

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, 2020

Number of Constituents

6

2ND ENGINE EVENT-DRIVEN INDEX

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.

Cumulative Performance - Net Returns (CAD)

(Jun 30, 2020 - Jun 30, 2026)



Index Performance (%)

	1M	3M	YTD	1Y	3Y	5Y	Since 06/30/20
2ND ENGINE Event-Driven Index	0.1	0.8	0.7	3.1	4.4	0.3	4.1
S&P/TSX Composite Index	0.5	7.0	11.2	32.9	23.5	14.9	17.8
ICE BofA Canada Broad Market Index	0.4	1.9	2.2	3.3	4.3	0.7	0.2

Index Risk and Return Characteristics

	Annualized Standard Deviation (%)			Sharpe Ratio			Maximum Drawdown	
	3Y	5Y	Since 06/30/20	3Y	5Y	Since 06/30/20	%	Period
2ND ENGINE Event-Driven Index	1.7	6.6	7.8	0.33	-0.74	0.21	-12.7	Feb 2021 - Mar 2022
S&P/TSX Composite Index	10.8	12.5	12.5	1.82	0.77	1.22	-14.4	Mar 2022 - Sep 2022
ICE BofA Canada Broad Market Index	5.1	5.8	5.6	0.09	-0.77	-0.44	-15.6	Jul 2020 - Sep 2023

Correlation (06/30/2020 - 06/30/2026)

	2ND ENGINE Event-Driven Index	ICE BofA Canada Broad Market Index	S&P/TSX Composite Index
2ND ENGINE Event-Driven Index	1.00	--	--
ICE BofA Canada Broad Market Index	-0.03	1.00	--
S&P/TSX Composite Index	-0.05	0.55	1.00

The table above aims to show the correlation coefficient of the 2ND ENGINE Event-Driven Index with broad Canadian equity and fixed income markets.

Index AUM Characteristics (C\$ million)

Total	Mean	Median	Largest	Smallest
1,738	290	55	1,063	9

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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