

INDEX FACTSHEET

August 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

25

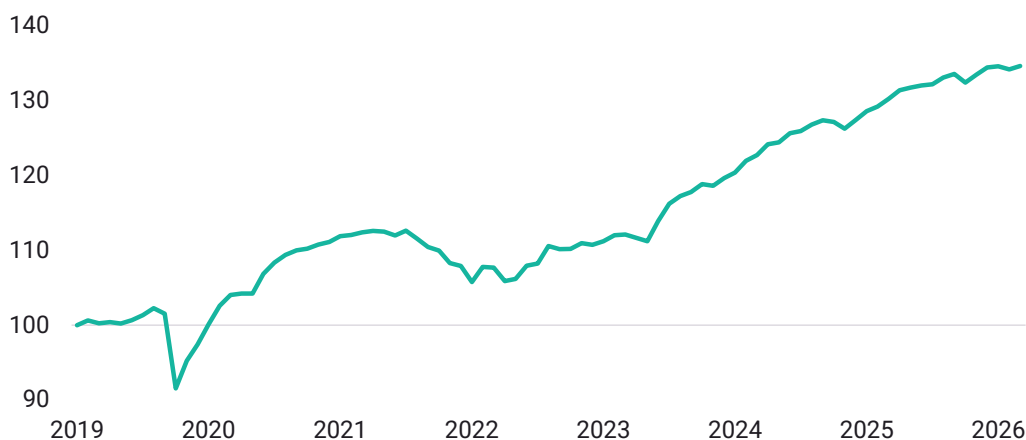
2ND ENGINE ALTERNATIVE FIXED INCOME INDEX

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 - Aug 31, 2026)



Index Performance (%)

	1M	3M	YTD	1Y	3Y	5Y	Since 06/30/19
2ND ENGINE Alternative Fixed Income Index	0.3	0.1	1.8	3.4	6.3	3.7	4.2
S&P/TSX Composite Index	3.1	4.9	16.0	29.9	24.8	15.3	15.0
ICE BofA Canada Broad Market Index	-0.3	-1.4	0.3	1.8	4.1	0.1	0.9

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	5.1	1.13	-0.56	0.35	-10.5	Jan 2020 - Mar 2020
S&P/TSX Composite Index	10.7	12.5	14.2	1.97	0.79	0.89	-22.3	Jan 2020 - Mar 2020
ICE BofA Canada Broad Market Index	5.1	5.8	5.7	0.08	-0.89	-0.27	-15.6	Jul 2020 - Sep 2023

Correlation (06/30/2019 - 08/31/2026)

	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	0.79	0.53	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
14,632	585	295	3,276	20

Family of 2ND ENGINE Liquid Alternative Indices

2ND ENGINE
LIQUID ALTERNATIVE 35 INDEX

STRATEGY-BASED

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

GOAL-BASED

2ND ENGINE
Equity Enhancer 10
Index

2ND ENGINE
Fixed Income
Enhancer 10 Index

2ND ENGINE
Diversifier 10
Index

OTHERS

2ND ENGINE
Option-Selling
Index

2ND ENGINE
Digital Assets
Index

Disclosure

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

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