

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 Dec 31, 2020

Number of Constituents

26

2ND ENGINE OPTION-SELLING INDEX

Index Overview

Option-selling strategies use an options overlay to generate income while retaining exposure to the underlying equity market. Income is typically generated by writing covered calls or cash-covered puts, and some managers apply modest leverage. Strategies vary by underlying asset, option structure and use of leverage. Returns generally move with the underlying market, with upside partially capped by the options written.

Cumulative Performance - Net Returns (CAD)

(Dec 31, 2020 - Jun 30, 2026)



Index Performance (%)

	1M	3M	YTD	1Y	3Y	5Y	Since 12/31/20
2ND ENGINE Option-Selling Index	1.2	14.6	15.2	30.1	20.1	12.2	12.8
S&P/TSX Composite Index	0.5	7.0	11.2	32.9	23.5	14.9	15.3
ICE BofA Canada Broad Market Index	0.4	1.9	2.2	3.3	4.3	0.7	0.0

Index Risk and Return Characteristics

	Annualized Standard Deviation (%)			Sharpe Ratio			Maximum Drawdown	
	3Y	5Y	Since 12/31/20	3Y	5Y	Since 12/31/20	%	Period
2ND ENGINE Option-Selling Index	9.8	10.9	10.4	1.66	0.65	0.99	-12.1	Jan 2022 - Sep 2022
S&P/TSX Composite Index	10.8	12.5	12.1	1.82	0.77	1.05	-14.4	Mar 2022 - Sep 2022
ICE BofA Canada Broad Market Index	5.1	5.8	5.8	0.09	-0.77	-0.45	-15.6	Jul 2020 - Sep 2023

Correlation (12/31/2020 - 06/30/2026)

	2ND ENGINE Option-Selling Index	ICE BofA Canada Broad Market Index	S&P/TSX Composite Index
2ND ENGINE Option-Selling Index	1.00	--	--
ICE BofA Canada Broad Market Index	0.58	1.00	--
S&P/TSX Composite Index	0.88	0.54	1.00

Index AUM Characteristics (C\$ million)

Total	Mean	Median	Largest	Smallest
25,162	968	235	12,648	26

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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