



# Corton-Aemelia Quantitative Fund

Monthly Update: December 2025



## Key Facts

<b>Asset Class</b>	Equities
<b>Fund Launch Date</b>	May 7, 2025
<b>Min Investment</b>	F-class: \$1,000 I-class: \$500,000
<b>Subsequent Investment</b>	\$1,000
<b>RRSP Eligible</b>	Yes
<b>AUM</b>	\$17m
<b>Fund Type</b>	Offering Memorandum
<b>Fund Administrator</b>	SGGG Fund Services Inc.
<b>Auditor</b>	E & Y

## Fund Overview

The fund modestly underperformed the TSX this month. We have been increasing beta toward a more neutral stance. Our largest overweights are Health Care, Materials, and Discretionary. The fund has 47 holdings, 6% cash, 17% shorts. Dec. was +0.5% vs. the TSX +1% (positive: USA SLVU PALL negative IMO TSU HPS.a). Our objective is to deliver solid returns with lower volatility. While early days, since inception, beta = 0.65x.

	Fund	TSX
Net Return F-Class (May7-Dec31)	21.4%	26.0%
Beta	0.65	-

## Fund Codes

<b>A-Class</b>	CCI901P	<b>F-class</b>	CCI902P
<b>I-Class</b>	CCI903P		

## Fees and Charges

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

## Liquidity and NAV Calculation

<b>NAV Strike</b>	Monthly
<b>Liquidity</b>	Monthly (30 days notice)

## Fund Management

<b>Fund Manager</b>	Corton Capital Inc.
<b>Investment Manager</b>	Corton Capital Inc.

## 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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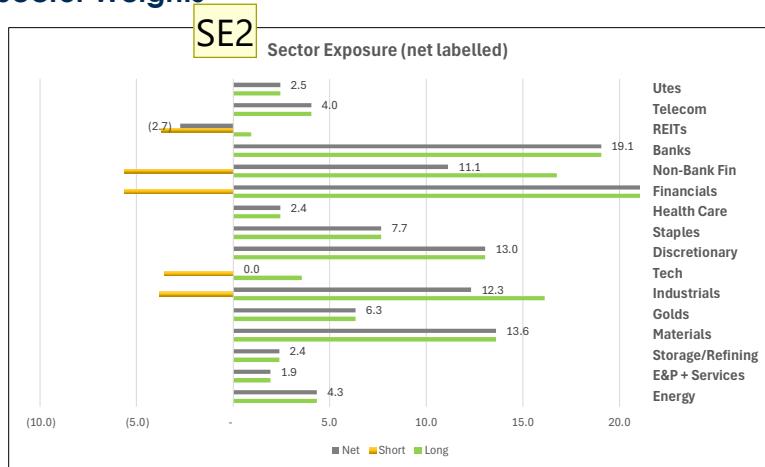
## Market Outlook

Breadth measures continue to expand off the Nov lows with more room to run. Typically, long-term breadth exceeds 80% before the end of the cycle (chart 1 below).

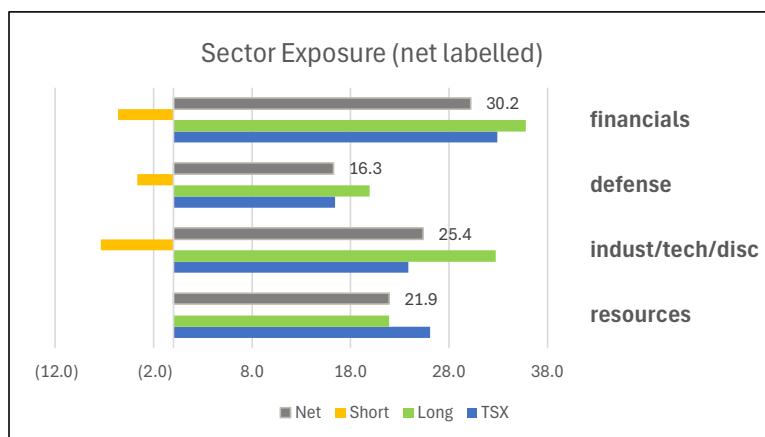
Sector rotation has shifted back toward cyclicals out of defense (chart 2 below). We have increased exposure to the materials in particular and maintain high weights in discretionary and industrials.

We will continue to deploy cash into stocks exhibiting strong fundamental momentum with strong quant rankings, identifying those emerging from timely base patterns.

## Sector Weights

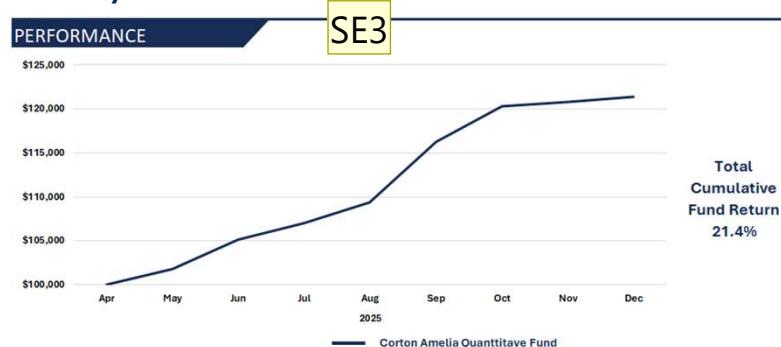


## **Breadth continues to expand off Nov lows**



## Sector rotation back to “Offense”

(Discretionary, Industrials, Tech) / (Staples, Health Care, Utes)



Monthly Performance													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	1.2%	1.5%	1.8%	2.1%	1.9%	3.3%	2.2%	2.0%	6.3%	3.4%	0.4%	0.5%	21.4%

**Note:** May results are a partial month

SE1

## Slide 2

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**SE1** May is also a part month.

Scott Eicher, 2025-08-03T21:42:30.930

**DW1 0** Added note for partial month

Dan Watt, 2025-08-04T19:12:08.739

**SE2** Move the sector weights to the bottom left column on the first page to try and consolidate everything onto 2 pages?

Scott Eicher, 2025-08-03T21:55:51.339

**DW2 0** Won't fit

Dan Watt, 2025-08-04T19:12:19.280

**SE3** Thought: Would it be better to only post final performance numbers on this newsletter sheet and instead send out an email update blast shortly after the month end with the estimates?

Scott Eicher, 2025-08-03T21:58:31.499



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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.

## Contact Information

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## Important Information

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