



# Index Factsheet

April 30, 2025

## Second engine Equity Long Short Index™

### Index Overview

Equity long short managers can take both long and short positions, and maintain a net long position in equity markets. Managers generally aim to achieve higher risk-adjusted returns compared to broad equity markets. Strategies can vary widely in terms of region, net exposure level, leverage, holding period, concentration and valuation range.

### 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

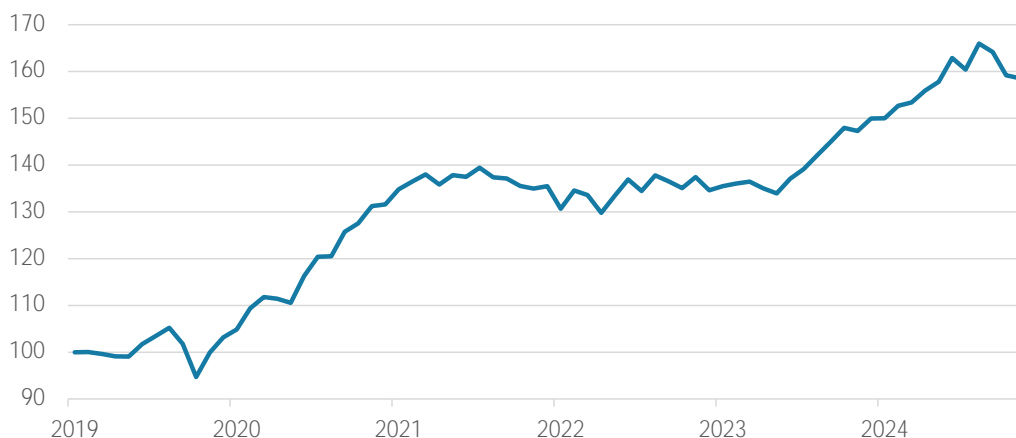
Rebased to 100 on Jun 30, 2019

### Number of Constituents

22

### Cumulative Performance - Net Returns (CAD)

(Jun 30, 2019 - Apr 30, 2025)



### Index Performance (%)

|                                       | 1M   | 3M   | YTD  | 1Y   | 3Y  | 5Y   | Since 06/30/19 |
|---------------------------------------|------|------|------|------|-----|------|----------------|
| Second engine Equity Long Short Index | -0.4 | -4.5 | -1.2 | 7.6  | 5.5 | 9.7  | 8.2            |
| S&P/TSX Composite Index               | -0.1 | -2.0 | 1.4  | 17.8 | 9.6 | 14.4 | 10.7           |
| ICE BofA Canada Broad Market Index    | -0.8 | 0.1  | 1.2  | 8.8  | 3.2 | -0.1 | 0.9            |

### 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 Equity Long Short Index | 6.5                               | 6.7  | 7.6            | 0.21         | 0.81  | 0.76           | -10.0            | Jan 2020 - Mar 2020 |
| S&P/TSX Composite Index               | 13.5                              | 12.6 | 14.9           | 0.40         | 0.80  | 0.56           | -22.3            | Jan 2020 - Mar 2020 |
| ICE BofA Canada Broad Market Index    | 6.2                               | 5.9  | 6.0            | -0.16        | -0.74 | -0.26          | -15.6            | Jul 2020 - Sep 2023 |

### Correlation (06/30/2019 - 04/30/25)

|  | Second engine<br>Equity Long Short<br>Index | ICE BofA<br>Canada Broad<br>Market Index | S&P/TSX<br>Composite<br>Index |
|--|---|--|-------------------------------|
| Second engine<br>Equity Long Short Index | 1.00  | --                                       | --                            |
| ICE BofA Canada Broad<br>Market Index    | 0.46  | 1.00                                     | --                            |
| S&P/TSX Composite<br>Index               | 0.88  | 0.53                                     | 1.00                          |

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

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

| Total | Mean | Median | Largest | Smallest |
|-------|------|--------|---------|----------|
| 7,069 | 321  | 82     | 1,340   | 18       |

## 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.

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