Cormark-Corton Quantitative Opportunities Fund

Monthly Update: **November 2025**

CORTON CAPITAL

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	$16m
Fund Type	Offering Memorandum
Fund Administrator	SGGG Fund Services Inc.
Auditor	E & Y

Fund Codes

A-Class	CCI901P	**F-class**	CCI902P
I-Class	CCI903P		

Fees and Charges

Annual Management Fee	F-Class 1.5%
Performance Fee	F-Class: 20% I-Class: 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 underperformed the TSX this month. We had derisked given the yellow lights flashing from our macro indicators. Tactical triggers also had us scaling into inverse market ETFs to protect capital. This strategy worked initially, but was negated due to the strong month end rally. Some of our indicators have reaccelerated, so we have begun to revert back to a more neutral stance, though we have moved up the market cap spectrum to avoid liquidity risk. Portfolio beta = 0.68x. Our largest overweights remain Health Care, Communications, and Utilities. The fund has 49 holdings, 3% cash, 25% shorts. Nov. was +0.33% vs. the TSX +3.7% (positive: EXE RAY.a QBR.b negative: PSQ.us NXE TA). Our objective is to deliver solid returns with lower volatility. While early days, since inception, beta = 0.61x.

	Fund	TSX
Net Return F-Class (May7-Nov28)	20.5%	24%
Beta	0.61	-
Upside Capture	104%	-
Downside Capture	90%	-
Active Share	56%	-

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 Cormark-Corton Quantitative Opportunities Fund. Corton licenses and implements the proprietary quantitative model from Cormark Quantitative Analysis Inc. (CQA).

Mark Deriet Profile

Mark Deriet, President of CQA, developed the quant model over his nearly 3 decades of experience in the investment industry and is the #1 ranked institutional quant/technical analyst in Canada (Brendan Wood survey).

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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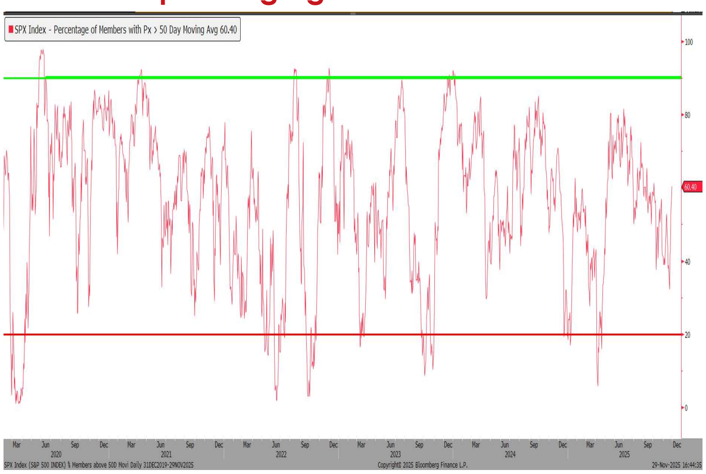
Market Outlook

Breadth measures are starting to expand again after a correction underneath the hood that has been taking place since July. Specifically, the S&P % > 50-day moving average peaked at 81% in July and dropped to 32% in Nov, but has jumped to 60% – the glass is back to more than half full.

Sector rotation continues to tilt away from cyclicals toward defense. We have adopted a "barbell" approach, with our largest overweights in defensive Health Care, Telecom, and Utes, along with increased exposure to Resources, Industrials, and Discretionary.

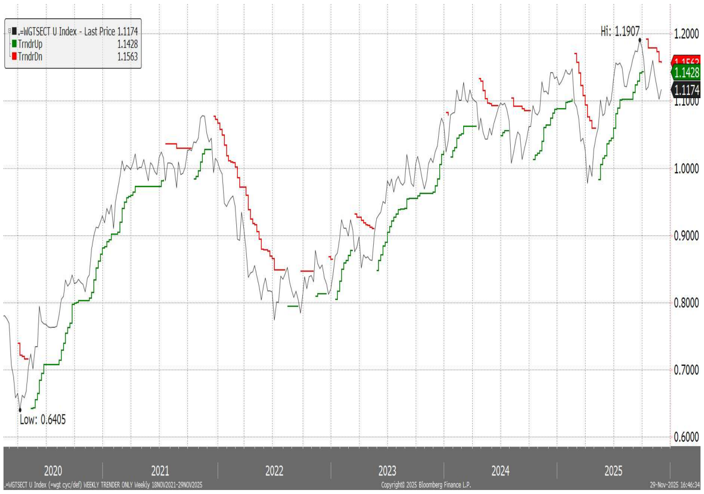
We will continue to deploy cash into stocks exhibiting strong fundamental momentum with strong quant rankings, identifying those emerging from timely base patterns.

Breadth expanding again after a correction

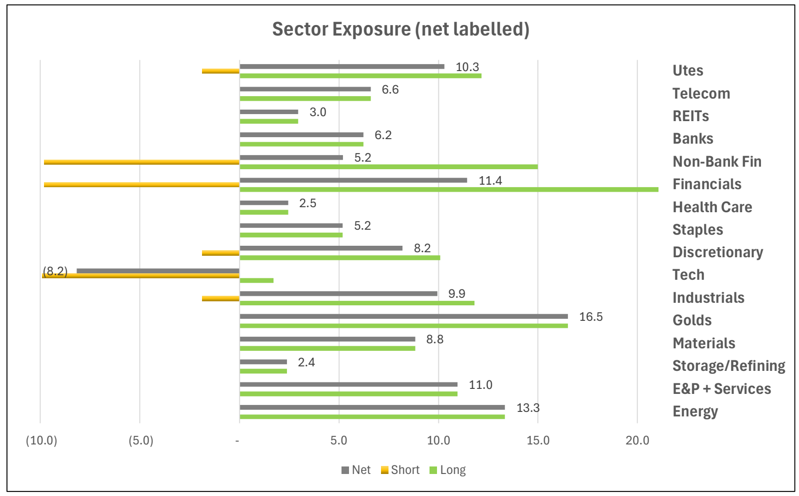


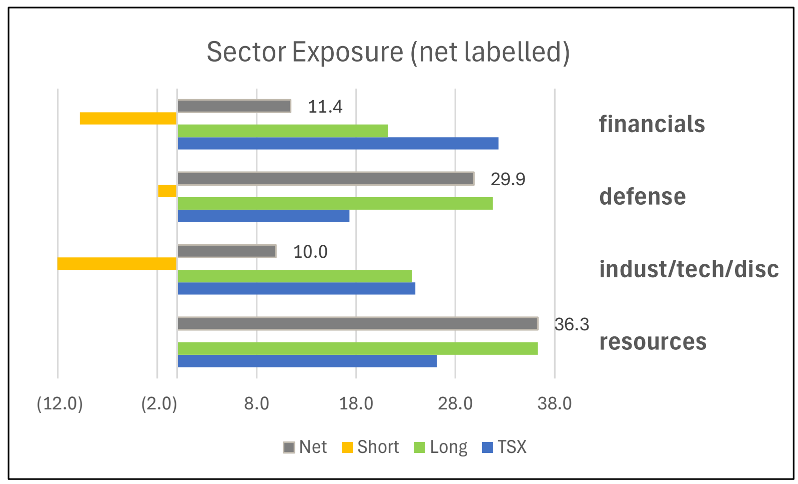
Sector rotation toward "Defense"

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

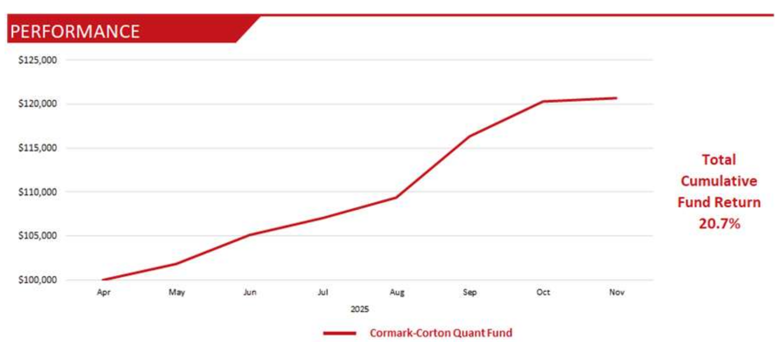


Sector Weights





Monthly Performance



MONTHLY PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025					1.8%	3.3%	1.8%	2.2%	6.3%	3.4%	0.3%		20.7%

Note: November 2025 results are an estimate; May results are a partial month.

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