

## INDEX FACTSHEET

May 31, 2026

### 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

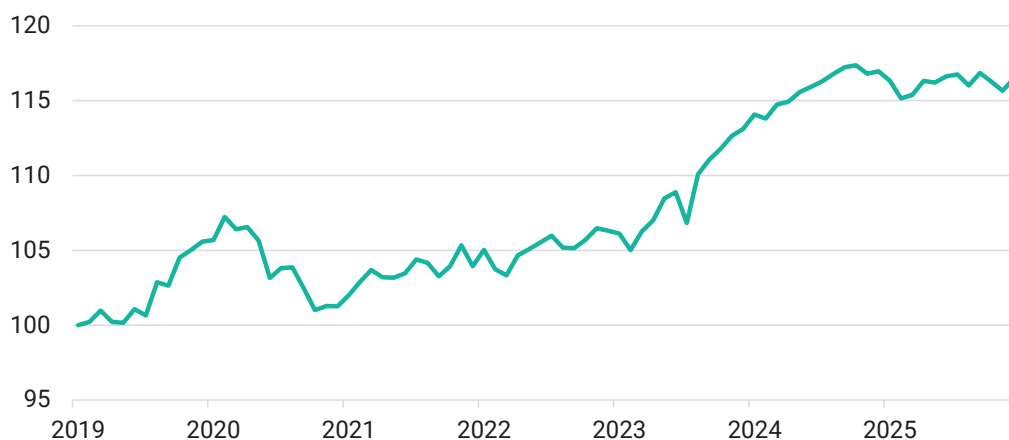
## 2ND ENGINE EQUITY MARKET NEUTRAL INDEX

### 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 - May 31, 2026)



### Index Performance (%)

	1M	3M	YTD	1Y	3Y	5Y	Since 06/30/19
2ND ENGINE Equity Market Neutral Index	0.7	-0.3	-0.2	-0.4	3.1	2.8	2.2
S&P/TSX Composite Index	2.5	1.8	10.6	36.1	24.6	15.3	14.8
ICE BofA Canada Broad Market Index	1.4	-0.6	1.8	2.9	4.1	0.8	1.2

### 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
2ND ENGINE Equity Market Neutral Index	2.9	2.8	3.0	-0.26	-0.83	-0.07	-5.8	Jul 2020 - Mar 2021
S&P/TSX Composite Index	10.8	12.5	14.5	1.92	0.81	0.86	-22.3	Jan 2020 - Mar 2020
ICE BofA Canada Broad Market Index	5.1	5.8	5.7	0.05	-0.74	-0.23	-15.6	Jul 2020 - Sep 2023

**Correlation (06/30/2019 - 05/31/2026)**

	2ND ENGINE Equity Market Neutral Index	ICE BofA Canada Broad Market Index	S&P/TSX Composite Index
2ND ENGINE Equity Market Neutral Index	1.00	--	--
ICE BofA Canada Broad Market Index	0.03	1.00	--
S&P/TSX Composite Index	-0.27	0.54	1.00

The table above aims to show the correlation coefficient of the 2ND ENGINE Equity Market Neutral Index with broad Canadian equity and fixed income markets.

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

Total	Mean	Median	Largest	Smallest
3,973	568	211	2,958	37

**Family of 2ND ENGINE Liquid Alternative Indices**

**2ND ENGINE  
LIQUID ALTERNATIVE 35 INDEX**



**Disclosure**

For further information, please email [inquiry@secondengine.com](mailto:inquiry@secondengine.com).

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