



Index Factsheet

April 30, 2025

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

7

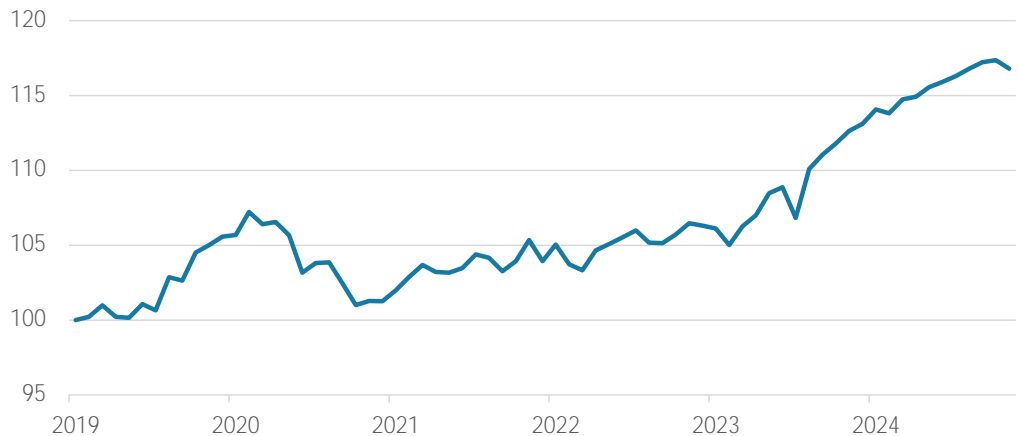
Second engine Equity Market Neutral Index™

Index Overview

Equity market neutral managers can take both long and short positions while aiming to minimize systematic risk (i.e., market beta of zero). Managers seek to exploit specific stock opportunities and maintain a neutral exposure to broad stock groups, including sector, industry, market capitalization, country, and/or region. Managers often use leverage to enhance returns.

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 Market Neutral Index	-0.5	0.0	0.4	3.7	3.5	2.1	2.7
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 Market Neutral Index	3.1	3.1	3.2	-0.21	-0.68	0.08	-5.8	Jul 2020 - Mar 2021
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 Equity Market Neutral Index	ICE BofA Canada Broad Market Index	S&P/TSX Composite Index
Second engine Equity Market Neutral Index	1.00	--	--
ICE BofA Canada Broad Market Index	-0.01	1.00	--
S&P/TSX Composite Index	-0.32	0.53	1.00

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

Index AUM Characteristics (C\$ million)

Total	Mean	Median	Largest	Smallest
2,889	413	131	2,090	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

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Equity Enhancer 10 Index™

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**Fixed Income Enhancer
10 Index™**

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Diversifier 10 Index™

Disclosure

For further information, please email support@secondengine.com.

Second engine is a division of Picton Mahoney Asset Management.

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