

CELERNUS

Absolute Growth Fund

CAGF | FundSERV: CIP100A

March 31, 2022

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.

***3.32%**
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 2012

AUM: \$23,000,000

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
0.01%	0.06%	3.08%	3.32%	8.47%	8.08%	5.64%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.03	0.02	0.01										0.06%
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

Private Equity
Real Estate

Alternative Fixed Income

Cash

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 Demand for Housing Outstrips Supply

Concerns about inflation and uncertainty exacerbated by the war in Ukraine and COVID lockdowns in China are ruling the day in financial markets. In Canada, the federal budget was just tabled and the issue of housing was front and center. While initiatives were included to try to improve affordability (such as proposed increases to the new home buyer tax credit), the real problem of inadequate supply is extremely difficult to address. There had been some concern that changes to the tax treatment of REITs would be implemented. However, this would have a negatively impacted investment in new housing stock and no changes of consequence were recommended.

Unfortunately, one of the biggest impediments to increasing the supply remains the bureaucracy that developers must navigate in order to get projects approved. Toronto is one of the worst offenders, where it typically takes four years plus to get zoning approvals completed. Fortunately, we are finally nearing the end of this process for our projects on Weston Road and Eglinton Avenue. As this process draws to a conclusion, we expect a profitable exit towards the end of the year.

During the previous quarter, we completed the purchase of a 39-unit multi-residential building in Windsor ON. Current rents in the building are approximately forty percent lower than existing market rates. We expect to add significant value over the coming years as units are vacated and rented to new tenants at market rates.

Progress on our two development projects are continuing. Unfortunately, inflation is increasing our construction budget. However, rents have also increased substantially since we first purchased the properties and as a result the expected values have risen commensurately.

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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