

CELERNUS Mortgage and Income Trust

CMIT | FundSERV: CIP200A

December 31, 2021

Investment Objectives:

1. Construct a diversified portfolio of short-term, privately-funded mortgages.
2. Achieve mid-to-high single-digit returns. Consistently.
3. Make variability of returns low. Lower than bonds. Way lower than equities.
4. Generate uncorrelated returns to those of bond and equity markets.

7.83%
1-Year Return

Maintaining attractive 1-year return with low volatility

Fund Details

Manager:

Celernus Investment Partners Inc.

Fund Status:

OM, Continuous Offering

Fund Structure:

Mutual Fund Trust

Inception Date: May 2013

AUM: \$95,400,000

Minimum Investment: \$25,000

Advisory fee: 0.85%

Performance fee:

20% above 4% hurdle

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

Contact Us

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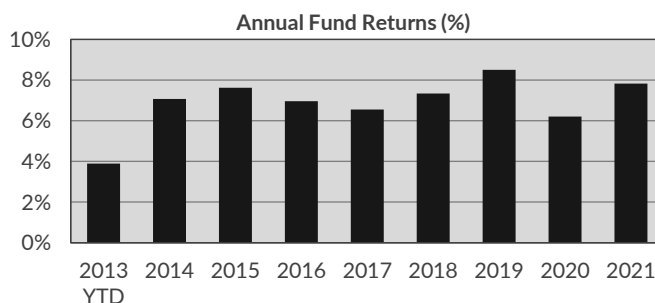
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www.celernus.com

01 How We've Performed

1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	Inception
0.62%	1.94%	4.04%	7.83%	7.51%	7.28%	7.12%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.61	0.52	0.54	0.64	0.50	0.77	0.55	0.89	0.60	0.64	0.67	0.62	7.83%
2020	0.48	0.52	0.59	0.43	0.38	0.39	0.41	0.44	0.28	0.38	0.43	1.29	6.21%
2019	0.57	0.54	0.58	0.72	0.58	0.51	0.89	0.60	0.53	0.68	0.70	1.31	8.51%
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%



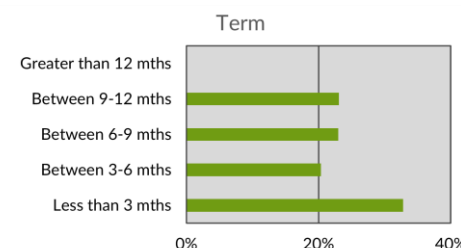
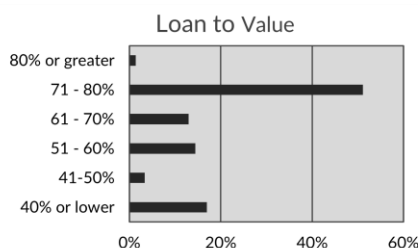
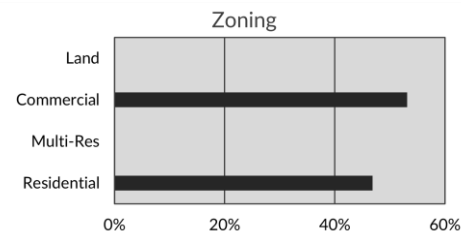
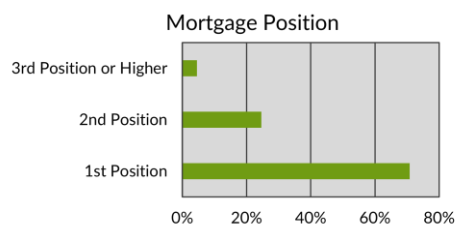
Number of Mortgages: 85

Average Mortgage Size: \$609,099

Weighted Average Loan-to-Value: 61.64%

Weighted Average Term-to-Maturity: 168 Days

02 What's Happening in the Fund?



03 “You Get a Reputation for Stability if You are Stable for Years” – Mark Zuckerberg

Thank you to all our investors. 2021 was another excellent year for the fund, with returns of 1.94% for the fourth quarter and 7.83% for the entire year. Over the past eight plus years, the fund has never had a losing week and the compounded return since inception is 7.12% annually.

Looking ahead for 2022, we expect volatility in financial markets as central banks and governments globally reduce stimulus and easy money policies, in order to bring inflation under control. However, they are attempting to accomplish this feat without derailing what has been a relatively strong economic recovery from the depths of the pandemic induced recession, and in an environment where the Omicron variant has caused a surge in COVID cases worldwide. The difficulty and uncertainty around accomplishing this delicate high wire balancing act has already roiled global equity markets in early 2022.

Property markets and pricing remained strong in the fourth quarter. I hate to sound like a broken record, but as it has all year, a low supply remains the primary cause of rising prices. We don't expect this to change in 2022. The real question is what effect rising interest rates will have on the demand side of the equation, and purchasers' ability to finance increasingly more expensive homes. Hopefully, we will start to have a better gauge of the changing supply and demand dynamics and its effect on home pricing as we move into the second quarter.

The fund is well positioned and is most often the case, entered the new year with a substantial cash position. Deal flow appears to be slightly higher than most years and we expect to have no difficulty in putting the cash productively to work in Q1.

We wish everyone a safe, happy and productive new year.

Why Invest in CMIT?

Strong Returns and Cash Flow

- Relative to other fixed income vehicles, private mortgage investing is expected to generate superior returns over a market cycle
- Downside risk is nearer that of fixed income indices

Low Correlation to Bond Market Index Returns

- Private mortgage investing has low interest rate sensitivity whereas public fixed income market returns are principally driven by interest rate dynamics.

Portfolio Advantages

- Incorporation of private mortgage 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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