Corton-Aemelia Quantitative Fund

Monthly Update: **May 2026**

Key Facts

Asset Class	Equities
Fund Launch Date	May 7, 2025
Min Investment	F-class: $1,000 I-class: $500,000
Subsequent Investment	$1,000
RRSP Eligible	Yes
AUM	$23m
Fund Type	Offering Memorandum
Fund Administrator	SGGG Fund Services Inc.
Auditor	Goodman & Associates

Fund Codes

A-Class	CCI901P	**F-class**	CCI902P
E-Class	CCI904P	**I-Class**	CCI903P

Fees and Charges

Annual Management Fee	F-Class 1.5% I-Class 1% (negotiable)
Performance Fee	F-Class: 20% I-Class: 15% (negotiable)
Hurdle Rate	5% perpetual highwater mark
Early Redemption Fee	none

Liquidity and NAV Calculation

NAV Strike	Monthly
Liquidity	Monthly (30 days notice)

Fund Management

Fund Manager	Corton Capital Inc.
Investment Manager	Corton Capital Inc.

Fund Overview

The fund outperformed the TSX in May. The F-class was +3% vs. the benchmark +2.4%. Positives: KEEL VNP WULF, negative: BDGI WJX SII. We have recently reduced beta of the fund given increased volatility combined with the fact than many of the market leaders are either starting to lose momentum or are running too hot (banks & AI-related themes). The fund has 43 holdings, long 92% short 27% net 65%, cash 18% with a beta of 0.28x. Our largest weights are REITS, Health Care, Staples, Discretionary. Under: Tech, Golds, Energy.

	Fund	TSX
Net Return F-Class (May-2025 – Jan 2026)	32.4%	38.2%
YTD	8.9%	9.6%
May	3%	2.4%
Max Drawdown	-5.7%	-9.3%
Beta	0.52	-

Our objective is to deliver solid returns with lower volatility. While early days, since inception, beta = 0.52x and a max drawdown of -5.7% vs. -9.3% for the TSX.

Strategy

Multi-Factor Quant Model:

- The fund incorporates high alpha-generating factors including price momentum, trends in profitability, earnings surprise, revisions, quality, and valuation.

Long / Short with Variable Net Exposure

- The fund actively adjusts volatility based on top–down market indicators to limit drawdowns
- High Active Share (the fund does not hug the index): significant exposure to small-mid caps, meaningful sector bets vs. the benchmark.

Long Positions

- 40+ longs diversified across sectors and market cap, 2 - 6% weight, maximum 10%
- Sell discipline: stop Losses systematically determined based on volatility of the stock

Short Positions

- Only short when market conditions dictate
- ~20 shorts, 2 - 5% weight, maximum 5%
- Shorts require higher liquidity threshold

Value Positions

- ~10 value long and 10 short positions
- Value uncorrelated with momentum, providing diversification benefits

Investment Manager Profile

Corton Capital Inc. has been engaged to act as the Investment Manager and Portfolio Manager of the Corton-Aemelia Quantitative Fund. Corton licenses and implements the proprietary quantitative model from Aemelia Capital Inc.

Mark Deriet Profile

Mark Deriet, Founder of Aemelia Capital Management Corp., developed the quant model over his 3 decades of experience in the investment industry and is the #1 ranked institutional quant/technical analyst in Canada (Brendan Wood survey).

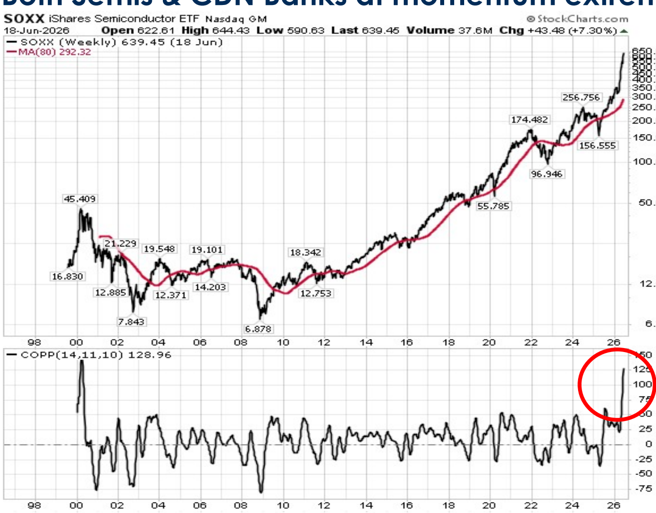
Corton-Aemelia Quantitative Fund

Monthly Update: **May 2026**

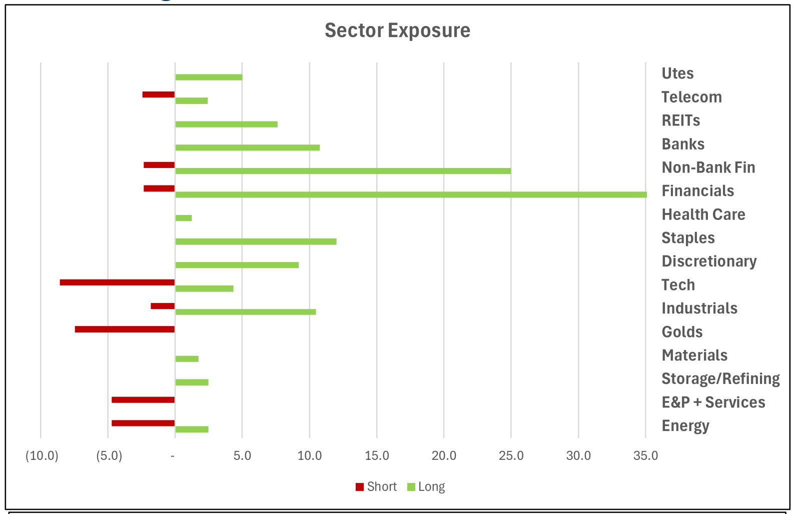
Market Outlook

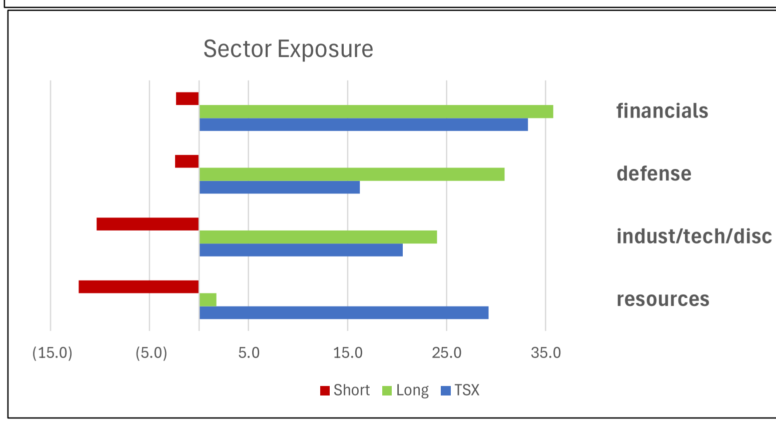
The market is in an uptrend but volatility is perking up and leadership is narrow - AI-related stocks in the US and Banks in Canada - both of which are hitting momentum extremes (see charts below). The S&P is nearing its +2-deviation band based on regression analysis, suggesting a more cautious outlook. Breadth measures have remained ~neutral despite the strong rally, with 60% of the S&P in a long-term uptrend. Breadth in Canada is weaker with 3-month lows > highs of late due to weakness in resources.

Both Semis & CDN Banks at momentum extremes



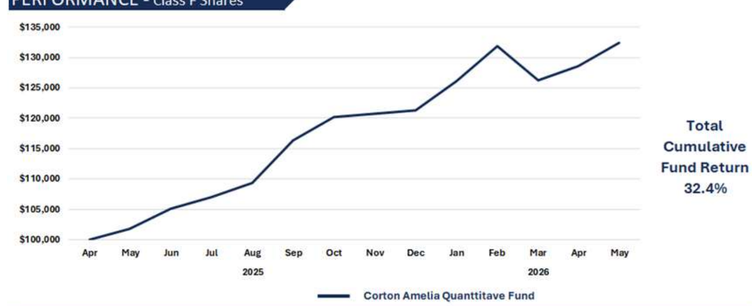
Sector Weights





Monthly Performance

PERFORMANCE - Class F Shares



MONTHLY PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2026	3.9%	4.6%	(4.3%)	1.9%	3.0%								9.1%
2025					1.8%	3.3%	1.8%	2.2%	6.3%	3.4%	0.4%	0.5%	21.4%

This rating is based on how much the fund's returns have changed from year to year. It does not tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low-risk rating can still lose money.

Contact Information

Advisor inquires contact:
Mark Deriet
mderiet@cormark.com
416-562-2265

www.cormark.com

Direct investor inquires contact:
David Jarvis
david@cortoncapital.ca
416-627-5625

www.cortoncapitalinc.ca

Important Information

These marketing materials may contain "forward looking" statements as such term is defined under applicable securities legislation. Forward looking statements include, but are not limited to, statements with respect to the Fund performance, Target Annual Return and Target Annual Distribution. These statements are not guarantees of future performance and undue reliance should not be placed on them. Forward-looking statements are based on a number of assumptions. Although forward-looking statements are based upon what the Fund Manager believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove accurate, as actual results and future events may differ materially. The Fund Manager undertakes no obligation to update any such forward-looking statements if circumstances or the Fund Manager's estimates or opinions should change, except as required by applicable securities laws. The views expressed and, except as otherwise indicated, the information provided are as of the report date and are subject to change, update, revision, verification, and amendment, materially or otherwise, without notice, as market or other conditions change. Since these conditions can change frequently, there can be no assurance that the trends described herein will continue or that any forecasts are accurate. In addition, certain of the statements contained in this presentation may be statements of future expectations and other forward-looking statements that are based on the current views and assumptions of Aemelia Capital Inc. and involve known and unknown risks and uncertainties (including those discussed below) that could cause actual results, performance, or events to differ materially from those expressed or implied in such statements. These statements may be forward-looking by reason of context or identified by words such as "may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential or continue" and other similar expressions. Neither Aemelia Capital Inc, its affiliates, nor any of its affiliates' respective advisers, members, directors, officers, partners, agents, representatives or employees or any other person is under any obligation to update or keep current the information contained in this document. All investments are subject to risk, including the loss of the principal amount invested. These risks may include limited operating history, uncertain distributions, inconsistent valuation of the portfolio, changing interest rates, leveraging of assets, reliance on the portfolio manager, potential conflicts of interest, payment of substantial fees to the portfolio manager and the product sponsor, illiquidity, and liquidation at more or less than the original amount invested. Diversification will not guarantee profitability or protection against loss. Performance may be volatile, and the NAV may fluctuate. Please refer to the Offering Memorandum of the Fund for a description of the principal risks associated with an investment in the Fund. This offering is a private placement and is not, under no circumstances, to be construed as a public offering of the securities described herein. The securities are being offered in reliance upon exemptions from the prospectus requirements set forth in applicable securities laws. These materials are not to be distributed, reproduced or communicated to a third party without the express prior written consent of Aemelia Capital Inc. and Corton Capital Inc. These materials should be read in conjunction with the Fund's most recent Offering Memorandum, Declaration of Trust and Limited Partnership Agreement. Commissions, trailing commissions, management fees, other charges and expenses all may be associated with this investment. Please read the Offering Memorandum, Declaration of Trust and Limited Partnership Agreement carefully before investing. Investments are not guaranteed, their values change frequently, and past performance may not be repeated