0.040	0.040	0.089	0.040	0.040	0.097	0.040	0.040	0.085	0.040	0.040	0.063	0.656
2013	-	-	-	-	-	-	-	-	-	-	-	0.257	0.257

COMMENTARY

The Fund exhibited strong returns in the second quarter (1.95%), as cash balances from the first quarter have been fully invested. Deal flow was quite strong during Q2 and all indications point towards a continuation of this trend throughout Q3. Due to this robust deal flow, barring any unexpected repayments, capital has been fully allocated out to September 2018.

The Canadian Real Estate Association (CREA) recently reported that re-sales of Canadian homes rose 4.1 percent in June from the previous month as the effects of tougher mortgage rules eased. While this month over month increase may signal that the market is starting to stir to life, it should be noted that in actual numerical terms, the June re-sales marked a five year low, representing an 11% decline in the number of re-sales from June 2017, and was 7% below the ten year average for the month of June. Despite the relatively low historic activity levels, fewer homes were listed for sale than were sold, causing a reduction in the number of homes available for re-sale. The average price for a home in Canada declined by 1.3% as compared to June of 2017. Although, there is strong regional bias to the price index. Homes in Eastern Ontario, Quebec, most of the Maritimes and BC increased. Whereas the remainder of Ontario, and the western provinces (B.C. excluded) experienced price declines. The decline in prices in Ontario stems largely from the decrease in the relative number of higher priced homes sold in the GTA.

Our view on the market and related strategy remains unchanged from the first quarter. Prices are forecast to remain relatively stable for the remainder of 2018 and then to rise modestly in 2019. In the current environment, the conservative stance we adopted in late 2016 remains the prudent course of action and we continue to carefully monitor the loan-to-value (LTV) of each mortgage investment to protect capital for our investors.

*DISCLAIMER

Information about the Celernus Mortgage and Income Trust Fund (the "Fund") is not to be construed as a public offering of securities in any jurisdiction of Canada. This Fund Fact sheet is for information purposes only and does not constitute an offer to sell or a solicitation to buy any securities referred to herein. The offering of units of the Fund is made pursuant to an Offering Memorandum and only to those investors in jurisdictions of Canada who meet certain eligibility or minimum purchase requirements. Important information about the Fund, including a statement of the Fund's fundamental investment objectives and risks, is contained in the Offering Memorandum, a copy of which may be obtained from Celernus Investment Partners Inc. or by contacting your advisor. Please read the Offering Memorandum carefully before investing. Unit values and investment returns will fluctuate. You are encouraged to speak with a tax advisor as any distributions paid as a result of capital gains realized by the Fund and income and dividends earned by the Fund are taxable in the year they are paid to you. The Funds are not guaranteed, their values change frequently and past performance may not be repeated. Past performance does not guarantee future results. Unit value and investment returns will fluctuate and there is no assurance that a fund can maintain a specific net asset value. All amounts herein are in Canadian dollars unless otherwise noted.

ABOUT US

Celernus manages investment funds for high-net-worth individuals and institutions. Our lineup of actively managed, low-fee solutions are built to help investors achieve long-term financial success. We manage our portfolios with a lower-volatility approach while also focusing on alpha generation and absolute returns.

CONTACT US

Celernus Investment Partners Inc.

1300 Cornwall Road
Suite 204
Oakville, Ontario
L6J 7W5

289.863.1330
fax 1.855.870.7464
info@celernus.com