

INDEX FACTSHEET

June 30, 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

23

2ND ENGINE ALTERNATIVE FIXED INCOME INDEX

Index Overview

Alternative fixed income managers can take both long and short positions across various debt securities. Strategies can vary widely in terms of portfolio duration, credit quality, net exposure, leverage and concentration. Funds often seek to limit volatility by hedging broad interest rate and credit market risks. Managers typically aim to achieve higher risk-adjusted returns compared to broad fixed income markets.

Cumulative Performance - Net Returns (CAD)

(Jun 30, 2019 - Jun 30, 2026)



Index Performance (%)

	1M	3M	YTD	1Y	3Y	5Y	Since 06/30/19
2ND ENGINE Alternative Fixed Income Index	0.1	1.7	1.8	4.7	6.6	3.8	4.3
S&P/TSX Composite Index	0.5	7.0	11.2	32.9	23.5	14.9	14.7
ICE BofA Canada Broad Market Index	0.4	1.9	2.2	3.3	4.3	0.7	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 Alternative Fixed Income Index	2.3	3.0	5.2	1.21	-0.49	0.36	-10.5	Jan 2020 - Mar 2020
S&P/TSX Composite Index	10.8	12.5	14.4	1.82	0.77	0.85	-22.3	Jan 2020 - Mar 2020
ICE BofA Canada Broad Market Index	5.1	5.8	5.7	0.09	-0.77	-0.22	-15.6	Jul 2020 - Sep 2023

Correlation (06/30/2019 - 06/30/2026)

	2ND ENGINE Alternative Fixed Income Index	ICE BofA Canada Broad Market Index	S&P/TSX Composite Index
2ND ENGINE Alt Fixed Income Index	1.00	--	--
ICE BofA Canada Broad Market Index	0.54	1.00	--
S&P/TSX Composite Index	0.80	0.54	1.00

The table above aims to show the correlation coefficient of the 2ND ENGINE Alternative Fixed Income Index with broad Canadian equity and fixed income markets.

Index AUM Characteristics (C\$ million)

Total	Mean	Median	Largest	Smallest
14,450	628	270	3,356	21

Family of 2ND ENGINE Liquid Alternative Indices

2ND ENGINE
LIQUID ALTERNATIVE 35 INDEX

STRATEGY-BASED				GOAL-BASED	OTHERS
EQUITY 2ND ENGINE Equity Long Short Index 2ND ENGINE Equity Market Neutral Index	FIXED INCOME 2ND ENGINE Alternative Fixed Income Index 2ND ENGINE Absolute Return Index	MULTI-STRATEGY 2ND ENGINE Multi-Strategy Index	SPECIALTY 2ND ENGINE Event-Driven Index 2ND ENGINE Merger Arbitrage Index 2ND ENGINE Global Macro Index	2ND ENGINE Equity Enhancer 10 Index 2ND ENGINE Fixed Income Enhancer 10 Index 2ND ENGINE Diversifier 10 Index	2ND ENGINE Option-Selling Index 2ND ENGINE Digital Assets Index

Disclosure

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

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