Corton-Aemelia Quantitative Fund

Monthly Update: **April 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 under performed the TSX in April. The F-class was +1.9% vs. the benchmark +3.7%. Shorts negatively impacted the fund as the market made a very sharp move off the bottom and many lagging stocks that are on our short screens snapped back. Also, a couple of individual longs got hit after earnings: AGF CHE.un. Positives: HPS.a EFX WULF, negative: AGF.b CLS MDA. We ratcheted up the beta of the fund as the market recovered. Currently, our largest weights are Health Care, REITS, Materials, Industrials, and Tech. The fund has 50 holdings, long 118% short 16%, with a beta of 1.15x. 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)	28.4%	35.0%
YTD	5.9%	7.1%
April	1.9%	3.7%
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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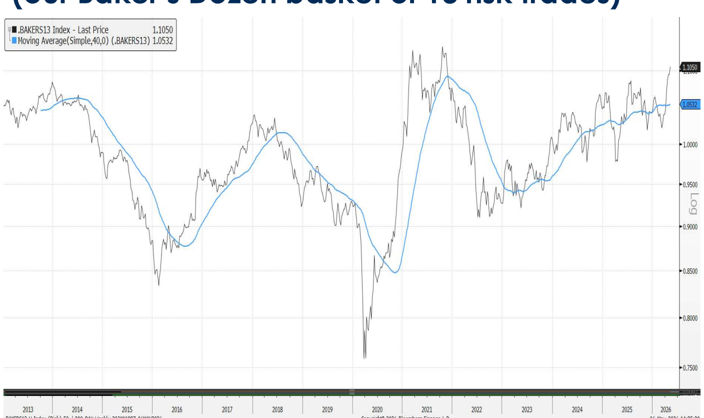
Market Outlook

The market quickly came out of the penalty box (a 2-minute minor) and is back at all-time highs. Upside targets for the S&P ~7400-7600. One concern is that breadth measures have remained subdued even though the market has enjoyed a very strong rally. For instance, just 58% of the S&P500 are in a long-term uptrend (chart 1), barely off the lows of 56%.

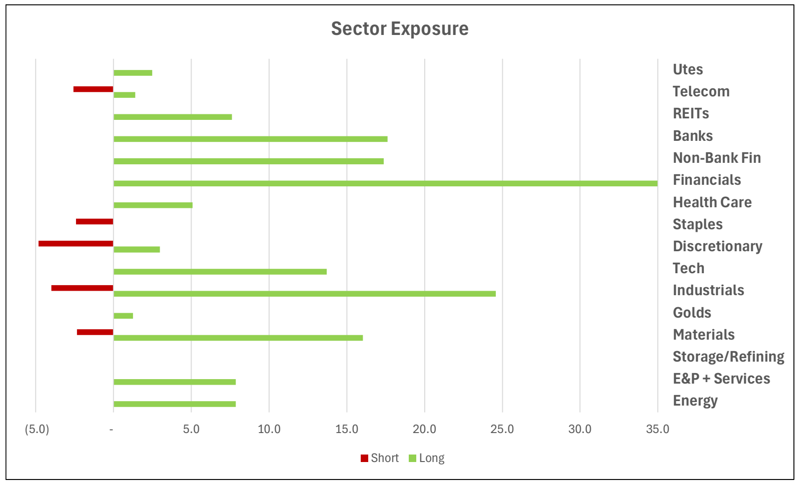
On the positive side, our "Baker's Dozen" of risk trades has made new highs, confirming strength in the S&P (chart 2). The broad market is innocent until proven guilty, but we need to be more selective in our stock picks.

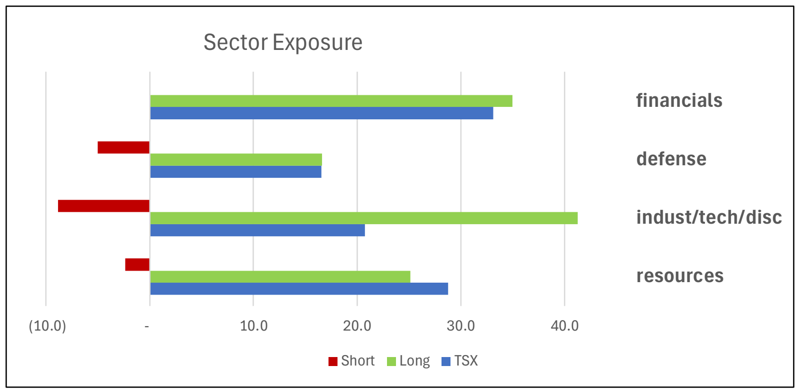
One Negative: breadth (red) has not recovered along with the S&P

One Positive: Risk Appetite has made new highs (our Baker's Dozen basket of 13 risk trades)



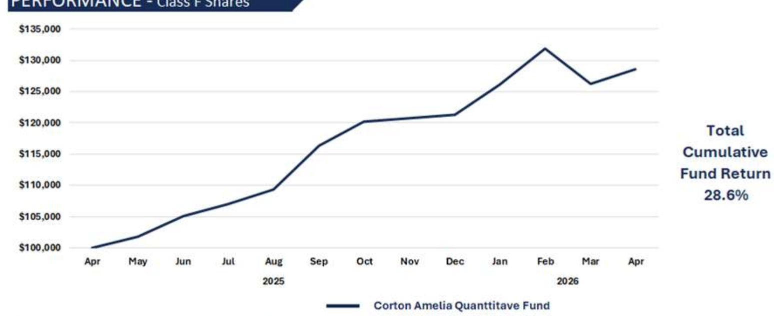
Sector Weights





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%									6.0%
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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