Second engine

Index Factsheet

August 31, 2024

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
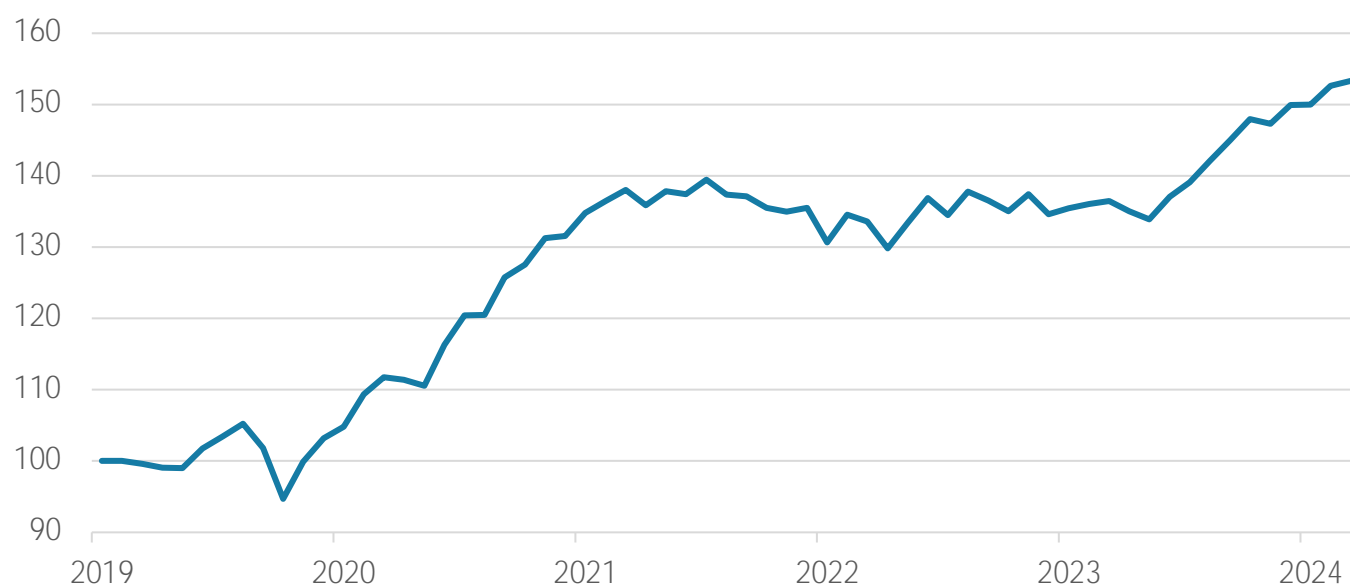Maintanance: >C$10 million

Base Value

Rebased to 100 on Jun 30, 2019

Number of Constituents

21

Cumulative Performance - Net Returns (CAD)

(Jun 30, 2019 - Aug 31, 2024)

Index Performance (%)

	1M	3M	YTD	1Y	3Y	5Y	Since 06/30/19
Second engine Equity Long Short Index	0.4	2.3	10.2	12.3	3.6	9.0	8.6
S&P/TSX Composite Index	1.2	5.6	13.7	18.8	7.6	10.6	10.4
ICE BofA Canada Broad Market Index	0.5	3.9	2.3	7.9	-1.2	0.0	0.4

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	5.9	7.7	7.6	0.04	0.67	0.84	-10.0	Jan 2020 - Mar 2020
S&P/TSX Composite Index	13.7	15.7	15.4	0.31	0.43	0.53	-22.3	Jan 2020 - Mar 2020
ICE BofA Canada Broad Market Index	6.9	6.3	6.3	-0.66	-0.61	-0.30	-15.6	Jul 2020 - Sep 2023

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Correlation (06/30/2019 - 08/31/24)

	Second engine Equity Long Short Index	ICE BofA Canada Broad Market Index	S&P/TSX Composite Index
Second engine Equity Long Short Index	1.00	--	--
ICE BofA Canada Broad Market Index	0.47	1.00	--
S&P/TSX Composite Index	0.88	0.52	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
5,557	265	59	1,454	5

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.

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