



# Cormark-Corton Quantitative Opportunities Fund

Monthly Update: July 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>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 ended the month with a more defensive posture. Firstly, stop losses were triggered for a handful of positions near the end of the month as several of the leading stocks took a well-deserved breather. Secondly, our tactical market indicators fired on July 31, initiating an initial short position of ~20%. Finally, inflows pushed the cash position to 9.6%. These three factors served to reduce overall beta from 1.21 to 0.64. For July, the F-Class returned 1.65% vs. the TSX 1.5%. Our objective is to deliver solid returns with lower volatility. While very early days, since inception, beta = 0.55x with downside volatility of 6.8% vs. the TSX of 8.2%. Upside capture = 106% while downside capture = 88%. For July, Industrials had the largest positive contribution, including MDA BDI BDGI. Financials were the largest detractor, including TSU AGF DLGG.

	Fund	TSX
Net Return F-Class (May7-July31)	6.9%	8.3%
Volatility	8.2%	7.6%
Downside Volatility	6.8%	8.2%
Beta	0.55	-
Upside Capture	106%	-
Downside Capture	88%	-
Active Share	77%	-

## 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
- 10 - 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

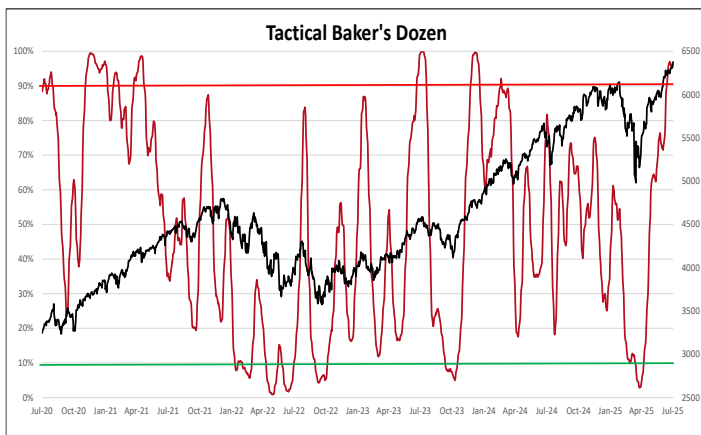
Monthly Update: July 2025



## Market Outlook

Markets have started to consolidate with increased volatility after the strong V-bottom off the Apr lows. While the primary trends remain constructive, our tactical indicators have become very stretched. Historically, market returns are subpar over the next 3 months when our indicator is in this mode. In the near term, given that we are in the heart of another earnings season, we intend to be more selective, waiting to see which stocks percolate to the top of our models. We will continue to deploy cash into stocks exhibiting strong fundamental momentum reflected in our quant model, identifying timely entry points for those emerging from base patterns. We will maintain broad sector exposure and adjust the beta of the fund going forward as our indicators dictate.

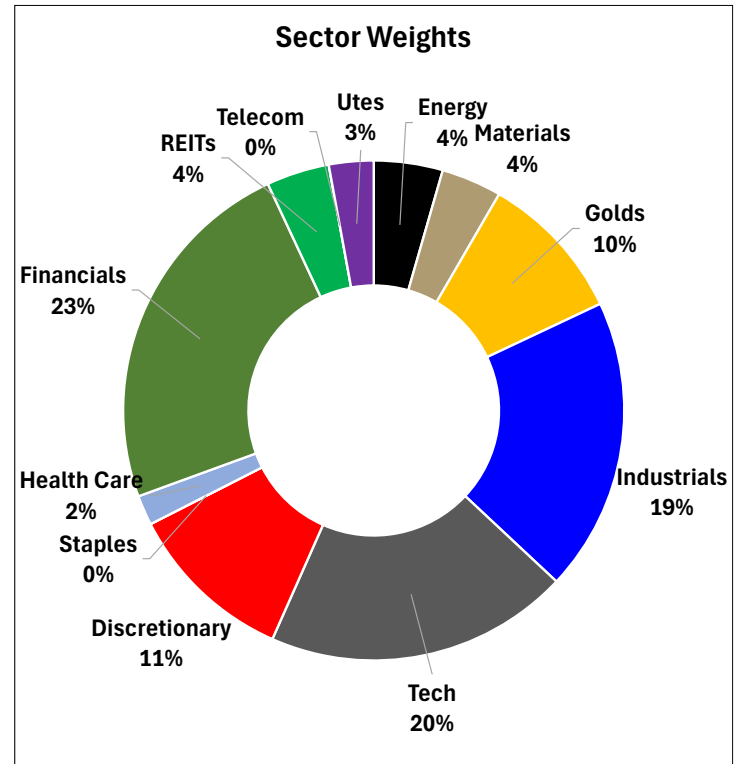
## Tactical Indicators are stretched



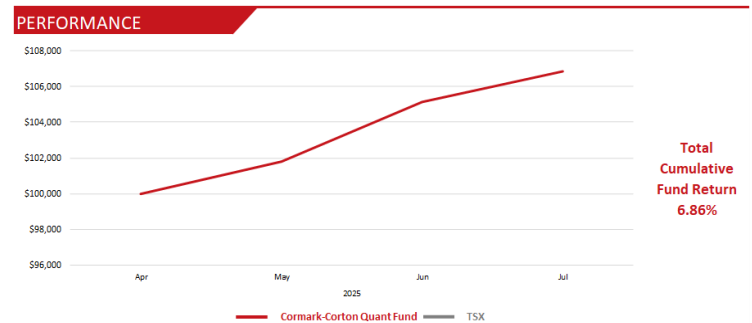
Tactical Baker's Dozen		96%
Put/Call Ratio	Insurance	84%
VIX (inverted)	Insurance	56%
SPX vs 100-day	Momentum	98%
S&P 20 vs 50-day	Momentum	91%
% of stocks in S&P > 50-day	Breadth	70%
% of global equities > 50-day	Breadth	92%
NYSE net new highs	Breadth	66%
NYSE Summation Index	Breadth	80%
NYSE Adv/Dec	Breadth	89%
NYSE Up/Down Volume	Volume	90%
High Beta vs Low Vol	Risk trade	100%
Cyclicals vs Defence	Risk trade	99%

>85 & falling	+1m	+2m	+3m	+4m	+5m	+6m
Average	-0.2%	0.9%	1.4%	2.8%	4.3%	6.2%
Median	0.5%	1.7%	2.0%	5.2%	5.5%	7.6%
Hit Rate	46%	50%	46%	64%	61%	68%
S&P Avg	0.9%	1.8%	2.7%	3.7%	4.7%	5.7%

## Sector Weights



## Monthly Performance



MONTHLY PERFORMANCE											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
2025					1.78%	3.29%	e1.65%				

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



# 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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## Important Information

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.