



Corton-Aemelia Quantitative Fund

Monthly Update: **September 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 had another difficult month -4.5% in September. Positives came from shorts: SGY MATR SHOP FTT HPA.a & short Russell 2000 RWM. Negatives: software DCBO CSU VHI DSG and Gold GMIN DPM SSRM AYA. We remain conservatively positioned given the choppy market in Canada and the poor performance from the momentum factor in general of late. The fund has 42 longs at 54% and 3 shorts at 10% for a net 44% with 45% cash and a beta of 0.25x. Our largest weights are Health Care, Tech, Materials, Staples, E&P. Under: Financials Discretionary, Golds, Pipes.

	Fund
Net Return F-Class (May-2025 – Sep 2026)	16.3%
YTD	-4.1%
Sept	-4.5%
Max Drawdown	-12%
Beta	0.50

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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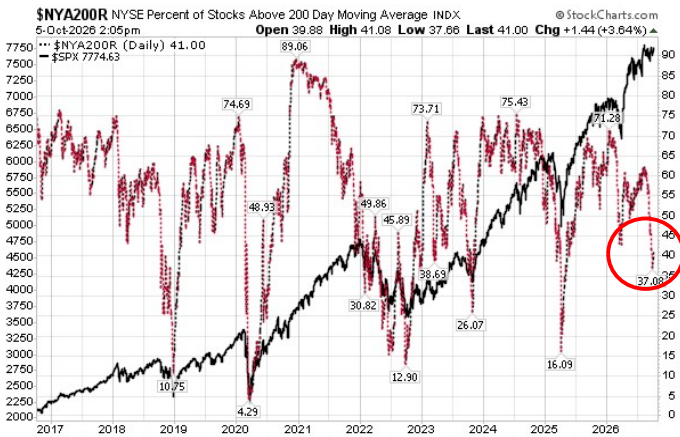
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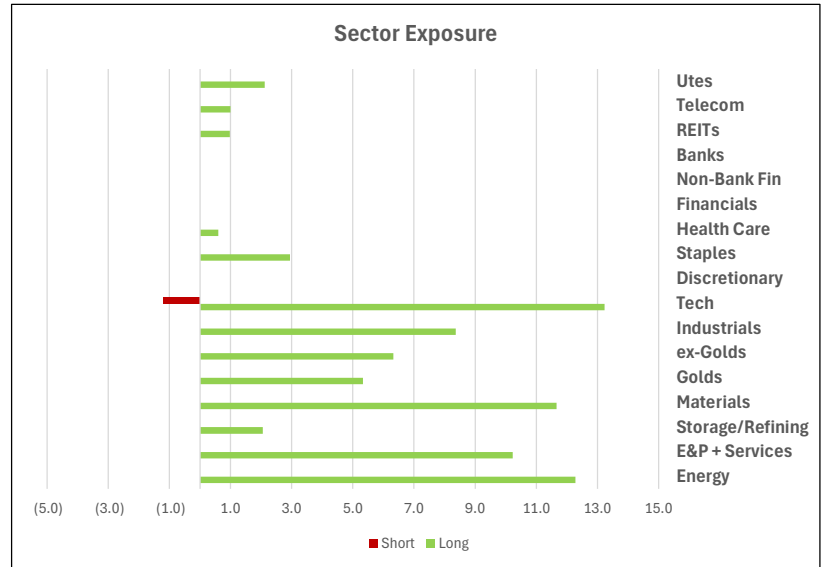
Market Outlook

Breadth measures continue to contract. The % of stocks > 200-day MA recently broke < 40%. Despite this weakness, the S&P is only 3% off the highs. This small drawdown is unprecedented. Typically, the S&P is already off 10% and falls another 12% on average when breadth is this week. 17 / 19 signal resulted in 10%+ sell offs (table).

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



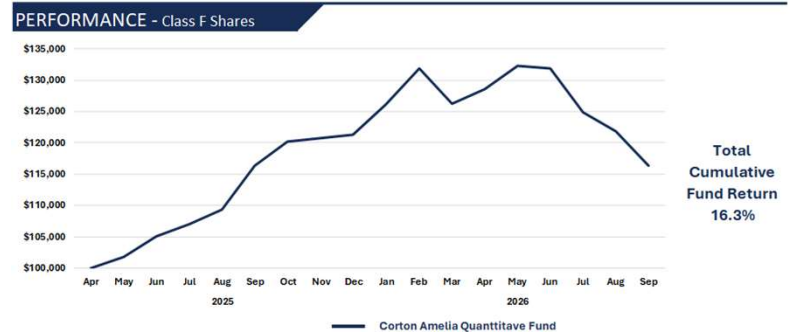
Sector Weights



17/19 times Breadth < 40% the market dropped by 10%+

NYSE % > 200-day < 40%	Prior Drawdown	Subsequent Drawdown	Total Drawdown	washout < 20%?
2026-10-01	-3.0%		-3.0%	???
2025-03-12	-9.2%	-13.7%	-22.9%	yes
2023-09-26	-6.6%	-5.9%	-12.5%	no
2023-03-17	-7.5%	-2.6%	-10.1%	no
2022-02-23	-11.7%	-22.1%	-33.8%	yes
2020-02-27	-12.0%	-28.4%	-40.4%	yes
2018-10-24	-9.3%	-16.2%	-25.4%	yes
2014-10-15	-7.2%	-0.7%	-8.0%	yes
2012-06-01	-9.6%	-3.2%	-12.8%	no
2011-08-02	-7.6%	-12.4%	-20.0%	yes
2010-06-07	-13.5%	-8.4%	-21.9%	no
2007-08-14	-8.0%	-55.2%	-63.2%	yes
2006-06-13	-7.5%	-3.5%	-11.0%	no
2004-08-13	-7.4%	-4.1%	-11.5%	no
2002-07-11	-21.0%	-19.1%	-40.1%	yes
2001-09-17	-30.8%	-7.8%	-38.6%	yes
1998-07-28	-4.5%	-16.1%	-20.7%	yes
1996-07-24	-7.4%	-3.1%	-10.5%	no
1994-03-29	-5.7%	-4.2%	-9.8%	yes
1990-08-06	-9.2%	-12.6%	-21.8%	yes
Average	-10.3%	-12.6%	-22.9%	yes = 12
Median	-8.0%	-8.4%	-20.7%	total = 19
		Pullbacks < 10%	11%	63%
		Corrections 10-20%	32%	
		Bears > 20%	58%	

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%	2.9%	(0.3%)	(5.3%)	(2.5%)	(4.5%)				(4.1%)
2025					1.8%	3.3%	1.8%	2.2%	6.3%	3.4%	0.4%	0.5%	21.4%



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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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