

Index Factsheet October 31, 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 Maintanance: >C\$10 million

Base Value

Rebased to 100 on Jun 30, 2020

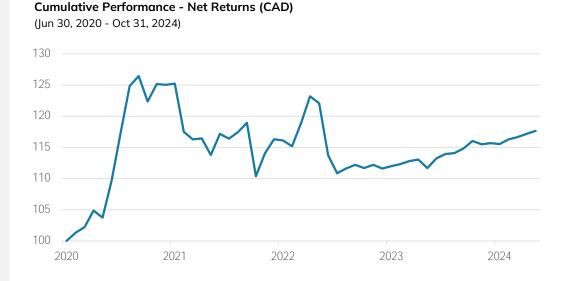
Number of Constituents

6

Second engine Event-Driven IndexTM

Index Overview

Event-driven strategies aim to capitalize on price inefficiencies resulting from events such as mergers and acquisitions, corporate restructuring, shareholder buybacks, financial distress, or other corporate events. The type of securities traded can range from the most senior in the corporate capital structure to common shares, and may involve additional derivative securities. Returns from event-driven strategies are typically idiosyncratic and less dependent on broad markets.



Index Performance (%)							
	1M	ЗM	YTD	1Y	3Y	5Y	Since 06/30/20
Second engine Event-Driven Index	0.4	1.2	3.3	5.3	1.1	-	3.8
S&P/TSX Composite Index	0.9	5.3	18.2	32.1	8.0	11.3	14.2
ICE BofA Canada Broad Market Index	-1.1	1.3	3.1	11.1	-0.2	0.4	-1.1

Index Risk and Return Characteristics

		alized St eviation		S	iharpe Ro	atio	Maximu	n Drawdown
-			Since			Since		
	ЗY	5Y	06/30/20	ЗY	5Y	06/30/20	%	Period
Second engine Event-Driven Index	7.5	-	9.1	-0.33	-	0.16	-12.7	Feb 2021 - Mar 2022
S&P/TSX Composite Index	13.4	15.7	13.0	0.33	0.46	0.90	-14.4	Mar 2022 - Sep 2022
ICE BofA Canada Broad Market Index	6.9	6.4	6.2	-0.55	-0.58	-0.58	-15.6	Jul 2020 - Sep 2023

Correlation (06/30/2020 - 10/31/24)

•			
	Second engine	ICE BofA	S&P/TSX
	Event-Driven	Canada Broad	Composite
	Index	Market Index	Index
Second engine	1.00		
Event-Driven Index			
ICE BofA Canada Broad	-0.03	1.00	
Market Index			
S&P/TSX Composite	-0.06	0.53	1.00
Index			

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

Index Al	JM Chara	cteristics	(C\$ millio	n)
Total	Mean	Median	Largest	Smallest
1,257	209	50	865	12

Family of Second engine Liquid Alternative Indices

Second engine Liquid Alternative 35 Index[™]

Strategy-based	Goal-based			
Equity	Bond	Multi-Strategy	Specialty	
Second engine Equity Long Short Index™	Second engine Alternative Fixed Income Index™	Second engine Multi-Strategy Index™	Second engine Event-Driven Index™	Second engine I Equity Enhancer 10 Index [™] Second engine Fixed Income Enhancer 10 Index [™]
Second engine Equity Market Neutral Index™		I dengine olute Return x™ I	Second engine Global Macro Index ™	Second engine I 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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