

CELERNUS Absolute Growth Fund

CAGF | FundSERV: CIP100A

December 31, 2021

Investment Objectives:

1. Construct a diversified portfolio of absolute-return investments, with a focus on private equity real estate.
2. Achieve high single-digit/low double-digit annual returns over a market cycle.
3. Generate uncorrelated returns to those of bond and equity markets.

 **6 Properties**
Under Development

Fund Details

Manager:

Celernus Investment Partners Inc.

Fund Status:

OM, Continuous Offering

Fund Structure:

Mutual Fund Trust

Inception Date: May 2012

AUM: \$20,600,000

Minimum Investment: \$25,000

Advisory fee: 0.85%

Performance fee: 20%

High water mark: Permanent

Subscriptions: Weekly

Redemptions: Weekly

Prime Broker:

National Bank Independent Network

Auditor: KPMG LLP

Administrator:

Convexus Managed Services Inc.

Legal Counsel: WeirFoulds LLP

Eligible Accounts:

RSP, RESP, RRIF, TFSA, Cash

Portfolio Manager:

Gord Martin, MBA
Managing Partner, Celernus

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01 How We've Performed

1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	Inception
2.96%	3.02%	3.10%	3.51%	9.03%	7.45%	5.79%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.08	0.09	0.07	0.05	0.05	0.05	0.03	0.03	0.03	0.03	0.03	2.96	3.51%
2020	0.10	16.02	0.05	0.03	0.00	0.02	0.02	0.03	0.02	0.03	0.09	2.04	18.84%
2019	1.52	0.03	0.14	0.11	0.08	0.07	0.18	0.12	0.08	0.04	0.09	2.89	5.37%
2018	2.73	2.30	1.50	0.33	0.39	1.09	0.67	0.05	1.05	1.51	2.05	4.99	7.59%
2017	1.46	0.53	4.72	0.70	1.61	0.08	0.80	0.06	0.45	1.58	2.06	0.63	2.62%
2016	8.08	1.06	5.43	0.22	0.24	0.94	1.67	1.36	0.31	1.80	0.27	2.28	-3.65%
2015	2.48	6.57	0.39	4.38	3.55	3.11	0.87	7.03	2.43	1.79	1.11	1.83	-2.37%
2014	2.54	3.31	1.39	1.81	1.06	0.92	1.69	3.46	2.08	1.56	2.95	0.61	5.81%
2013	3.17	0.02	3.52	1.24	3.42	0.40	3.50	3.50	4.57	1.84	1.97	1.91	21.04%
2012					0.22	0.32	0.46	0.27	0.48	0.33	0.11	1.00	-0.24%

02 Where We're Invested



Fund Strategy	Weight
Private Equity Real Estate	91%
Alternative Fixed Income	7%
Cash	2%

- All investments are in private-market assets. **There are currently no publicly-traded equities**
- Diversifying by strategy with significant focus on **private equity real estate**
- Combining both income-generating and development holdings
- Private equity real estate investments are actively-managed by Celernus and its partners



03 Development Projects Track Towards 2022 Monetization

The large focus for 2021 was moving our development projects in Toronto and Windsor forward. At times, progress was slower than hoped for as COVID slowed down the approval processes in both cities. Ultimately, excellent progress was achieved across all four projects.

In Windsor, the demolition phase is well underway and construction should start in the first half of 2022. The rental market in Windsor remains robust and upon completion we expect to have stabilized buildings with higher rental income than initially forecast (versus when we first entered into the projects). The challenge is to also carefully monitor the costs of construction. We are working with our professional consultants and construction partners closely to deliver these projects cost-effectively, despite the higher rate of inflation being experienced in global economies.

In Toronto, we have begun to market both the Eglinton Avenue and Weston Road sites for sale. Both projects will have received their zoning entitlements in the first half of 2022. This presents an ideal opportunity to sell the properties to developers looking for entitled sites where they can begin construction within a short time frame. Initial indications are that demand for both sites is strong, and we are looking to complete purchase and sale agreements for both properties in the first half of 2022.

Last quarter, I elaborated on the reasons for our enthusiasm in multi-residential real estate as an asset class, both now and for many years to come. Nothing has occurred over the past quarter to change our outlook. Inflation and rising interest rates may put some pressure on prices in the short run. However, we have not yet evidenced this in the demand we are seeing for our sites. Additionally, hard assets are generally a good store of value and inflationary pressures allow for rent increases that increase the value of buildings.

Thank you for a great year in 2021 and we look forward to continued positive results in 2022.

Why Invest in CAGF?

Attractive Returns

- Private equity real estate allows investors to benefit from the purchase, development and sale of various types of real estate assets.
- Financially successful development projects typically generate double-digit annual returns.

Low Correlation to Public Market Index Returns

- Private equity real estate investing has low sensitivity-of-returns to both publicly-traded fixed income and equity markets.

Portfolio Advantages

- Incorporation of private equity real estate investing reduces reliance on the equity risk premium to drive portfolio returns. This serves to reduce the portion of portfolio volatility typically driven by equities.
- Price volatility is also lower than that of publicly traded securities because private mortgage investments are priced at value rather than marked-to-public-market.

About Celernus

Celernus Investment Partners manages investment funds for high-net-worth individuals and institutions with a focus on active management of private credit and real estate assets.

Our goal is to generate attractive returns, with low volatility, that exhibit minimal correlation to the returns of broad-based fixed income and equity indices.

Our funds include:

Celernus Mortgage and Income Trust [CMIT](#) | [CIP200A/B](#)

Celernus Pivot Private Credit Fund [CPPCF](#) | [CIP600A](#)

Celernus Absolute Growth Fund [CAGF](#) | [CIP100A](#)

Celernus Credit Opportunities Fund [CCOF](#) | [CIP500A](#)

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