



# Cormark-Corton Quantitative Opportunities Fund

Monthly Update: **October 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>	\$16m
<b>Fund Type</b>	Offering Memorandum
<b>Fund Administrator</b>	SGGG Fund Services Inc.
<b>Auditor</b>	E & Y

## 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%
<b>Performance Fee</b>	F-Class: 20% I-Class: 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.

## Fund Overview

The quant fund continues to derisk given the many yellow lights flashing from our macro indicators (see over). Our bottom-up models have begun to shift toward defense & we have taken profits or been stopped out of several cyclical holdings. Portfolio beta = 0.3x. Our largest overweights are Health Care, Communications, and Utilities. We continue to deploying proceeds into stocks that are offer timely entry points coupled with strong fundamental momentum. The portfolio has 43 holdings, 14% cash, 33% shorts (vs. 7% last month) - more short setups as the market becomes bifurcated. Oct. was +3.4% vs. the TSX +0.8% (positive: CLS ZDC VNP, negative: TCW NTR SES). Our objective is to deliver solid returns with lower volatility. While early days, since inception, beta = 0.73x.

	Fund	TSX
Net Return F-Class (May7-Oct31)	20.3%	20.3%
Beta	0.73	-
Upside Capture	121%	-
Downside Capture	111%	-
Active Share	79%	-

## 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).



# Cormark-Corton Quantitative Opportunities Fund

Monthly Update: **September 2025**



## Market Outlook

Many top-down macro indicators are flashing yellow lights, not yet on outright sell signals given that global equities are still in uptrends, but warning signs. Short-term breadth peaked in July and now long-term breadth is starting to stall. Credit spreads have begun to widen modestly from extremely tight levels. Risk trades such as Bitcoin vs. Gold are diverging from equity markets. Sector rotation is starting to tilt away from cyclicals (particularly financials, discretionary and industrials) toward defense (US health care, CDN Utilities, and Telecom)

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

## Macro indicators flashing yellow

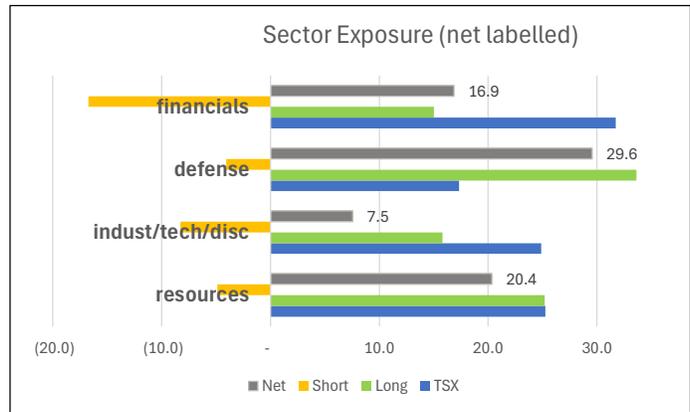
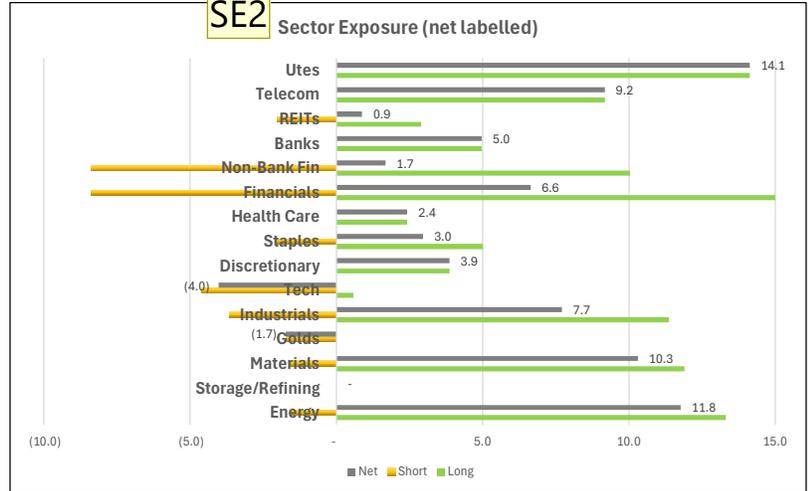
BULL		BEAR	
strong	correcting	rallying	weak
Global Equities	Sentiment	Commodities	Rates
S&P	Breadth		
Beta vs. Quality	Risk Appetite		
	Sector Rotation		
	Credit		
	Financial Conditions		
	Currencies		
	Volatility		

## A correction underneath the hood:

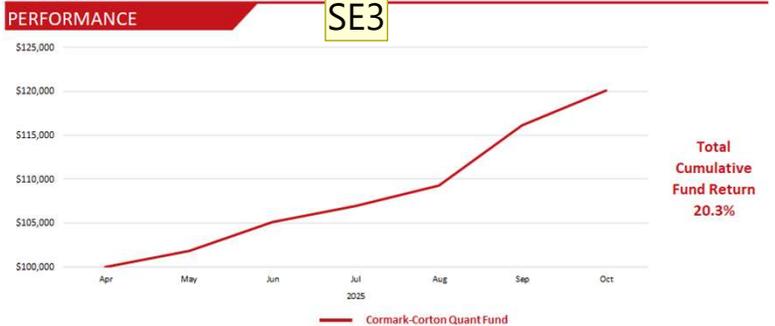
Long-term breadth (top) stalling, Short-term (bottom) weak



## 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%			20.3%

Note: October return is an estimate

Note: October 2025 results are an estimate; 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



# Cormark-Corton Quantitative Opportunities Fund

Monthly Update: **June 2025**



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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These marketing materials may contain "forward looking" statements as such term is defined under applicable securities legislation. Forward looking statements include, but are not limited to, statements with respect to the Fund performance, Target Annual Return and Target Annual Distribution. These statements are not guarantees of future performance and undue reliance should not be placed on them. Forward-looking statements are based on a number of assumptions. Although forward-looking statements are based upon what the Fund Manager believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove accurate, as actual results and future events may differ materially. The Fund Manager undertakes no obligation to update any such forward-looking statements if circumstances or the Fund Manager's estimates or opinions should change, except as required by applicable securities laws. The views expressed and, except as otherwise indicated, the information provided are as of the report date and are subject to change, update, revision, verification, and amendment, materially or otherwise, without notice, as market or other conditions change. Since these conditions can change frequently, there can be no assurance that the trends described herein will continue or that any forecasts are accurate. In addition, certain of the statements contained in this presentation may be statements of future expectations and other forward-looking statements that are based on the current views and assumptions of Cormark Quantitative Analysis Inc. and involve known and unknown risks and uncertainties (including those discussed below) that could cause actual results, performance, or events to differ materially from those expressed or implied in such statements. These statements may be forward-looking by reason of context or identified by words such as "may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential or continue" and other similar expressions. Neither Cormark Quantitative Analysis Inc, its affiliates, nor any of its affiliates' respective advisers, members, directors, officers, partners, agents, representatives or employees or any other person is under any obligation to update or keep current the information contained in this document. All investments are subject to risk, including the loss of the principal amount invested. These risks may include limited operating history, uncertain distributions, inconsistent valuation of the portfolio, changing interest rates, leveraging of assets, reliance on the portfolio manager, potential conflicts of interest, payment of substantial fees to the portfolio manager and the product sponsor, illiquidity, and liquidation at more or less than the original amount invested. Diversification will not guarantee profitability or protection against loss. Performance may be volatile, and the NAV may fluctuate. Please refer to the Offering Memorandum of the Fund for a description of the principal risks associated with an investment in the Fund. This offering is a private placement and is not, under no circumstances, to be construed as a public offering of the securities described herein. The securities are being offered in reliance upon exemptions from the prospectus requirements set forth in applicable securities laws. These materials are not to be distributed, reproduced or communicated to a third party without the express prior written consent of Cormark Quantitative Analysis Inc. and Corton Capital Inc. These materials should be read in conjunction with the Fund's most recent Offering Memorandum, Declaration of Trust and Limited Partnership Agreement. Commissions, trailing commissions, management fees, other charges and expenses all may be associated with this investment. Please read the Offering Memorandum, Declaration of Trust and Limited Partnership Agreement carefully before investing. Investments are not guaranteed, their values change frequently, and past performance may not be repeated.