



Investor Presentation

1H2023



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Disclaimer



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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 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



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

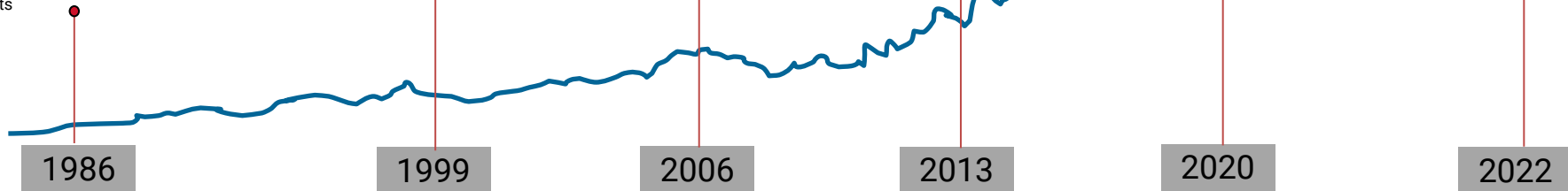
(1) External clients as a traditional broker for the PSE,

(2) Proprietary trading desk for PHL and HK Markets



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.



Business Segments



Proprietary Global Trading

- Almost 40 individual traders
- Hong Kong, US, Japan, Indonesia, 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

Client Accounts Management

- Third party accounts advisory services
- Target clients include corporates and HNWIs



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.

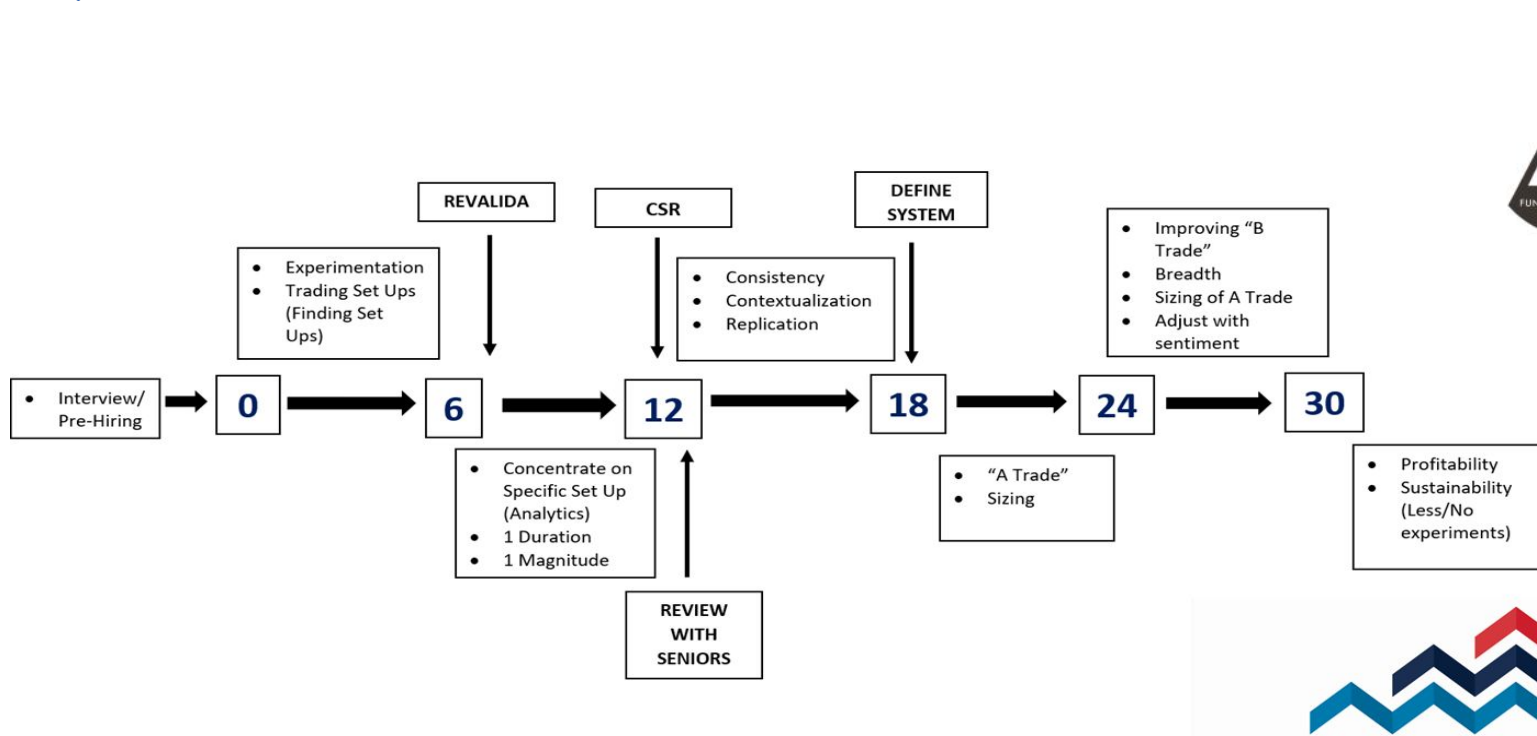


The global trading business model is scalable and provides a high operating leverage.





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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

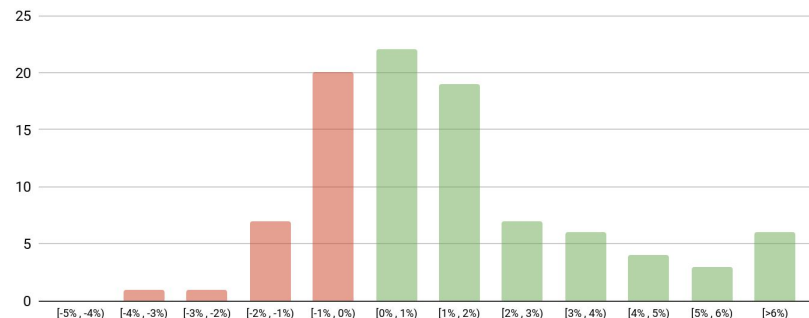
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Regular Reviews

- Monthly
- Quarterly
- Annual

CTS Global maintains better risk KPIs than indices by controlling its return drawdowns.

Distribution of Monthly Returns (2015-1H2023)

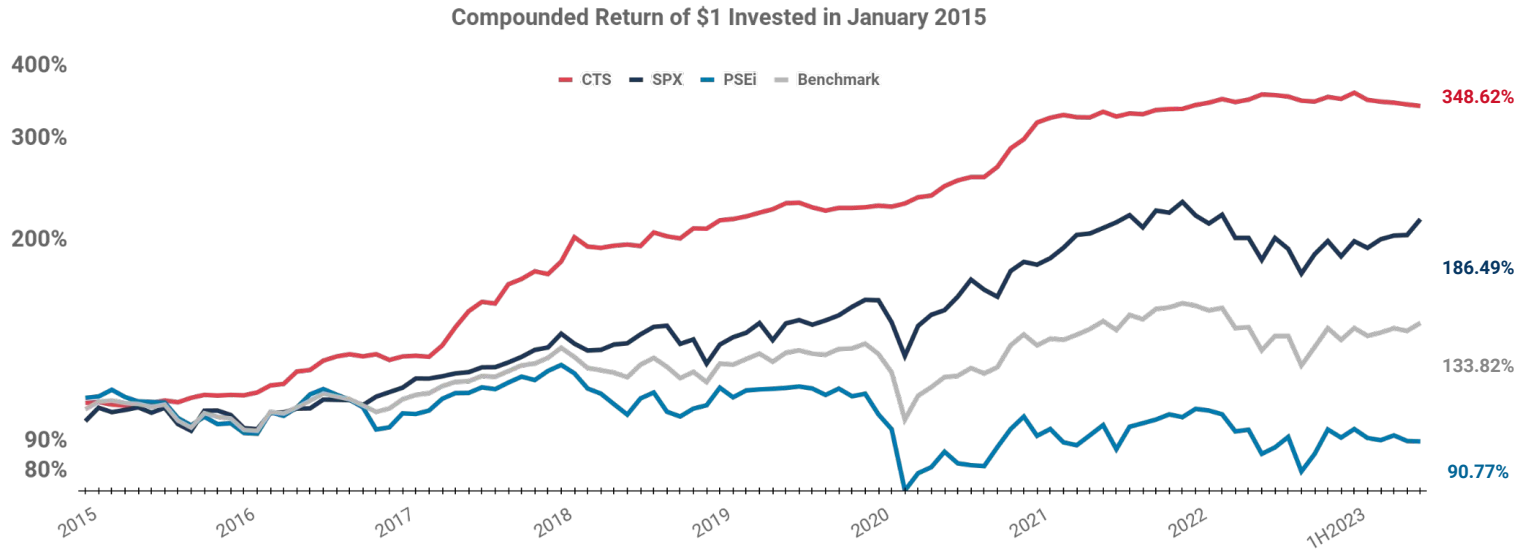


	CTS	SPX	PSEI	BENCHMARK
CAGR (2015 - 1H2023)	15.44%	9.49%	-1.31%	4.31%
Monthly Average Return	1.23%	0.86%	0.01%	0.44%
Monthly Standard Deviation	2.42%	4.55%	4.88%	4.10%
% Positive Months	70.83%	70.83%	53.13%	60.42%
% Negative Months	29.17%	29.17%	46.88%	39.58%
Average Return - Positive Months	2.31%	3.33%	3.50%	3.08%
Average Drawdown - Negative Months	-0.93%	-4.08%	-3.76%	-3.05%
Edge Ratio	2.49	0.82	0.93	1.01
# of months >=3%	19	30	24	22
# of months <=-3%	1	18	21	18
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 1H2023



CTS Global has shown consistent outperformance versus all equity indices.

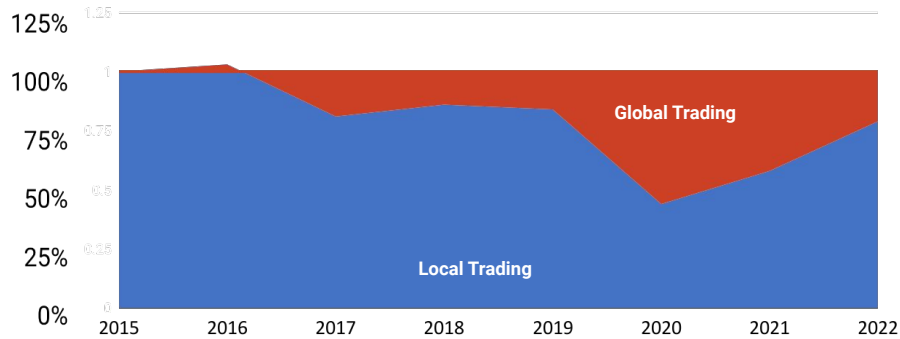


The global trading business model is scalable and provides a high operating leverage.

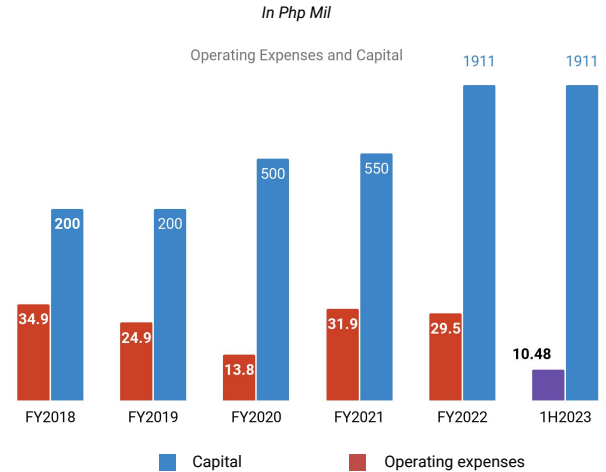
Higher liquidity makes it much easier for the traders to scale their accounts and thus the Company is seeing a significant growth potential in global trading.

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 Highlights



Financial Highlights

- **Net Income:** CTS Global booked a comprehensive net income of Php 13.1 Mil for the first half of 2023, including unrealized gains on debt securities.
- **Revenues:** 1H2023 revenues totaled Php 34.3 Mil, down 41.1%. This represents a 1.8% return* for CTS compared to its benchmarks: PH at +4.4%, HK -1.5%, and the US at +14.5%.
- Gross margins declined to 8.8% while net margins to 1.2%. As of June 30, 2023, the asset base stayed constant at Php 1.9 Bil.

**return, or revenue/capital ratio is computed as revenues over the paid-up capital. The lower ratio accounts for the remaining capital base not yet deployed.*



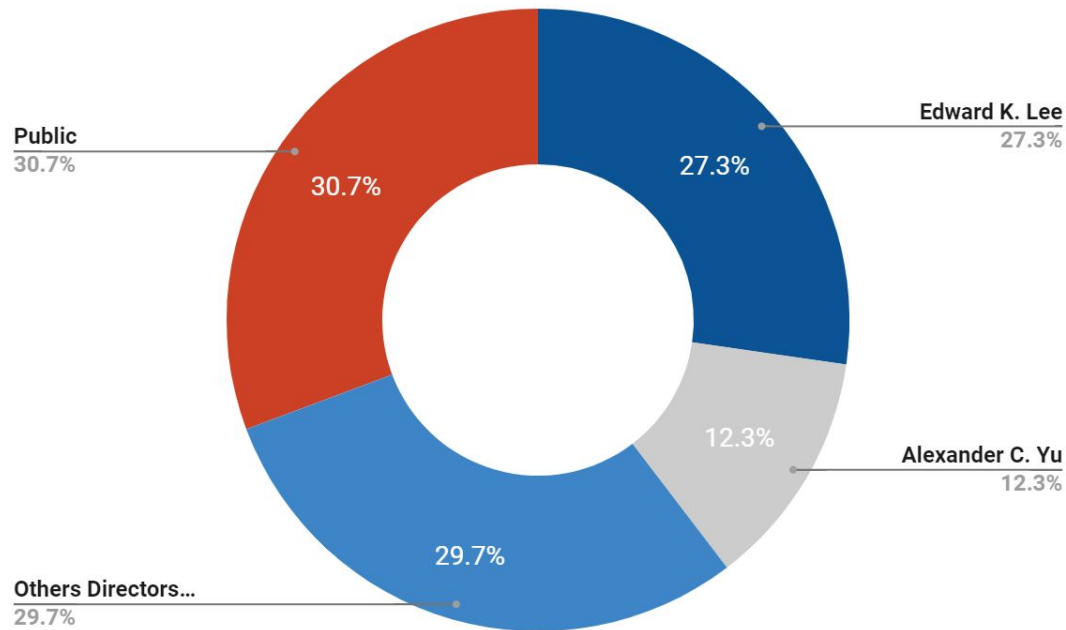
1H2023 Financial Highlights



	1H2022	1H2023
Revenues	61,421,370	34,332,551
Capital	1,911,340,878	1,911,662,472
Revenue / Capital Ratio	3.2%	1.8%
Cost of Services	32,155,201	31,295,699
Gross Profit	29,266,169	3,036,852
Gross Margin	47.6%	8.8%
Operating Expenses	12,614,600	10,483,483
Net Income	49,871,367	407,708

	1H2022	1H2023
Current Assets	2,125,503,275	946,280,264
Noncurrent Assets	149,118,937	1,288,636,767
Current Ratio	8.52	4.01
Current Liabilities	249,561,000	235,819,244
Noncurrent Liabilities	27,660,860	18,303,611
DE Ratio	0.14	13.88
Total Liabilities	277,221,860	254,122,855
Total Equity	1,997,400,352	18,303,611

Ownership Structure



Market Capitalization: Php 6.6 Bn

As of 2022 yearend

Listed Common Shares: 6,875,000,000



CTS GLOBAL
EQUITIES

2022