



Corton-Aemelia Quantitative Fund

Monthly Update: **March 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	\$21m
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 performed inline with the TSX in March, but with a much lower max drawdown. The F-class was -4.3% vs. the benchmark -4.6%. At its low point during the month, the TSX was -9.3%. The fund ended the month at its lows. We maintained a cautious stance throughout the month, which served us well up until the last day, when unfortunately the fund lost 3.4% of alpha. Positives: BDT ATH OVV, negative: NOA MX CFW. Currently, our largest weights are Health Care, Utes, and Staples. We entered the month with a large overweight in Energy, but have taken profits. The fund has 48 holdings, 0.4% cash, 27% shorts, with a beta of 0.56x. Our objective is to deliver solid returns with lower volatility. While early days, since inception, beta = 0.51x.

	Fund	TSX
Net Return F-Class (May-2025 – Jan 2026)	26.1%	30.2%
YTD	4.0%	3.3%
March	-4.3%	-4.6%
Beta	0.51	-

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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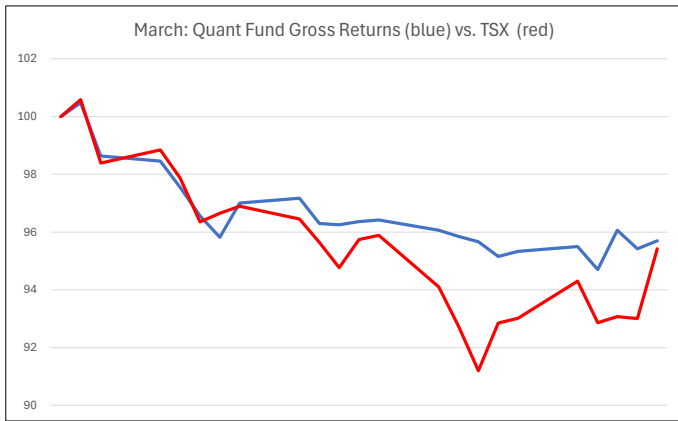


Market Outlook

A frustrating end to the month, as the fund (chart 1 – blue) had been holding up very well relative to the TSX (red), which was down 9.3% at one point. The very strong finish for the benchmark on March 31 reversed course. We still maintain a defensive stance, though have reduced our short exposure somewhat as we enter Q2.

The market remains in the penalty box below short-term moving averages but still above the longer-term signals. We note that the S&P often breaks < its 200-day (chart 2 - green line) but holds > its 20-month (red line). The red line has only been broken 10 times since the mid-1990s.

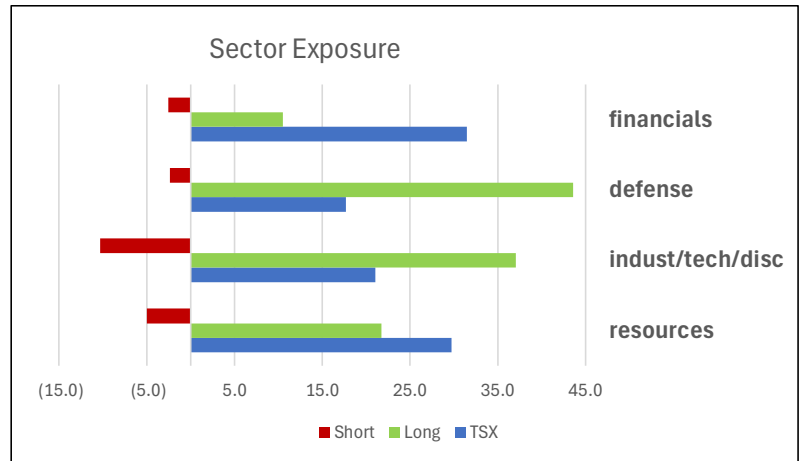
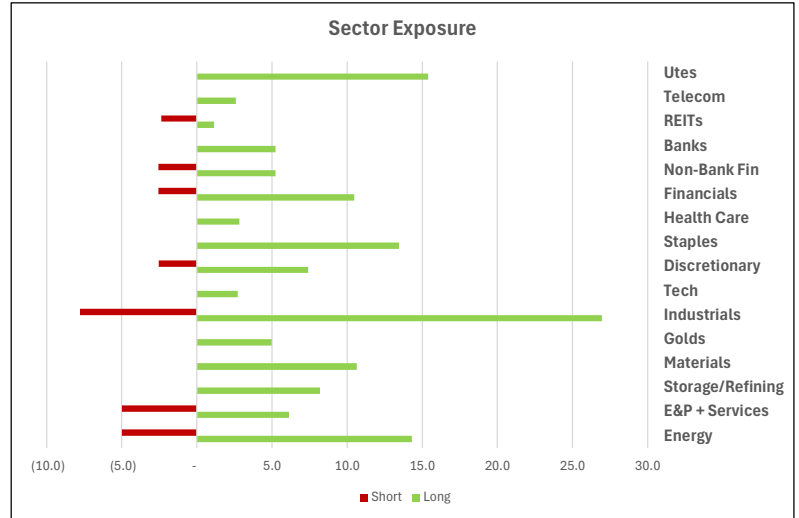
March daily returns: TSX Max drawdown -9.3% vs. Fund -4.3%



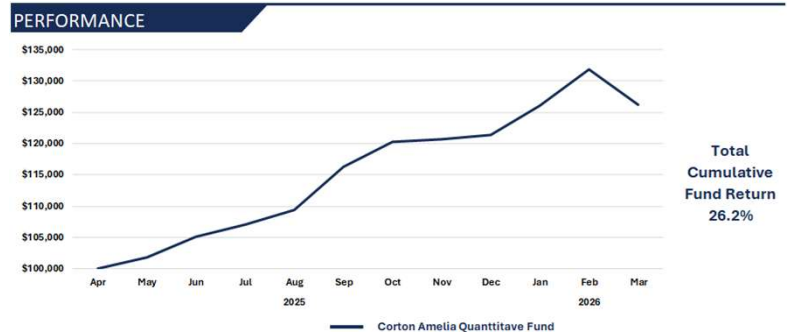
S&P in the penalty box: < 200-day (green) but > 20-month (red)



Sector Weights



Monthly Performance



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2026	3.9%	4.6%	(4.3%)										4.0%
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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