Auspice Managed Futures Index Commentary and Performance

Auspice Managed Futures Excess Return Index (AMFERI)

November 2015 Review

Market Review

While Q4 started with a strong equity market last month, it seems that the realities of global unrest, high personal debt and tempered retail performance has made the markets cautiously optimistic at best. The US FED bought some time by giving fiscal candy to the baby, but the markets have become concerned again. US equities were flat for the month while other global markets fell, keeping many negative on the year.

Reality seems to have hit commodities more quickly, which fell during the month still looking for the right balance of supply to long-term global demand. As such, trend followers benefitted significantly as these markets moved sharply lower during the month, breaking through the recent aimless and choppy periods of volatility.

To reiterate: Markets are operating at a volatility level that should bring opportunity to those agnostic and patient as to price direction in the long term. These are the times when a true non-correlated alternative with steadfast risk management forms a critical portfolio component.

Index Review

The AMFERI had a strong month, gaining 5.85% in November. The commodity-tilted strategy significantly outperformed its peers and benchmarks yet at another critical juncture. While there has been some underperformance compared to the equity and financially-tilted CTA benchmarks year to date (see Table 1), the performance - specifically during times when equities pause and pull back – has been exceptional.

Table 2 highlights that the long-term outperformance of AMFERI on both an absolute and risk-adjusted basis (versus both investable and non-investable CTA/managed futures indices) has been strong, despite the challenging environment in recent years.

Table 3 illustrates outperformance to most benchmarks since the strategy has been published by the NYSE (as a third party index) in December 2010.

...continued on next page

Table 1: Month and 2015 Year-To-Date

2015	AMFERI	BTOP50	S&P DTI ER	Newedge CTA Index
Nov 2015	**5.85%**	2.95*%	2.11%	2.54*%
2015 YTD	**-9.31%**	0.64*%	-2.35%	1.28*%

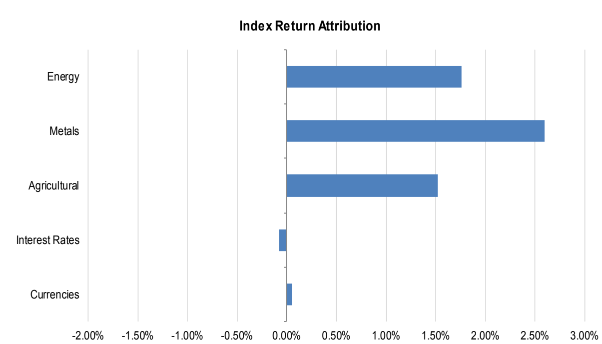
Table 2: 8 Year Annualized Performance (11/07 - 11/15)

8 Year Annualized	AMFERI	BTOP50	S&P DTI ER	Newedge CTA Index
Annualized Return	**9.33%**	2.81%	-1.41%	3.41%
Annual Std. Dev.	**12.68%**	6.37%	8.23%	7.46%
Sharpe Ratio	**0.74**	0.44	-0.17	0.46
MAR Ratio	**0.54**	0.34	-0.05	0.29
Largest Drawdown	**17.17%**	8.34%	27.07%	11.78%

Table 3: Cumulative Return Since Inception

From Dec. 2010	AMFERI	BTOP50	S&P DTI ER	Newedge CTA Index
Cumulative Return	**16.59%**	11.21%	-5.62%	13.19%

As a single strategy investable CTA index, this strategy provides the benefits of traditional CTA through trend following and risk management along with the benefits of transparency and third party publishing, monitoring and benchmarking. The strategy now underlies ETFs, 40 Act mutual funds and managed accounts providing a low cost means of allocating to Managed Futures without sacrificing performance.



Auspice Capital Advisors | www.auspicecapital.com | Suite 301 615 3rd Ave SW, Calgary, AB, Canada, T2P 0G6 | 888 792 9291

Auspice Managed Futures Index Commentary and Performance

Portfolio Recap

In November, performance was positive in 4 of the 5 index sectors with the bulk of the gain coming from short commodities. Metals led the sector performance, followed by Energies and Ags.

The top performing positions in the portfolio were gains from shorts in Gold and Copper followed by Wheat and Heating Oil. The worst performing positions were only slightly negative and included Japanese Yen and the Aussie Dollar.

Commodity positions remain unchanged, with the strategy short 11 of 12 components (or 92%), a similar position to last fall when all commodity components were short.

The strategy made a few notable Currency changes during the month as the US dollar strengthened vis-à-vis global currencies, specifically Europe.

Energy

While Gasoline bounced higher at month end, the month as a whole was weak for the Energy sector. The strategy remains short all components within the energy sector. Both the petroleum complex and Natural Gas trended lower and were profitable.

Metals

Copper led the metals sector lower complemented by Gold, with a sharp sell-off that started in late October. Both Precious and Industrial metals represented in the index followed this pattern, only slowing their descent near month end. The strategy remains short all components in the sector.

Agriculture

After choppy activity in the early fall, Grains led the sector lower with a marked sell-off. The strategy remains short across all Grains, and the sub-sector had a positive attribution from all short weights led by Wheat and complemented by Corn. On the Softs side, the story was different. Sugar continued its ascent higher (where the strategy had shifted long last month). Cotton traded sideways to slightly lower and the strategy remains short. The gain in Grains was complemented by the gain in Sugar and Cotton for a positive total sector performance.

Interest Rates

Interest Rate futures fell early in the month before rallying back universally across the curve in November. However, the rally failed to make new highs and thus gains were made in the long end of the curve from the short in the US 30 Year Bond futures. Long positions in the US 10 Year and 5 Year Note futures were off slightly for a small negative sector attribution.

Currencies

Global capital flows meant changes in the currencies positions as concern in Europe highlighted a comfort in the US dollar. The strategy shifted to short the Euro while adding a long weight in the US Dollar Index. The strategy remains short Aussie and Canadian Dollars along with the British Pound while long the Yen. The sector also gained slightly on a weaker British Pound and Canadian Dollar.

Outlook

Months like this highlight the benefits of an investment approach such as the AMFERI. To break through choppy volatility and a lack of direction requires discipline and a process driven approach.

While commodities have been frustrating for many asset allocators as a whole (for some time), November highlights the core benefit of real asset class diversification – often appearing as performance when you need it most - if you are willing to do the following:

1. Include commodities as a strategic allocation
2. Be patient
3. Be agnostic to market direction
4. Underweight financials
5. Allow disciplined, experienced, rules-based managers to handle the tactical positions.

We believe this is an ideal time to add to or initiate an exposure to this type of low beta exposure to lower overall portfolio risk given the current level of market volatility and the risks of further equity market correction or deterioration.

Synopsis of AMFERI Drawdown and Return Analysis.

Managed Futures is typically a difficult strategy to time because of the non-correlated performance that results from the widespread diversification of market sectors covered. One of the best ways to consider an entry point is through an understanding of drawdowns over time. Pullbacks occur in every strategy, however given transparency of the returns, it is intuitive to analyze the character of the pullbacks and subsequent gains with managed futures. These pullbacks generally represent an opportunity from which trends develop and extend. Furthermore, the time to make new gains is often quicker than the length of the pullback (peak to valley).

Please contact us at info@auspicecapital.com for the complete analysis.

Strategy and Index

The Auspice Managed Futures Index is an investable single strategy CTA. The index aims to capture upward and downward trends in the commodity and financial markets while carefully managing risk. The index uses a quantitative methodology to track either long or short weights in a diversified portfolio of 21 exchange traded futures which cover the energy, metal, agricultural, interest rate, and currency sectors. The index incorporates dynamic risk management and contract rolling methods. The index is available as either a total return index (includes a collateral return) or as an excess return index (no collateral return). Auspice is an innovative asset manager that specializes in applying formalized investment strategies across a broad range of commodity and financial markets. Auspice's portfolio managers are seasoned institutional commodity traders. Their experience, trading one of the most volatile asset classes, forms the backbone of their strategy for generating profits while preserving capital and dynamically managing risk.

About Auspice

Auspice Capital Advisors Ltd. is a registered Portfolio Manager / Investment Fund Manager / Exempt Market Dealer in Canada and a registered Commodity Trading Advisor (CTA) and National Futures Association (NFA) member in the US. Auspice's core expertise is managing risk and designing and executing systematic trading strategies.