

CELERNUS ABSOLUTE GROWTH FUND (CAGF)



As at June 30, 2017

CLASS A

WHY INVEST IN THIS FUND

- Target equity-level returns over a market cycle.
- Ability to provide protection during bear market.
- Lower volatility than broad-based indices over a market cycle.

FUND DETAILS

Manager:

Celernus Investment Partners Inc.

Inception Date: May 2012

AUM: 20.6 million

Minimum investment: \$25,000

Advisory fee: 0.85%

Performance fee:

20%, after 6% hurdle

High water mark: Yes

Subscriptions: Weekly

Redemptions: Weekly

Prime Broker:

National Bank Correspondent Network (NBCN)

Auditor: BDO Canada LLP

Administrator:

Convexus Managed Services Inc.

Lawyer: WeirFoulds LLP

Eligible accounts:

RSP, RESP, RRIF, TFSA, cash

FUND CODES

CIP100A - No Load

INVESTMENT TEAM



Chris Grant, CFA
Senior Partner

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

FUND OVERVIEW

The Celernus Absolute Growth Fund (CAGF) aims to provide long term growth of capital with below average volatility. The fund seeks to actively protect capital and manage risk. Equity selection combines a value-orientation with a robust quantitative framework. Net equity and currency exposure are dynamically managed to further mitigate risk.

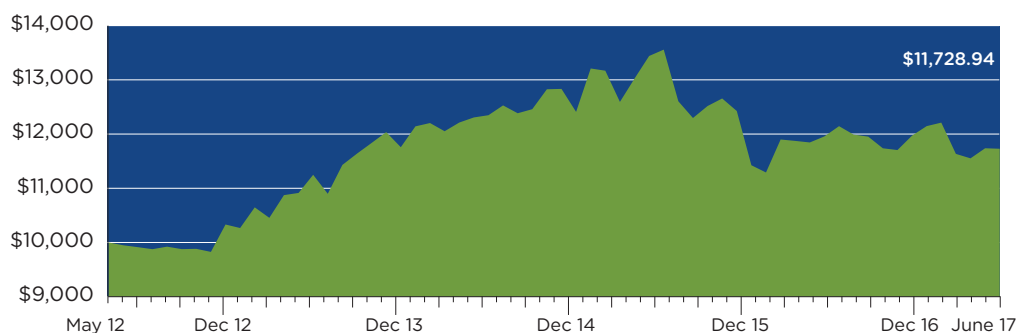
COMPOUND RETURNS (%) CLASS A

1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	INCEPTION ¹
-0.08	0.81	-2.03	-1.91	-1.58	3.38	3.20

MONTHLY RETURNS (%) CLASS A

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2017	1.46	0.53	-4.72	-0.70	1.61	-0.08	-	-	-	-	-	-	-2.03
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

HISTORICAL PERFORMANCE - GROWTH \$10,000



MARKET EXPOSURE

Long Exposure	97.2%
Short Exposure	-28.9%
Gross Exposure	126.1%
Net Exposure	68.3%

SECTOR ALLOCATION

SHORT		LONG
-5.7%	Industrials	19.5%
-3.2%	Consumer Staples	19.0%
-3.6%	Financials	12.9%
-4.1%	Consumer Discretionary	8.8%
-1.1%	Materials	8.7%
-4.0%	Health Care	8.4%
-3.9%	Information Technology	6.7%
-1.3%	Utilities	6.2%
0.0%	Other (Gold ETF)	5.2%
0.0%	Telecommunications	1.8%
-1.4%	Real Estate	0.0%
-0.6%	Energy	0.0%
-28.9%	Total	97.2%

CELERNUS ABSOLUTE GROWTH FUND (CAGF)



As at June 30, 2017

CLASS A

COMMENTARY

U.S. 10-year yields maintained a generally downward bias over the quarter. While this is typically beneficial to the performance of low-volatility stocks compared to high-volatility stocks, the effect was modest in this quarter. Crude oil posted negative returns while energy sector stocks rallied significantly over the last two weeks of the quarter. The Institute for Supply Management (“ISM”) manufacturing and non-manufacturing indices were relatively strong, registering in the mid-to-high 50s, which was consistent with positive equity market returns. The price of gold was virtually unchanged over the quarter.

Solid performance of stocks in the health care sector was the main contributor to the Fund’s performance, helped by the continued appreciation of the broad-based U.S. equity indices.

The Fund’s exposure to shares of food and beverage distributors detracted from performance after Amazon.com Inc. announced the purchase of Whole Foods Market Inc.

We continue to note that ISM data is consistent with positive returns from U.S. equity indices, as is the U.S. employment situation. We are mindful of the extremely low levels of volatility pricing. Given the high quantities of short-volatility strategies, which effectively create a “yield” by selling volatility short, we recognize that any moderate sell-off in equity markets could be exacerbated by the short-volatility positions that are in place.

Geopolitical risk has increased amid aggressive comments from North Korea, although the probability of an attack by North Korea may be lower than the comments imply. U.S. President Trump’s responses to North Korea’s actions have further heightened tensions. Geopolitical tensions are creating episodes of higher short-term volatility and equity market dips that the market seems still prone to buy. We believe the market is becoming more wary of these dips.

We will continue to keep a short book in place to protect against possible downside from equity indices.

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

DISCLAIMER

Information about the Celernus Absolute Growth 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.