



Index Factsheet

September 30, 2024

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.

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

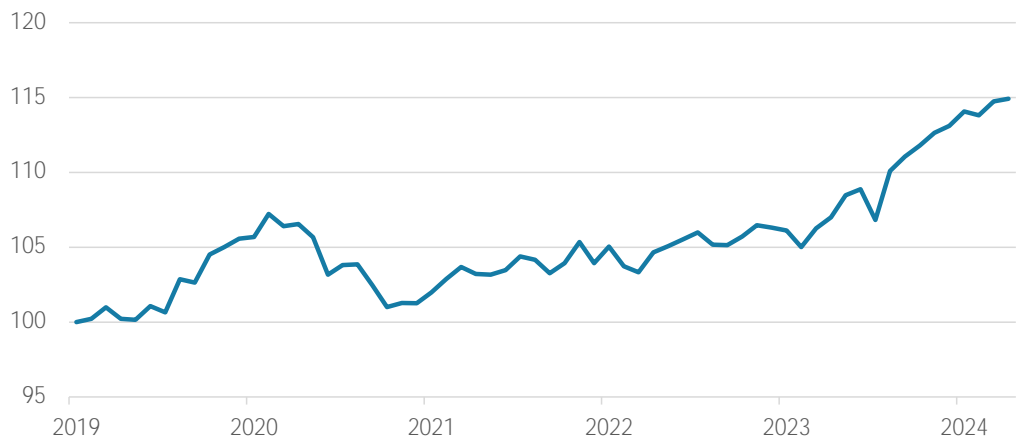
Rebased to 100 on Jun 30, 2019

Number of Constituents

7

Cumulative Performance - Net Returns (CAD)

(Jun 30, 2019 - Sep 30, 2024)



Index Performance (%)

	1M	3M	YTD	1Y	3Y	5Y	Since 06/30/19
Second engine Equity Market Neutral Index	0.1	0.7	7.6	7.4	3.6	2.8	2.7
S&P/TSX Composite Index	3.2	10.5	17.2	26.7	9.5	10.9	10.9
ICE BofA Canada Broad Market Index	1.8	4.5	4.2	12.8	-0.1	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 Equity Market Neutral Index	3.2	3.4	3.3	0.10	-0.31	0.13	-5.8	Jul 2020 - Mar 2021
S&P/TSX Composite Index	13.6	15.7	15.4	0.45	0.45	0.57	-22.3	Jan 2020 - Mar 2020
ICE BofA Canada Broad Market Index	6.9	6.3	6.3	-0.49	-0.52	-0.24	-15.6	Jul 2020 - Sep 2023

Correlation (06/30/2019 - 09/30/24)

	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	-0.02	1.00	--
S&P/TSX Composite Index	-0.33	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
2,330	333	109	1,401	40

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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