

## 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

10

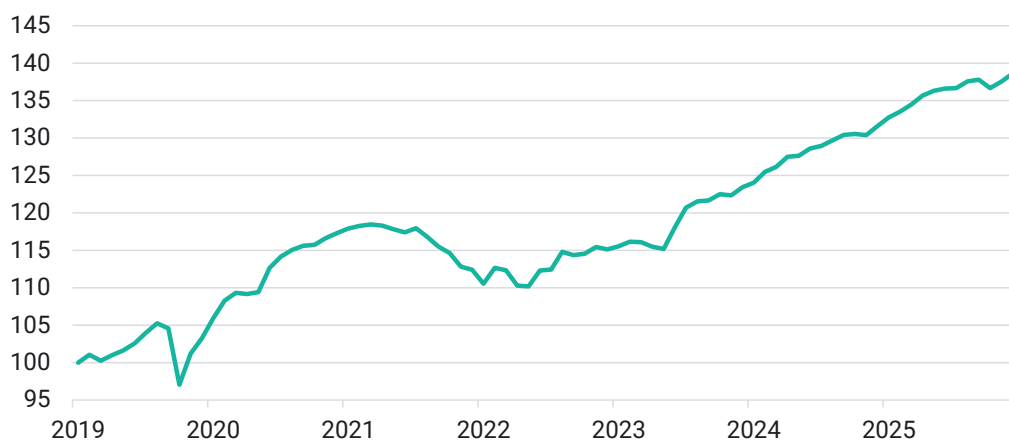
# 2ND ENGINE FIXED INCOME ENHANCER 10 INDEX

### Index Overview

The Second engine Fixed Income Enhancer 10 Index measures the performance of alternative strategies that take similar risk exposure as traditional fixed income securities, but aim to deliver better outcomes by either amplifying returns or mitigating risks through active portfolio management. These strategies primarily focus on fixed income or fixed income derivative markets.

### 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 Fixed Income Enhancer 10 Index	0.8	0.6	1.4	5.3	6.4	3.4	4.8
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 Fixed Income Enhancer 10 Index	2.2	3.0	4.6	1.16	-0.58	0.52	-7.8	Jan 2020 - Mar 2020
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 Fixed Income Enhancer 10 Index	ICE BofA Canada Broad Market Index	S&P/TSX Composite Index
2ND ENGINE Fixed Income Enhancer 10 Index	1.00	--	--
ICE BofA Canada Broad Market Index	0.60	1.00	--
S&P/TSX Composite Index	0.79	0.54	1.00

## Index AUM Characteristics (C\$ million)

Total	Mean	Median	Largest	Smallest
13,572	1,357	969	3,329	474

The table above aims to show the correlation coefficient of the 2ND ENGINE Fixed Income Enhancer 10 Index with broad Canadian equity and fixed income markets.

## 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

##### BOND

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  
Global Macro Index

#### GOAL-BASED

2ND ENGINE  
Equity Enhancer 10 Index

2ND ENGINE  
Fixed Income Enhancer 10 Index

2ND ENGINE  
Diversifier 10 Index

**Disclosure**

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

2ND ENGINE™ is a division of Picton Mahoney Asset Management.

2ND ENGINE™, 2ND ENGINE Liquid Alternative 35 Index, 2ND ENGINE Absolute Return Index, 2ND ENGINE Alternative Fixed Income Index, 2ND ENGINE Diversifier 10 Index, 2ND ENGINE Equity Enhancer 10 Index, 2ND ENGINE Equity Long Short Index, 2ND ENGINE Equity Market Neutral Index, 2ND ENGINE Event-Driven Index, 2ND ENGINE Fixed Income Enhancer 10 Index, 2ND ENGINE Global Macro Index and 2ND ENGINE Multi-Strategy Index are trademarks of Picton Mahoney Asset Management.

This material has been published by Picton Mahoney Asset Management (“PICTON Investments”) on June 09, 2026. It is provided as a general source of information, is subject to change without notification and should not be construed as investment advice. This material should not be relied upon for any investment decision and is not a recommendation, solicitation or offering of any security in any jurisdiction. The information contained in this material has been obtained from sources believed reliable, however, the accuracy and/or completeness of the information is not guaranteed by PICTON Investments, nor does PICTON Investments assume any responsibility or liability whatsoever. All investments involve risk and may lose value. This information is not intended to provide financial, investment, tax, legal or accounting advice specific to any person, and should not be relied upon in that regard. Tax, investment and all other decisions should be made, as appropriate, only with guidance from a qualified professional.

©2025 Morningstar. All Rights Reserved. The data used in part to create the index information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.