

CELERNUS MORTGAGE AND INCOME TRUST FUND (CMIT)



As at September 30, 2019

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: 60.3 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.

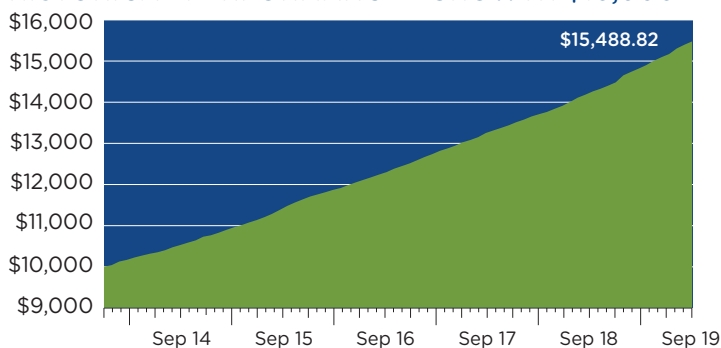
COMPOUND RETURNS (%) Class A

1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	INCEPTION
0.53	2.03	3.89	8.08	7.16	7.17	7.00

MONTHLY RETURNS (%) Class A

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	0.57	0.54	0.58	0.72	0.58	0.51	0.89	0.60	0.53	-	-	-	5.66
2018	0.41	0.39	0.55	0.51	0.68	0.75	0.52	0.58	0.45	0.53	0.56	1.19	7.34
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: 165

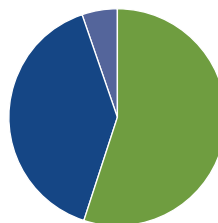
Average Size of Investment: \$379,190

Weighted Average Loan-To-Value: 63.5%

Weighted Average Term to Maturity: 118 days

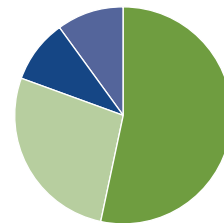
MORTGAGE POSITION

1st Position	55.2%
2nd Position	39.6%
3rd Position or higher	5.2%



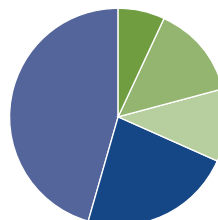
TERM

Within 3 months	53.5%
Between 3 and 6 months	27.2%
Between 6 and 9 months	9.3%
Between 9 and 12 months	10.0%
Greater than 1 year	0.0%



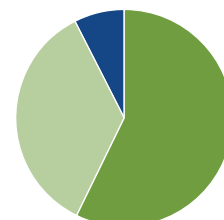
LOAN TO VALUE

40% or lower	7.0%
41 to 50%	14.1%
51 to 60%	10.8%
61 to 70%	22.7%
71 to 80%	45.4%
80% or greater	0.0%



ZONING

Residential	57.4%
Multi-Res	0.0%
Commercial	35.3%
Land	7.3%



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DISTRIBUTIONS (\$)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	0.040	0.040	0.124	0.040	0.040	0.134	0.040	0.040	0.087	-	-		0.585
2018	0.040	0.040	0.056	0.040	0.040	0.107	0.040	0.040	0.095	0.040	0.040	0.100	0.678
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

During the third quarter of 2019, the Celernus Mortgage and Income Trust Fund (the Fund) delivered another strong quarter. Performance was slightly ahead of our expectations, at 2.03% for the quarter and 5.66% year-to-date. July was particularly strong as the Fund made a higher-than-usual volume of new investments and, therefore, earned significant fee income. Over the past three months the number of mortgages in the Fund increased by 12 to 165, and the average mortgage size decreased slightly to \$379,190. The dollar-weighted-average loan-to-value for the mortgage portfolio increased slightly, by 0.9% to 63.5%, as we continue to aggressively protect capital.

Canadian home sales on the multiple listing service (MLS) system rose by 1.4% month-over-month in August, following gains in both June and July. Year-over-year (y-o-y) sales increased by 5% in August and the MLS home price index advanced by 0.8%. Last quarter we indicated that although sales numbers seemed to firming, anecdotally, through discussions with Realtors and from witnessing mortgagors requiring sometimes lengthy periods of time to sell properties, we believe that the market remains somewhat soft. Our opinion remains unchanged following the summer, particularly in the luxury home market. Among Greater Golden Horseshoe housing markets tracked by the index, MLS® HPI benchmark home prices were up from year-ago levels in Guelph (+7.17%), the Niagara Region (+6.08%), Hamilton-Burlington (+6.37%), Oakville-Milton (+3.8%), the GTA (+4.8%) and Barrie and District (0.57%). Home prices rose 9.37% y-o-y in Ottawa and 7.53% in Greater Montreal. All statistics were gathered from the Canadian Real Estate Association (CREA).

Moving forward for the remainder of 2019 and into 2020, we expect interest rates to remain low and possibly trend slightly lower as economic growth slows. Our outlook and strategy for the Fund remains unchanged from the beginning of the year.

*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.

1001 Champlain Avenue,
Suite 302
Burlington, Ontario
L7L 5Z4

289.863.1333
fax 1.855.870.7464
info@celernus.com