



FY2022 Presentation



Disclaimer



This presentation contains certain forward-looking statements with respect to financial conditions, results of operations and the business of CTS Global. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of CTS Global to be materially different from any future results implied by forward-looking statements or objectives.

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Business Model





Global Proprietary Trading Firm

CTS Global is a proprietary trading firm which uses its intellectual property assets, specifically on risk management, macroeconomics, fundamental, and technical analysis, to seek and capitalize on opportunities on a local and global scale through trading of equities listed in stock exchanges

Similar to a franchise model, CTS Global provides the capital, training and infrastructure to the traders in exchange for trading revenue percentage.



Corporate Milestones



is created. The trading school offers an 8-week recruitment course conducted 2x a year. Best traders are offered roles in CTS Global's trading floor.

FAST-TRACKED DIGITIZATION

Total rebranding and implementation of a fully-automated trading analytics database.

Closure of physical trading floor.

Operating leverage is magnified.

IPO



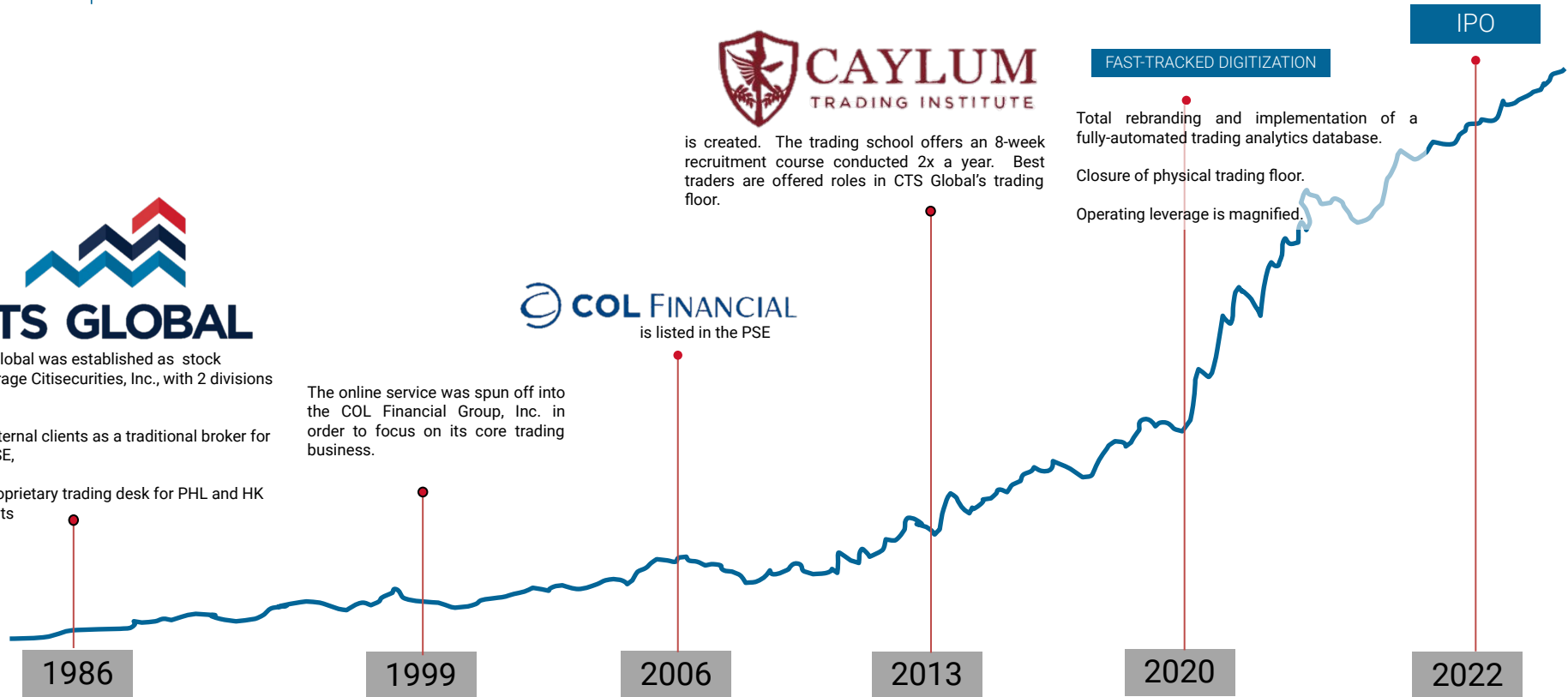
is listed in the PSE

The online service was spun off into the COL Financial Group, Inc. in order to focus on its core trading business.

CTS Global was established as stock brokerage Citisecurities, Inc., with 2 divisions

(1) External clients as a traditional broker for the PSE,

(2) Proprietary trading desk for PHL and HK Markets



Business Segments



Proprietary Global Trading

- Almost 40 individual traders
- Hong Kong, US, Japan, Philippine markets
- Trading system built over the past forty years

Investment Income

- Macroeconomics desk (top-down approach)
- Research team (bottom-up alpha)

Brokerage Service

- Stock brokerage and dealership services for high net worth clients

Client Accounts Management

- Third party advisory services (upcoming)



Mission

Establishing the Philippines as the lead proprietary trading hub in the world.

Vision

Uplifting world-class Filipino talent into the global trading arena.

Values

Gratitude, Compassion, Generosity, Integrity, Accountability

Key Investment Highlights



Key Investment Highlights



The Company has developed intellectual property assets, including automated systems for risk management, performance analytics, trader training and monitoring.



The Company is led by a competent and experienced management team with deep understanding of macroeconomic cycles.



The Company follows a prudent risk management infrastructure.



The Company has historically demonstrated its ability to generate “alpha” or strategies that have proven to be effective in beating the market.

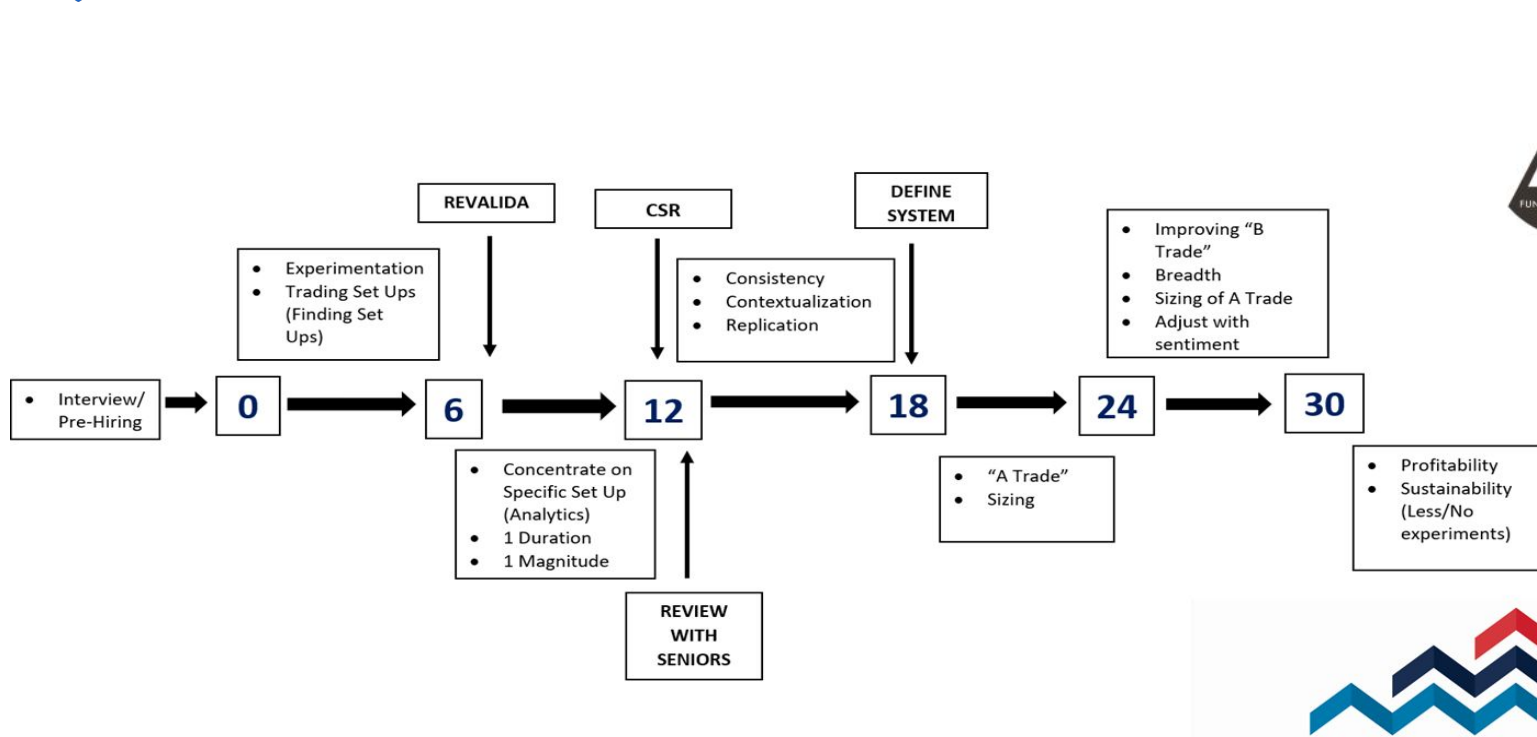


The global trading business model is scalable and provides a high operating leverage.





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The Company is led by a competent and experienced management team with deep understanding of macroeconomic cycles.

The Proponents



Edward K. Lee
Chairman & Founder



Lawrence C. Lee
Chief Executive Officer



Alexander Yu
Vice-Chairman



Catherine Ong
Chief Operating Officer



Edmund Lee, CFA
Chief Finance Officer

The Management



Jason Mariposa, CFA
VP- Macroeconomics



Richard Pacheco
VP- Proprietary Trading



Terence Chan
VP- HK Investments



Bryan Gomez
VP- External Relations



Leonard Chua, CFA
VP- Global Investments



JC Aquino
VP- Associated Person



The Company follows a prudent risk management infrastructure.

Risk-First Philosophy

1

VAR Methodology

3

Risk Platforms

- CTS Trader Management System
- IB Risk Platform
- PH Monitoring Tool

2

Real-Time Risk Monitoring

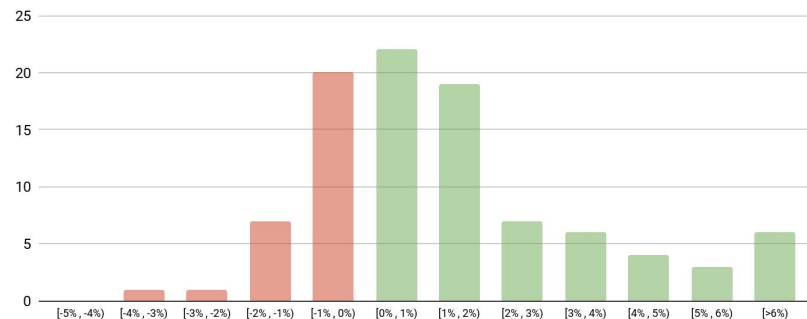
- Circuit breakers
 - Give-back monitoring
 - Drawdown monitoring
- Portfolio exposure monitoring
 - Concentrated positions
 - Liquidity caps
- End-of-day updates
- Significant mover updates

4

Regular Reviews

- Monthly
- Quarterly
- Annual

Distribution of Monthly Returns (2015-2022)

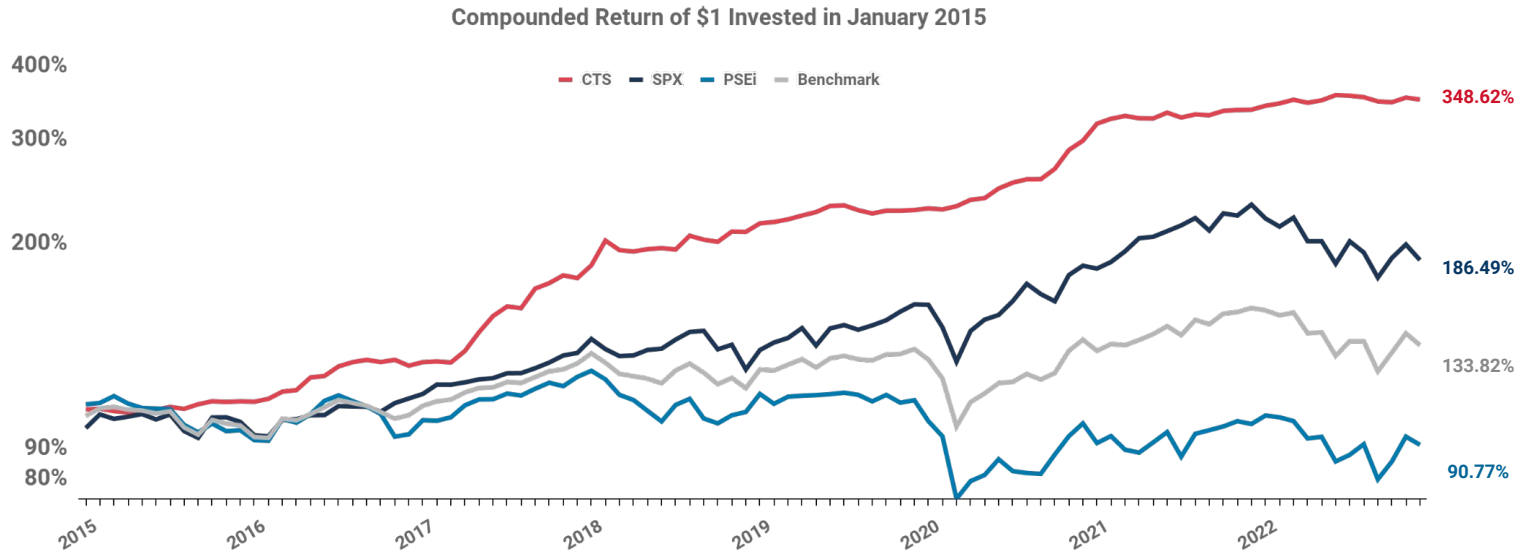


	CTS	SPX	PSEI	BENCHMARK
CAGR (2015 - 2022)	16.89%	8.10%	-1.20%	3.71%
Monthly Average Return	1.34%	0.76%	0.03%	0.39%
Monthly Standard Deviation	2.42%	4.60%	5.00%	4.17%
% Positive Months	69.79%	65.63%	53.13%	56.25%
% Negative Months	30.21%	34.38%	46.88%	43.75%
Average Return - Positive Months	2.31%	3.31%	3.53%	3.10%
Average Drawdown - Negative Months	-0.91%	-4.12%	-3.94%	-3.09%
Edge Ratio	2.54	0.80	0.90	1.00
# of months >=3%	19	27	23	20
# of months <=-3%	1	18	20	17
Max monthly RETURN	10.13%	12.68%	10.20%	9.91%
Max monthly LOSS	-3.66%	-12.51%	-21.61%	-17.06%



The Company has historically demonstrated its ability to generate “alpha” or strategies that have proven to be effective in beating the market.

Relative Performance of CTS Global Equity Group Versus Major Indices 2015 to 2022



CTS Global has shown consistent outperformance versus all equity indices.

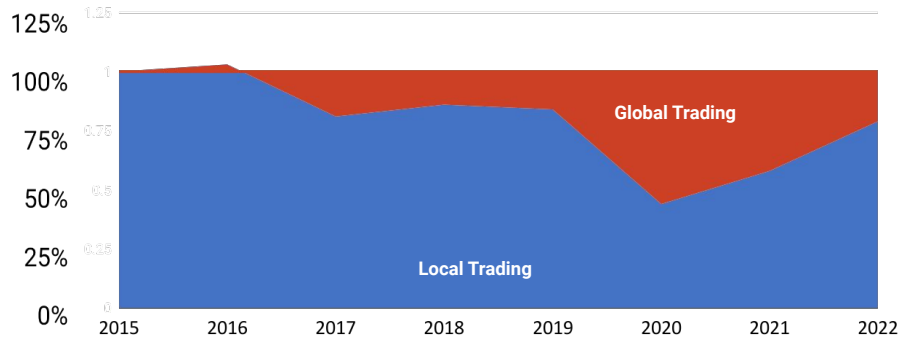


The global trading business model is scalable and provides a high operating leverage.

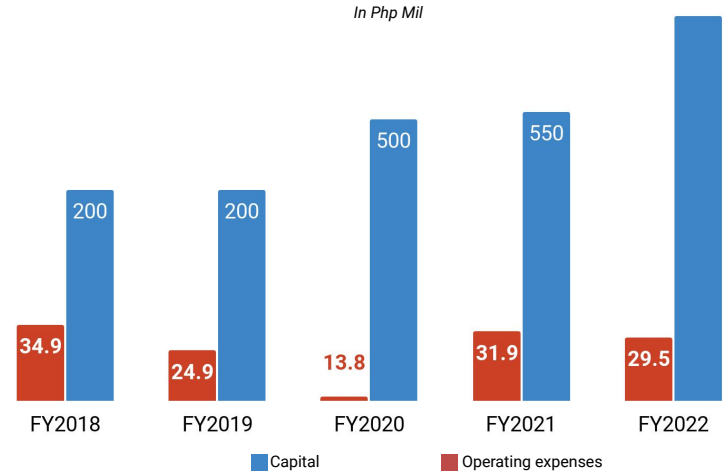
Higher liquidity makes it much easier for the traders to scale their accounts and thus the Company is looking to tap onto its growth potential in global trading.

Working like a technology-based business, the Company employs a high operating leverage as the base salary of traders and operating costs remain low despite a drastic increase in assets under management

Revenue Breakdown: Local versus Global



Operating Expenses and Capital



Financial performance data temporarily refers to unaudited figures for FY2022.

Financial Highlights



Financial Highlights

- **Trading Performance:** CTS outperformed its global equity index benchmarks by 16.9%* in FY2022 with a 4.6% return** amid the global market rout. The US S&P 500 Index ended the period with -19.0%, and PSEi with -5.6%.
- **Net Income:** CTS Global booked a net income of Php 54.7 Mil for 2022, higher by 171.5% versus the previous year driven by trading profits, interest income, and tactical foreign exchange positions.
- **Revenues:** FY2022 revenues totaled Php 87.8 Mil, down 32.8% due to volatile global equity market conditions. While gross margins went down to 16.5%, operating expenses also fell by 7.7% with a leaner structure.
- **Foreign exchange gains:** One of CTS' main strategies for the year is to capitalize on the strong US dollar. This resulted in a foreign exchange gain of Php 71.7 Mil.

**using a 50-50 allocation to PSEi and S&P 500 as its benchmark*

***return, or revenue/capital ratio is computed as revenues over the paid-up capital.*



FY2022 Financial Highlights



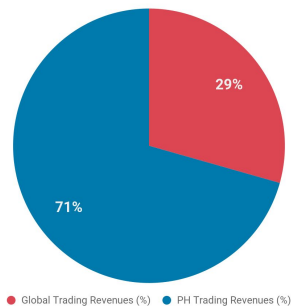
	FY2021	FY2022
Revenues	130,593,101	87,750,524
Capital	550,000,000	1,911,056,878
Revenue / Capital Ratio	23.7%	4.6%
Cost of Services	92,408,470	73,312,541
Gross Profit	38,184,631	14,437,983
Gross Margin	29.2%	16.5%
Operating Expenses	31,938,342	29,493,894
Net Income	20,144,870	54,689,062

	FY2021	FY2022
Current Assets	860,648,422	935,992,397
Noncurrent Assets	87,507,692	1,278,298,741
Current Ratio	2.52	4.86
Current Liabilities	341,306,560	192,616,917
Noncurrent Liabilities	20,661,447	19,740,174
DE Ratio	0.62	0.11
Total Liabilities	361,968,007	212,357,091
Total Equity	586,188,107	2,001,934,047

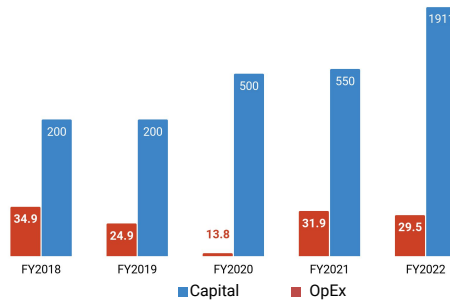
Costs controlled amid AUM growth



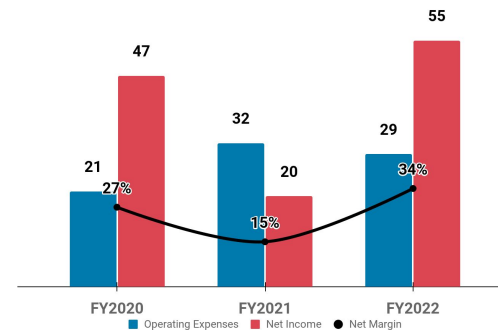
Revenues - Market Split



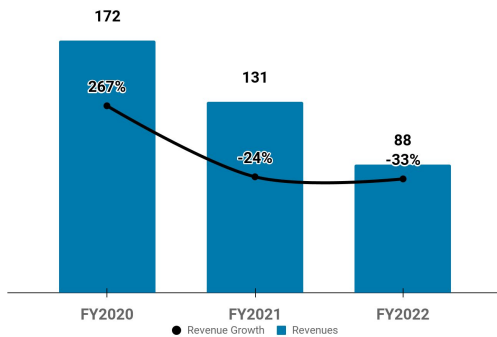
Operating Expenses and Capital



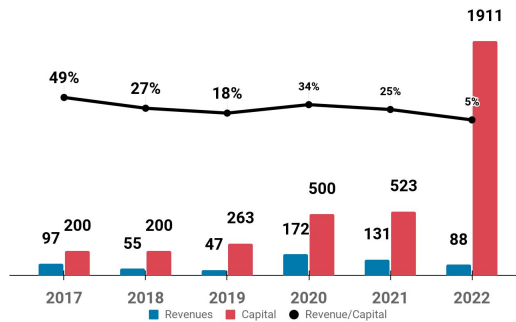
Operating Expenses and Net Income



Revenues and Revenue Growth



Revenues and Capital Ratio



Business model allows for high operating leverage, maintaining costs despite higher capital.

Robust capitalization infused by April 2022 IPO



April 2022 IPO: Php 1.375 Bn raised

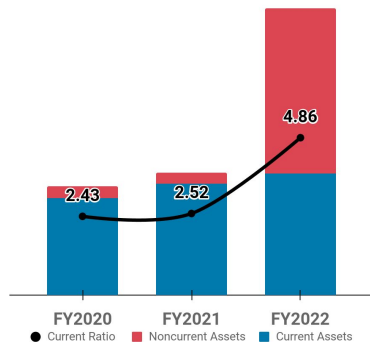
Capital raising for global trading operations

Expansion to the Indonesian market

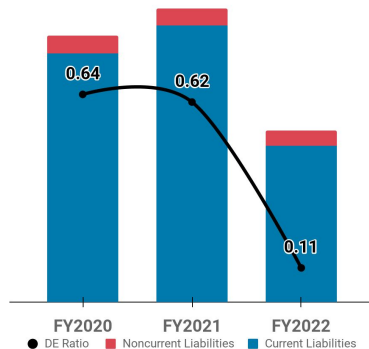
Healthy capitalization to maintain regulatory RBCA ratio

Locked in bond assets at 6.59% average yield

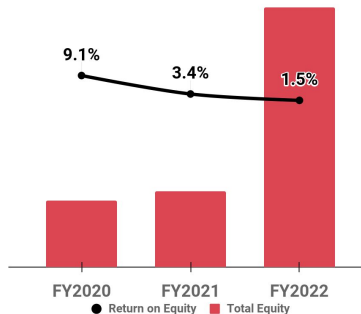
Assets (Php Mn)



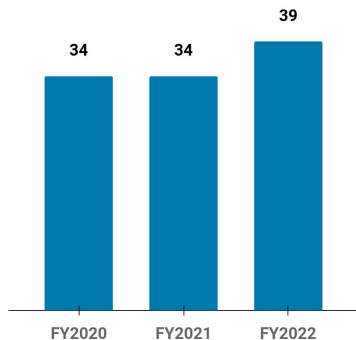
Liabilities (Php Mn)



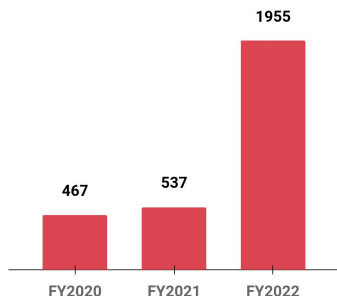
Equity (Php Mn)



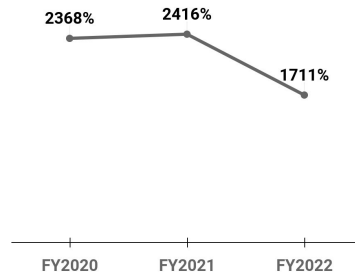
Trader Count



Net Liquid Capital (Php Mn)



Risk Based Capital Adequacy Ratio



Financial performance data temporarily refers to unaudited figures for FY2022.

2022 Company Developments



April 2022: IPO

Php 1.38B

CAPITAL RAISED

+11%

FIRST DAY PERFORMANCE

549 M


VOLUME TRADED



Recruitment Initiatives



- Caylum Trading Institute - GMT Program
- Caylum Trading Institute - Cadets Program
- CTS Global - 2022 Internship




Just when you thought it was the end.
It was really only the beginning.

THE CAYLUM
GLOBAL MARKET TRADER
SPECIALIZATION PROGRAM

Classes will be back in session. Seats are limited.
Applications for GMT Batch 1 (August-September 2022) are now open.

Visit www.caylum.com to register today.

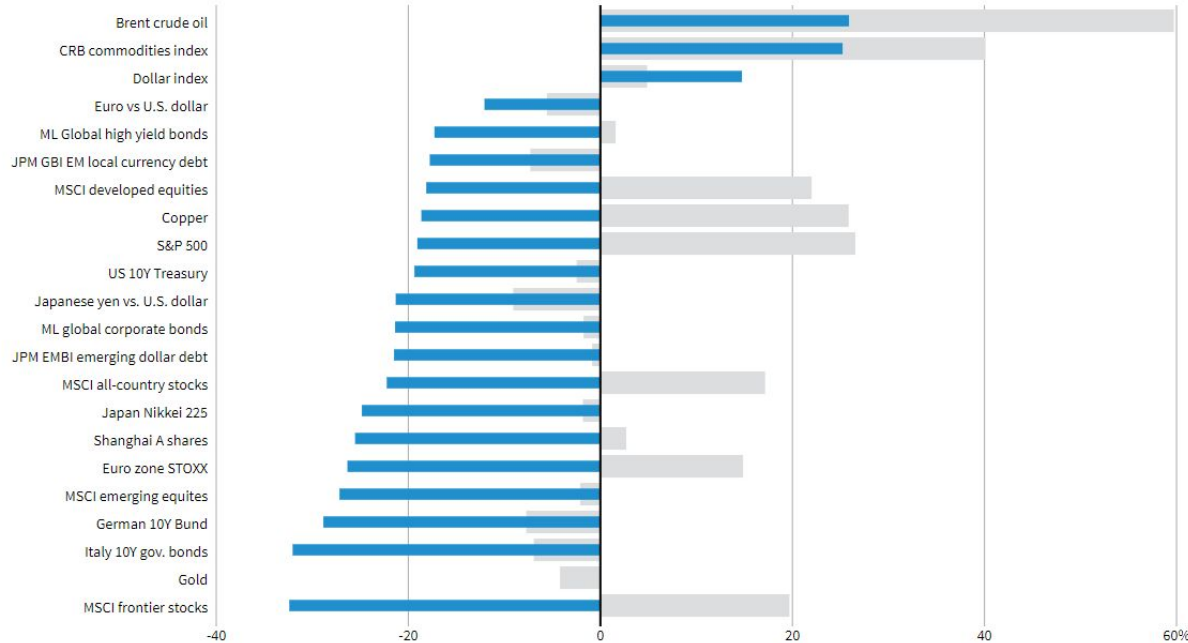


2022 Asset Class Performance

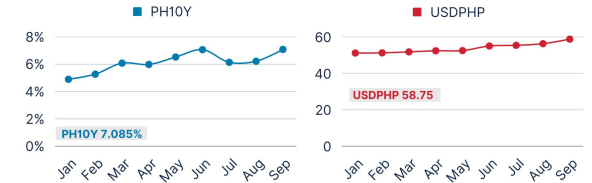


2022 ASSET PERFORMANCE

■ Year-to-date 2022 ■ 2021 same period performance



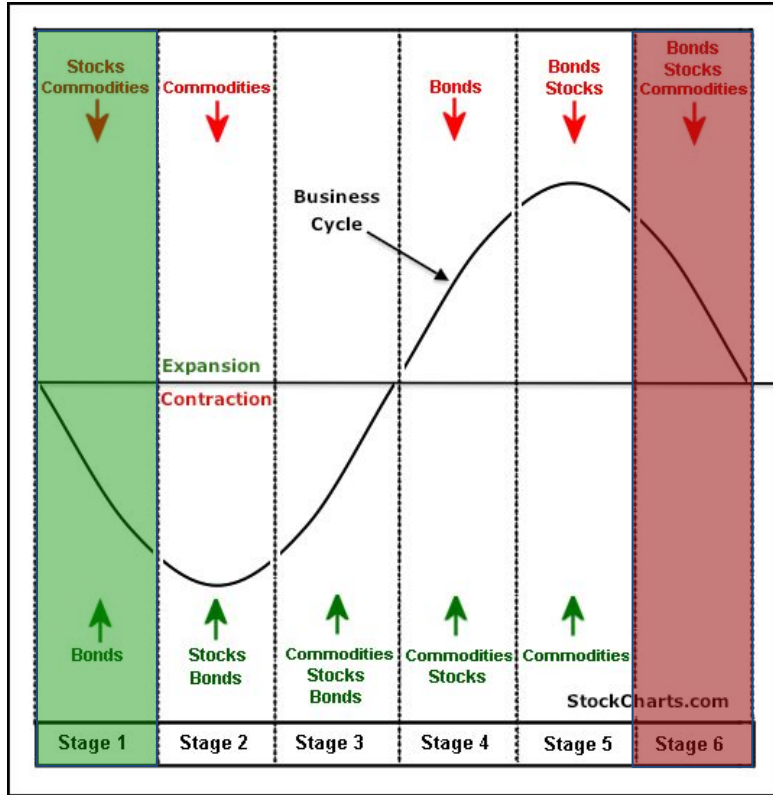
MARKET LEADERS: Only commodities and dollar posted positive performance for the year. CTS Global capitalized on the commodity run by expanding to the Indonesian market, while converting most of the IPO proceeds into US dollars.



MARKET LAGGERS: 2022 is an extraordinary year as the market volatility reached all asset classes, from equities, bonds, real estate, and even gold that has historically served as a safe haven. High inflation across all countries has forced central banks to raise rates amid the impending recession.

Source: Reuters Graphics

Market Cycle



USDPHP CONVERSION



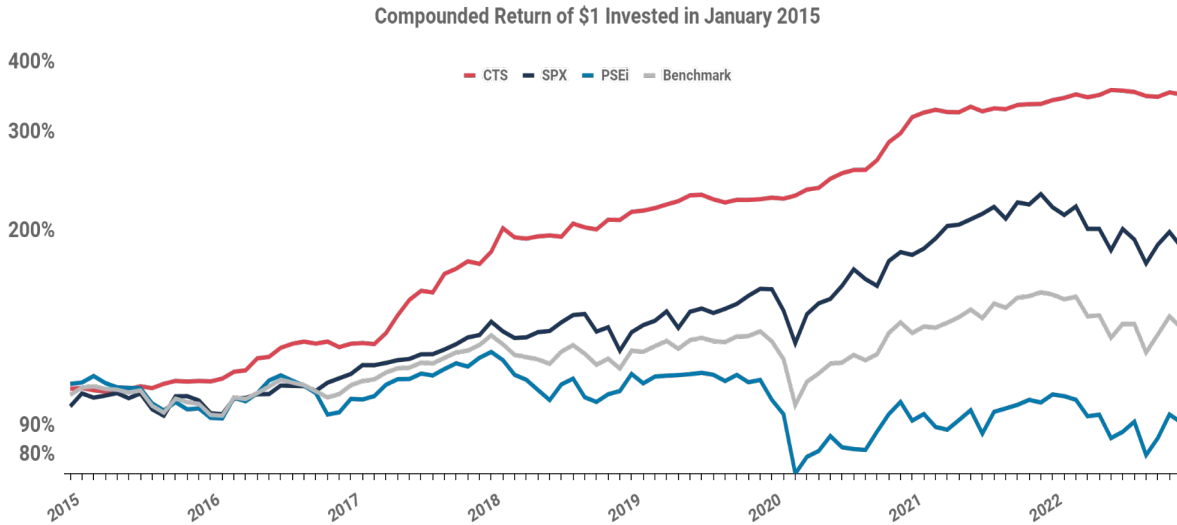
BOND HOLDINGS YIELD

Maturity Date	Term (in yrs)	Remaining term (in yrs)	YTM	Coupon rate	Face Value	Annual interest payments, net of tax
2/11/23	3.00	0.12	4.38%	4.38%	50,000,000	1,750,000
6/2/27	4.99	4.42	5.50%	4.63%	120,000,000	4,440,000
2/14/26	3.61	3.12	5.78%	6.25%	120,000,000	6,000,000
6/23/32	9.92	9.48	6.68%	7.25%	465,000,000	26,970,000
6/23/32	9.85	9.48	5.81%	7.25%	163,732,000	9,496,456
6/23/32	9.71	9.48	6.88%	7.25%	168,926,000	9,797,708
10/20/32	9.99	9.81	7.38%	7.50%	173,294,000	10,397,640
					1,260,952,000	68,851,804
Average Yield	6.59%					

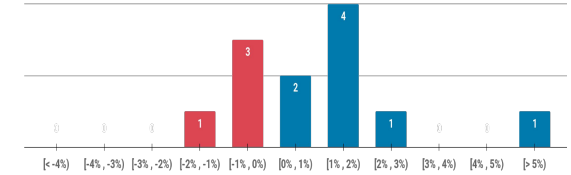
Trading Performance



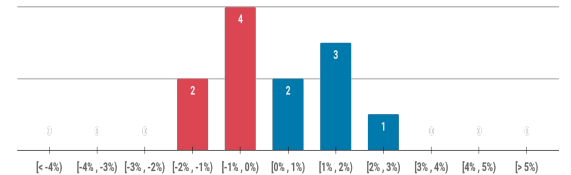
Relative Performance of CTS Global Equity Group Versus Major Indices 2015 to 2022



Distribution of Monthly Returns for 2021

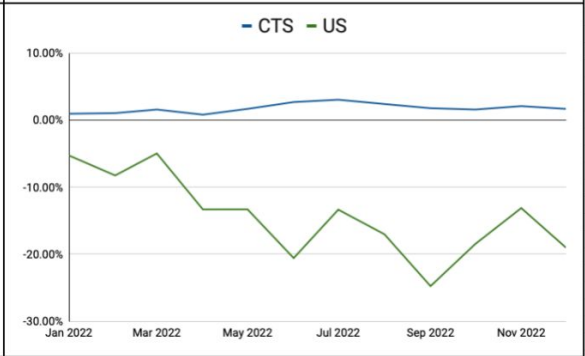
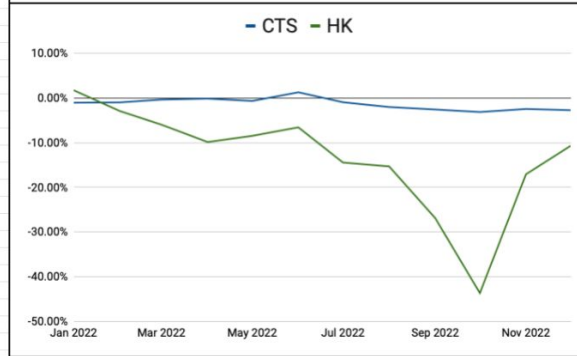
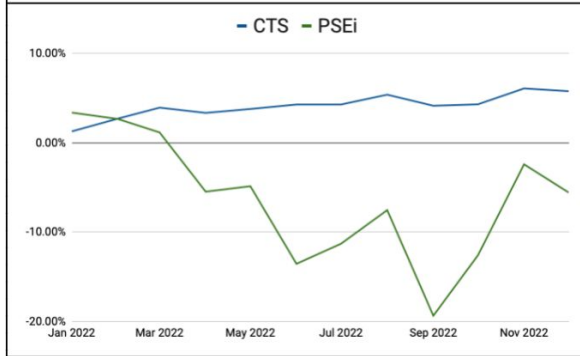
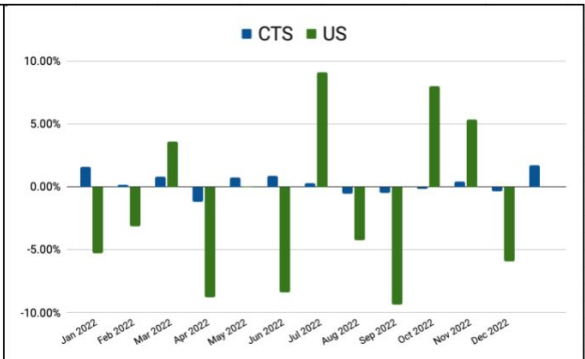
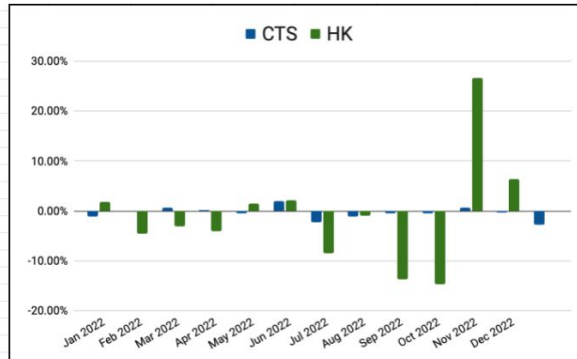
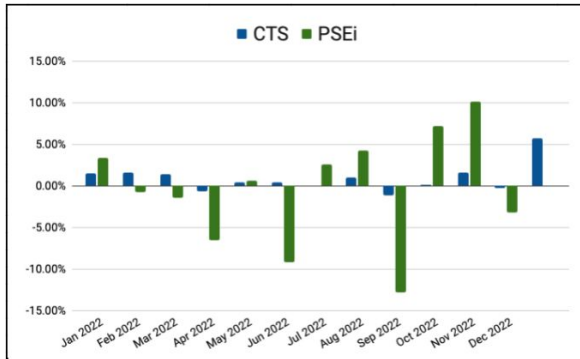


Distribution of Monthly Returns for 2022



**using a 50-50 geographical share for local and global trading*

Trading Performance



Disbursement Report



Gross IPO Proceeds (1,375,000,000 shares at PhP 1.00 per share)	PhP	1,375,000,000
Less: Expenses related to the public offering		
Underwriting and selling fees		14,263,158
Listing fees		2,596,743
Professional fees		2,506,804
Documentary stamp tax		1,375,000
Other expenses		986,760
Net Offering Proceeds	PhP	1,353,271,535
Less: Disbursements		
Disbursements incurred as of June 30, 2022		
Scaling of global trading operations	561,794,34	
	5	
Client account management expansion	–	
General corporate purposes	–	561,794,345
Disbursements incurred for the quarter ended September 30, 2022	–	
Disbursements incurred for the quarter ended December 31, 2022	–	–
Total Disbursements as of December 31, 2022	PhP	561,794,345
Balance of IPO Proceeds as of December 31, 2022	PhP	791,477,190

2023 General Plans



- 1 Separate Accounts Management
- 2 Centerbook Focus
- 3 Use of Proceeds: office expansion



CTS GLOBAL
EQUITIES

2022