Corton-Aemelia Quantitative Fund

Monthly Update: **June 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	$24m
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 modestly under performed the TSX in June. The F-class was -0.3% vs. the benchmark +0.25%. Positives came from shorts: XOP (short oil), GDXJ (short jr. gold stocks, BITI (short bitcoin). Negatives: SSG (short semis), COPJ, CSU. We remain conservative given the choppy market in Canada due to weakness in resources. Also, many of the market leaders are either starting to lose momentum or are running too hot (banks & AI-related themes). The fund has 50 holdings, long 120% short 30% net 90%, cash 10% with a beta of 0.4x. Our largest weights are Health Care, REITs, Utes. Under: Materials, Gold, Tech. 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.

	Fund	TSX
Net Return F-Class (May-2025 – Jan 2026)	32%	38.1%
YTD	8.8%	9.6%
June	-0.3%	0.25%
Max Drawdown	-5.7%	-9.3%
Beta	0.52	-

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).

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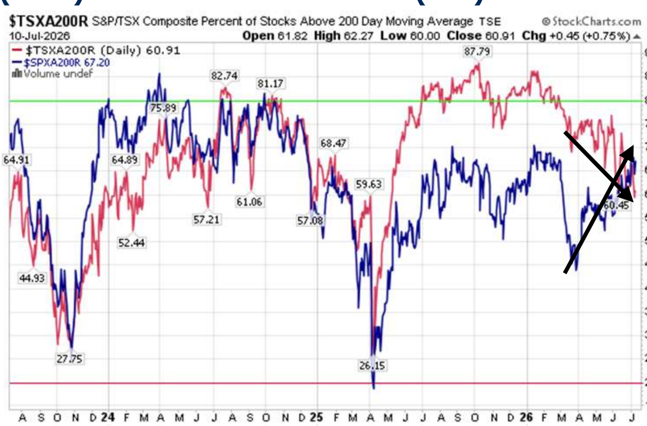
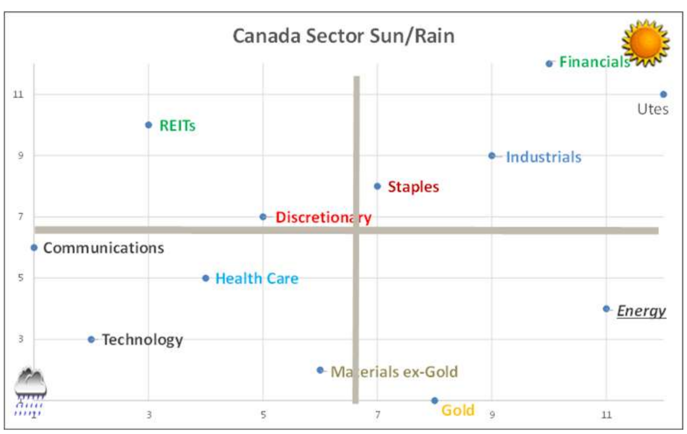
Market Outlook

Breadth measures are expanding in the US, but contracting in Canada. Specifically, The % of stocks > 200-day MA bottomed in March for the S&P at 44% and are now 67%. In contrast, for the TSX this measure was 69% in March and has dropped to new lows = 61% (chart 1). Weakness in resources has been the primary culprit. Breadth in our sun/rain chart for Canada shows that all resource-related sectors are in the weakening lower right quadrant. We are positioned net short resources.

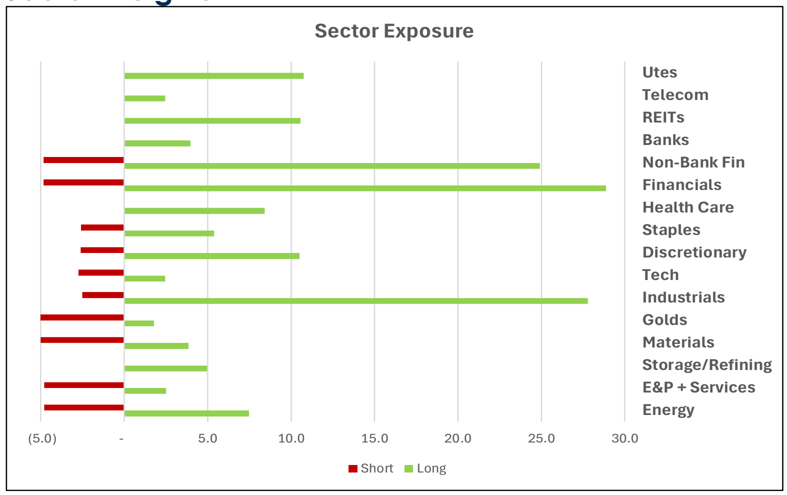
Breadth off the March lows improving in the US (blue) but weaker for the TSX (red)

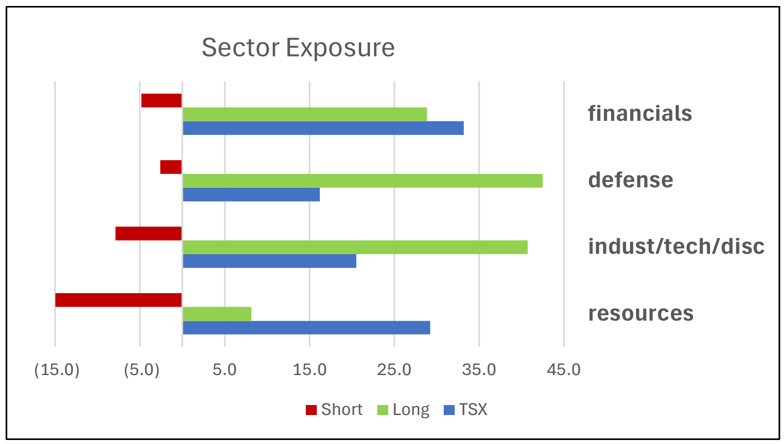


Canadian breadth for Energy, Materials, & Golds Is in the weakening lower right quadrant

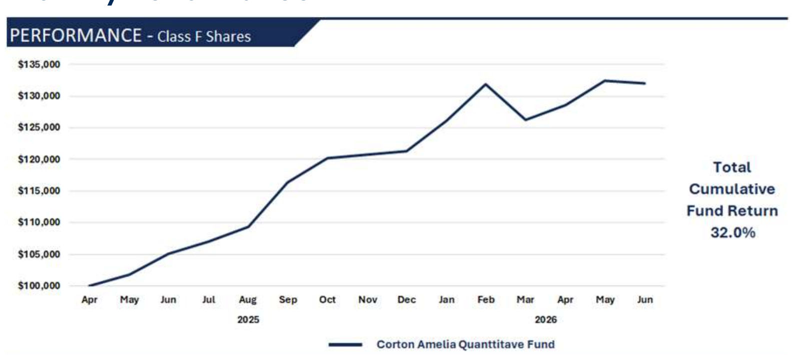


Sector Weights





Monthly Performance



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%	(0.3%)							8.8%
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.

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