



# Index Factsheet

November 30, 2024

## Objective

Establish an appropriate and representative baseline for measuring the performance of the liquid alternative strategies in Canada.

## Key Features

- Designed to measure the performance of the liquid alternative universe that is increasingly popular, but difficult to track
- Constituents comprised of NI 81-102 alternative mutual funds
- Consists of 1) an overall index, 2) seven strategy-based indices, and 3) three goal-based indices

## Weighting

Equal weighted

## Rebalance Frequency

Quarterly  
(Mar, Jun, Sep, and Dec)

## Re-constitution Frequency

Semi-annual - Jun and Dec

## AUM Requirement

Inclusion: >C\$20 million

Maintenance: >C\$10 million

## Base Value

Rebased to 100 on Jun 30, 2019

## Number of Constituents

9

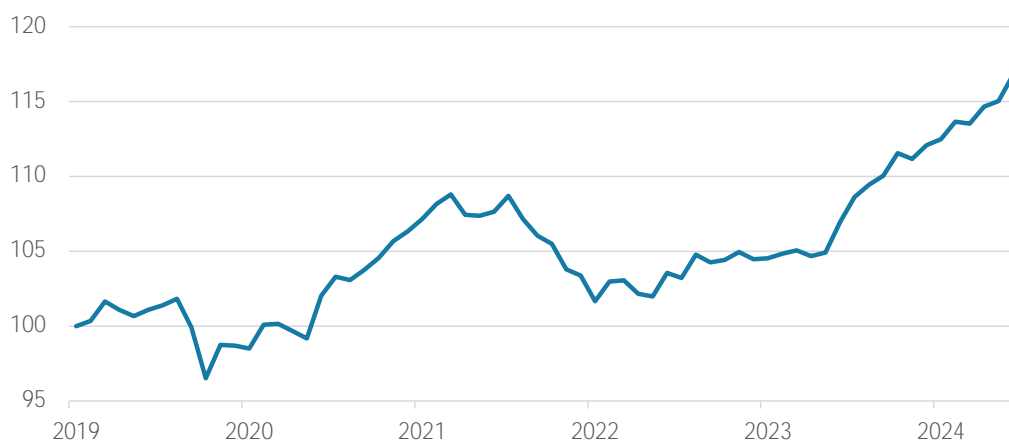
# Second engine Absolute Return Index™

## Index Overview

Absolute return strategies can invest in a broad range of asset classes, maintain both long and short positions, and/or use a diversified set of strategies. Managers of this category aim to generate consistent positive returns through market cycles regardless of the directional movements in equity and fixed income markets. Underlying strategies are either managed as a sub-sleeve of the overall portfolio or as a fund-of-fund (FoF) structure.

## Cumulative Performance - Net Returns (CAD)

(Jun 30, 2019 - Nov 30, 2024)



## Index Performance (%)

	1M	3M	YTD	1Y	3Y	5Y	Since 06/30/19
Second engine Absolute Return Index	1.5	2.9	7.5	9.2	2.8	2.9	2.9
S&P/TSX Composite Index	6.4	10.7	25.8	30.7	10.9	11.9	12.0
ICE BofA Canada Broad Market Index	1.5	2.2	4.6	8.2	0.0	0.6	0.8

## Index Risk and Return Characteristics

	Annualized Standard Deviation (%)			Sharpe Ratio			Maximum Drawdown	
	3Y	5Y	Since 06/30/19	3Y	5Y	Since 06/30/19	%	Period
Second engine Absolute Return Index	3.2	3.7	3.6	-0.29	-0.31	0.14	-6.5	Aug 2021 - Jun 2022
S&P/TSX Composite Index	13.7	15.8	15.3	0.53	0.49	0.63	-22.3	Jan 2020 - Mar 2020
ICE BofA Canada Broad Market Index	7.0	6.4	6.2	-0.53	-0.55	-0.25	-15.6	Jul 2020 - Sep 2023

### Correlation (06/30/2019 - 11/30/24)

	Second engine Absolute Return Index	ICE BofA Canada Broad Market Index	S&P/TSX Composite Index
Second engine Absolute Return Index	1.00	--	--
ICE BofA Canada Broad Market Index	0.66	1.00	--
S&P/TSX Composite Index	0.84	0.53	1.00

The table above aims to show the correlation coefficient of the Second engine Absolute Return Index with broad Canadian equity and fixed income markets.

### Index AUM Characteristics (C\$ million)

Total	Mean	Median	Largest	Smallest
4,685	521	320	2,090	1

### Family of Second engine Liquid Alternative Indices

## Second engine Liquid Alternative 35 Index™

#### Strategy-based

##### Equity

Second engine  
**Equity Long  
Short Index™**

Second engine  
**Equity Market  
Neutral Index™**

##### Bond

Second engine  
**Alternative Fixed  
Income Index™**

##### Multi-Strategy

Second engine  
**Multi-Strategy  
Index™**

Second engine  
**Absolute Return  
Index™**

##### Specialty

Second engine  
**Event-Driven  
Index™**

Second engine  
**Global Macro  
Index™**

#### Goal-based

Second engine  
**Equity Enhancer 10 Index™**

Second engine  
**Fixed Income Enhancer  
10 Index™**

Second engine  
**Diversifier 10 Index™**

## Disclosure

For further information, please email [support@secondengine.com](mailto:support@secondengine.com).

Second engine is a division of Picton Mahoney Asset Management.

Second engine™, Second engine Liquid Alternative 35 Index™, Second engine Absolute Return Index™, Second engine Alternative Fixed Income Index™, Second engine Diversifier 10 Index™, Second engine Equity Enhancer 10 Index™, Second engine Equity Long Short Index™, Second engine Equity Market Neutral Index™, Second engine Event-Driven Index™, Second engine Fixed Income Enhancer 10 Index™, Second engine Global Macro Index™ and Second engine Multi-Strategy Index™ are registered trademarks of Picton Mahoney Asset Management.

This material has been published by Picton Mahoney Asset Management ("PMAM") on December 04, 2024. It is provided as a general source of information, is subject to change without notification and should not be construed as investment advice. This material should not be relied upon for any investment decision and is not a recommendation, solicitation or offering of any security in any jurisdiction. The information contained in this material has been obtained from sources believed reliable, however, the accuracy and/or completeness of the information is not guaranteed by PMAM, nor does PMAM assume any responsibility or liability whatsoever. All investments involve risk and may lose value. This information is not intended to provide financial, investment, tax, legal or accounting advice specific to any person, and should not be relied upon in that regard. Tax, investment and all other decisions should be made, as appropriate, only with guidance from a qualified professional.

©2024 Morningstar. All Rights Reserved. The data used in part to create the index information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.