

# CELERNUS PIVOT Private Credit Fund

CPPCF | FundSERV: CIP600A

June 30, 2025

## Investment Objectives:

1. Achieve high single-digit returns. Consistently.
2. Make variability of returns low. Lower than bonds. Way lower than equities.
3. Generate uncorrelated returns to those of bond and equity markets.
4. Help small and medium-sized businesses grow.

 **9.17%**  
12-Month Return

## Fund Details

### Manager:

Celernus Investment Partners Inc.

### Debt Consultant:

Pivot Financial Services Inc.

### Fund Status:

OM, Continuous Offering

### Fund Structure:

Mutual Fund Trust

### First Funding Date:

Nov 2018

**AUM:** \$53,500,000

**Minimum Investment:** \$25,000

**Advisory fee:** 2.0%

**Performance fee:** 20%

**High water mark:** Permanent

**Subscriptions:** Monthly

**Redemptions:** Quarterly (with 90 days notice)

**Auditor:** KPMG LLP

### Administrator:

Apex Fund Services (Canada) Ltd.

**Legal Counsel:** WeirFoulds LLP

### Eligible Accounts:

RSP, RESP, RRIF, TFSA, Cash

### Portfolio Manager:

**Christopher Grant, CFA**  
Senior Partner

### Contact Us

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## 01 How We've Performed

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	0.79	0.66	0.73	0.72	0.71	0.82							<b>4.52%</b>
2024	0.76	0.70	0.62	0.77	0.68	0.62	0.76	0.69	0.75	0.73	0.68	0.76	<b>8.87%</b>
2023	0.78	0.66	0.78	0.75	0.76	0.74	0.72	0.77	0.74	0.73	0.55	0.76	<b>9.14%</b>
2022	0.72	0.65	0.76	0.67	0.97	0.69	0.70	0.71	0.72	0.77	0.74	0.78	<b>9.24%</b>
2021	0.47	0.47	0.61	0.69	0.69	0.81	0.65	0.65	0.68	0.76	0.79	0.80	<b>8.37%</b>
2020	0.77	0.64	0.67	0.66	0.59	0.54	0.74	0.46	0.55	0.65	0.60	0.55	<b>7.68%</b>
2019	0.39	0.65	0.62	0.45	0.55	0.58	1.46	0.82	0.81	0.73	0.54	0.66	<b>8.57%</b>
2018											0.07	0.10	<b>0.17%</b>

## 02 What's Happening in the Fund?

Fund Statistics	
Cumulative Return	72.10%
Sharpe Ratio	12.87
Total Positive Months	80
Total Down Months	0
Maximum Loan Value	\$ 8,000,000
Minimum Loan Value	\$ 1,000,000
Weighted Average Loan Value	\$ 4,187,784
Weighted Average Term	241 days
Number of Full Realized Exits	33
Value of Full Realized Exits	\$ 56,492,926
Pct. Q4 Interest Paid in Cash	80.63%

- 5-Year Compound Annual Return of 8.77%
- A previously accrual-status borrower resumed cash interest payments in June

## 03 Where We're Allocating Capital

GICS Sub-Industry	Facility Type	Description
Household Products	Term	Providing working capital to a distributor of specialty cleaning products
Energy Equipment & Services	Term	Providing lending facility to a provider of energy management systems designed to reduce emissions
Alternative Carriers	Term	Providing working capital to a telecommunications provider specializing in fibre optic services
Specialized Finance	Term	Providing loan to a company with investments in education and security services
Health Care Technology	Term	Providing loan to a healthcare technology company focused on data analytics
Packaged Foods and Meats	Term	Providing lending facility to specialty organic food and health products company



## 04 Tariffs, Tech, and Transition in Private Credit

The **Celernus Pivot Private Credit Fund** delivered a return of **2.27%** in Q2 2025, bringing the **trailing 12-month return of the fund to 9.17%**.

The portfolio continues to perform well, with steady income generation and strong underwriting discipline. Notably, one borrower previously on non-accrual has resumed cash interest payments. While the credit remained sound and well-collateralized throughout, cash interest is generally preferred over accrual from both a transparency and liquidity standpoint.

The broader private credit market continues to expand and adapt amid shifting global capital flows. This quarter, several high-level trends emerged.

**“Sell America” is picking up steam.** Institutional investors are beginning to rebalance away from U.S. credit exposure. Trade tensions, tariffs, and political volatility are prompting a renewed focus on Europe, where stability and pro-growth policies are making private lending more attractive. Asia is also opening up—especially to retail investors—with regulators in Singapore, Japan, and Australia working to broaden access.

**Pockets of credit quality strain are emerging.** Select business development companies (BDCs) reported stress in consumer-facing sectors this quarter. A combination of higher rates, persistent inflation, and new tariffs have pushed some borrowers into restructuring or non-accrual. That said, credit deterioration remains modest and contained.

**Banks are continuing to support private credit.** Despite competing with private lenders, traditional banks have significantly increased their exposure to the sector. U.S. banks now provide over \$95 billion in secured credit lines to BDCs and private funds—a vote of confidence in the asset class.

**Private credit is eyeing residential mortgages.** With banks retreating and homeowners locked into low-rate mortgages, private credit managers are expanding into home equity lending. This \$2 trillion market opportunity includes funding non-agency loans and repackaging them for institutional buyers.

**AI infrastructure is becoming a lending theme.** The global race to build AI infrastructure is generating large financing opportunities. Major firms are backing billion-dollar data center and chip development projects, signaling a new high-grade segment for private lenders.

**Fund managers are innovating via “Continuation Funds”.** With M&A activity muted, managers are rolling performing loans into “continuation funds” to provide optional liquidity and extend investment horizons. These secondaries are growing quickly and offering new solutions for capital recycling. As always, our focus remains on quality, discipline, and navigating these shifts with a long-term lens.

## DISCLAIMER

Information about the Celernus Pivot Private Credit Fund (the “Fund”) is not to be construed as a public offering of securities in any jurisdiction of Canada. This Fund presentation 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, or absence of historical performance in the case of a new fund, 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. The indicated rates of return are historical annual compounded total returns (net of fees and including reinvestment of all distributions). All amounts herein are in Canadian dollars unless otherwise noted.

### Why Invest in CPPCF?

#### Strong Returns and Cash Flow

- Relative to other fixed income vehicles, secured private commercial lending is expected to generate superior returns that are closer to those provided by equity indices over a market cycle.
- Downside risk is nearer that of fixed income indices.

#### Low Correlation to Equity and Bond Market Index Returns

- Secured private commercial lending arrangements in the SME market tend to have low interest rate sensitivity.
- Returns are driven by the lending rates associated with portfolio deals while downside risk is managed by accurate assessment of collateral value.

#### Portfolio Advantages

- Incorporation of secured private commercial lending reduces reliance on the equity risk premium to drive portfolio returns.
- Price volatility is lower than that of publicly traded fixed income securities because private lending arrangements 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 Pivot Private Credit Fund** CPPCF | CIP600A

**Celernus Mortgage and Income Trust** CMIT | CIP200A/B

**Celernus Mortgage and Income Trust II** CMIT II | CIP210F/I

**Celernus Absolute Growth Fund** CAGF | CIP100A

**Celernus Balanced Income Fund** CBIF | CIP500A