

## 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, 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 - May 31, 2026)



### Index Performance (%)

	1M	3M	YTD	1Y	3Y	5Y	Since 06/30/20
2ND ENGINE Event-Driven Index	0.4	0.4	0.6	3.6	4.4	0.3	4.1
S&P/TSX Composite Index	2.5	1.8	10.6	36.1	24.6	15.3	18.0
ICE BofA Canada Broad Market Index	1.4	-0.6	1.8	2.9	4.1	0.8	0.1

### 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	0.36	-0.73	0.22	-12.7	Feb 2021 - Mar 2022
S&P/TSX Composite Index	10.8	12.5	12.5	1.92	0.81	1.23	-14.4	Mar 2022 - Sep 2022
ICE BofA Canada Broad Market Index	5.1	5.8	5.6	0.05	-0.74	-0.45	-15.6	Jul 2020 - Sep 2023

## Correlation (06/30/2020 - 05/31/2026)

	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	-0.02	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
1,735	289	54	1,063	9

## 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

##### MULTI-STRATEGY

2ND ENGINE  
Multi-Strategy  
Index

2ND ENGINE  
Absolute Return  
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).

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