AUSPICE

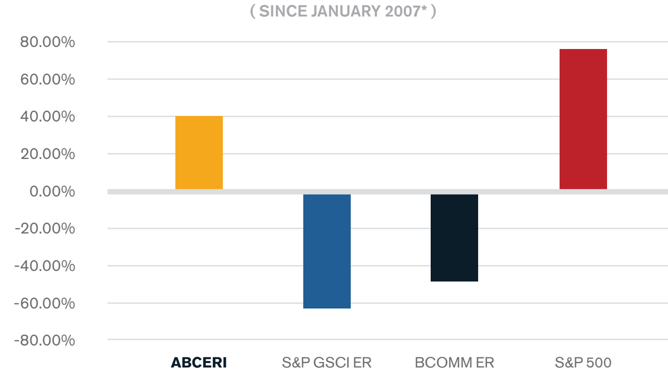
BROAD COMMODITY INDEX

COMMENTARY + STRATEGY FACTS

AUGUST 2017

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



	ABCERI	S&P GSCI ER	BCOMM ER	S&P 500
	Correlation	0.63	0.75	0.23

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MORNINGSTAR® ★★★★★

5 Star Morningstar Rating for Direxion Indexed Commodity Strategy Fund, which tracks ABCERI

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SUMMARY

While commodity benchmarks are lower for the month, there were some strong gains. Precious and Base metals continued higher while some Energies followed suit led by Gasoline due to the damage to important energy infrastructure and refining capabilities in Texas.

The energy tilted GSCI fell 3.11% while the more diverse Bloomberg Commodity Index lost only 1.39%. We note new commodity trends emerging and volatility coming back and anticipate further opportunity throughout the fall.

Stock markets stagnated in August with the S&P gaining a mere 0.05% while the MSCI World lost -0.07% for reference. While there were some month end commodity gains, the resource tilted Canadian TSX/S&P60 was also pressured softening -0.08% and remains one of the few stock markets negative on the year.

Interest Rate futures moved higher throughout the month extending July's gains. After months of weakness, the US Dollar rallied into mid-month but failed to sustain and fell back in the end.

Auspice Broad Commodity gained 1.31%, significantly outperforming the long commodity index performance for the month. See Table 1.

OUTLOOK

Months like August illustrate the benefit of the long/flat tactical strategy. While lagging slightly in the last year, the performance longer term is where value is illustrated. On a 3 year basis the ABCERI has limited the downside in challenging commodities environment while on a 10 year basis this performance significantly outstrips the commodity benchmarks.

Table 1 also illustrates that on a long term annualized basis (since January 2007), the ABCERI has not only outperformed its benchmarks and is the only positive return of the group through both up and down commodity cycles, but the volatility is far lower.

To reiterate: Commodities have long cycles, the transitions can be frustrating given the inherent volatility and the transitions themselves can be protracted. However, from a historical perspective, we have been here before – many times. Moreover, from a quantitative perspective, commodities are near the bottom of the statistical distribution of returns while equities remain near the top. See chart to right.

Chart 1 HISTORICAL GROWTH SINCE 2007

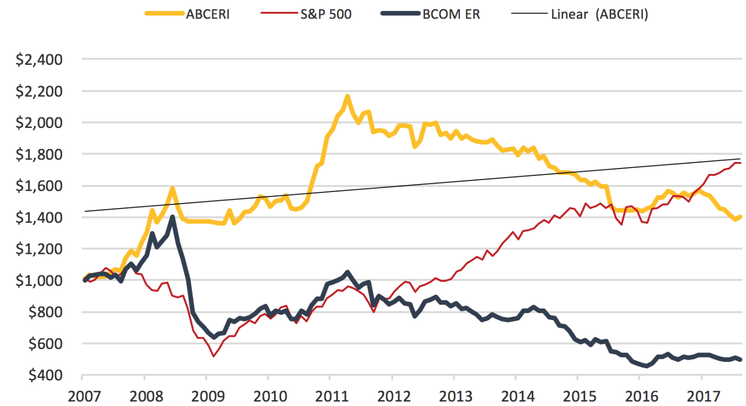
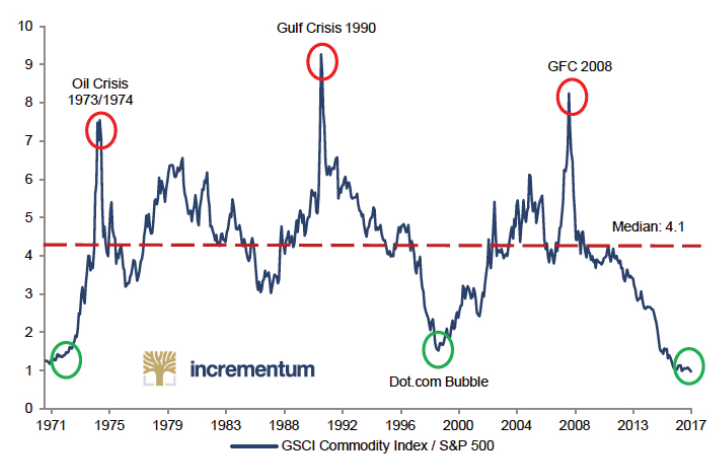


Table 1 ABSOLUTE PERFORMANCE

	ABCERI	S&P GSCI ER	BCOM ER	S&P 500
1 Month	**1.31%**	-3.11%	-1.39%	0.05%
2017 YTD	**-10.68%**	-9.81%	-4.90%	10.40%
1 yr (Sep 16)	**-8.12%**	-0.79%	0.54%	13.85%
3 yr (Sep 14)	**-17.91%**	-54.34%	-34.25%	23.37%
5 yr (Sep 12)	**-29.26%**	-57.70%	-43.01%	75.72%
10 yr (Sep 07)	**32.43%**	-65.36%	-49.73%	67.68%
Annualized (Jan 07)				
Return	**3.23%**	-9.10%	-6.30%	5.35%
Std Deviation	**10.94%**	23.00%	17.39%	14.85%
Sharpe Ratio	**0.37**	-0.26	-0.27	0.47
MAR Ratio	**0.09**	-0.11	-0.09	0.10
Worst Drawdown	**-36.09%**	-81.12%	-67.41%	-52.56%

GSCI/S&P500 RATIO: EQUITIES EXPENSIVE, COMMODITIES CHEAP?



Source: Dr. Torsten Dennin, Incrementum AG

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ATTRIBUTIONS AND TRADES

There were a few changes in the portfolio in August. Wheat and Corn were exited early in the month while Gasoline was added right at month end.

The portfolio is now long 3 of 12 commodity components (or 25%) and includes 2 of 3 sectors, Metals and Energies (see Chart 3).

Performance was positive in 1 sub-sector of the index, Metals (see Chart 2), while negative in Ags.

The top performing components were again Metals, Gold alongside Copper. The biggest drags were Grains.

SECTOR HIGHLIGHTS

ENERGY

While the sector was generally softer after a strong July, the storm hitting the US gulf states caused a renewed push at month end. While Crude remains soft, natural gas rallied throughout the month. Both are without a position at this time. However, additional upside pressure hit the refined products which caused Gasoline to shift long at month end with Heating Oil close behind to start September. We anticipate this sector to be volatile this fall for many reasons.

METALS

Metals led portfolio gains. Both Base and Precious metals were strong once again. While Copper and Gold led this in July and were shifted to long, Silver also moved up yet remains without and exposure at this time.

AGRICULTURE

This has been a challenging sector in 2017 as trends have been sharp yet reversing equally. As such, we exited Wheat and Corn to be flat both the Grains and Soft commodities. Quick exits at the beginning of the month reduced the potential drag on the portfolio.

Chart 2 INDEX RETURN ATTRIBUTION

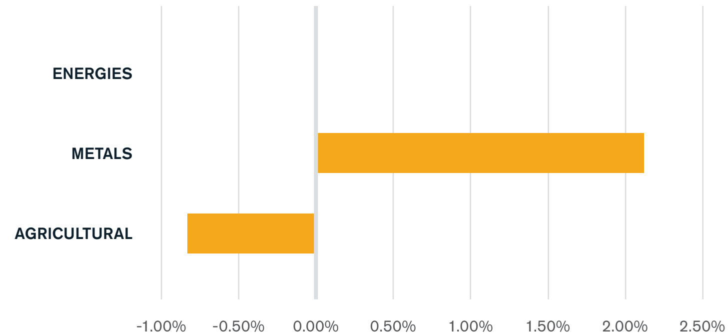
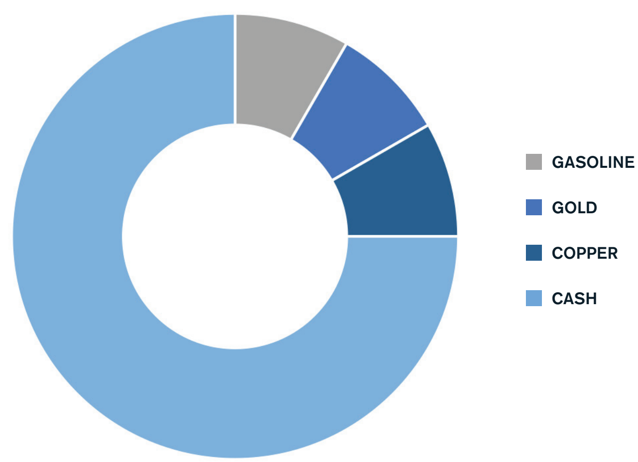


Chart 3 COMPONENT EXPOSURE: LONG / CASH



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WHY AUSPICE INDICES

The Auspice Indices are designed to meet the needs of investors that are looking to participate in liquid alternatives through a disciplined approach without sacrificing performance, diversification, and transparency. We believe Auspice Indices encompass everything from alpha to beta, across a return continuum. The indices blend elements of active management and indexing into a transparent, published, single strategy rules-based approach.

STRATEGY DESCRIPTION

The Auspice Broad Commodity Index aims to capture upward trends in the commodity markets while minimizing risk during downtrends.

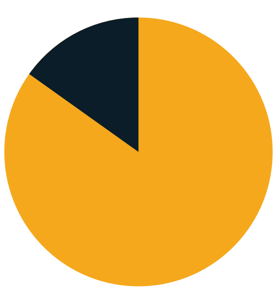
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods. The index is available in total return (collateralized) and excess return (non-collateralized) versions.

THE MAIN POINTS OF DIFFERENTIATION INCLUDE:

Auspice Broad Commodity combines tactical commodity exposure with capital preservation. We believe that traditional passive long-only commodity indices do not provide investors with an optimal long term investment solution.

- Seeks to capture upward trends in the commodity markets while minimizing risk during downtrends
- Tactical exposure to a diversified basket of commodities that can individually position long or flat (no position)
- Rules-based quantitative methodology combined with dynamic risk management and contract roll optimization to deliver superior returns

RETURN DRIVERS



AUSPICE BROAD COMMODITY INDEX
Long / Flat Approach
Positions can be changed on an intra-month bases
Accounts for Short-term Price Trends
Practices a Smart Roll-Yield to minimize impact of contango and backwardation
Broadly diversified (when exposed) and less concentrated in any one commodity sector
Rebalanced monthly based on volatility of each underlying commodity

LONG-ONLY COMMODITY INDICES
Long-Only Approach
Positions are always 100% long
Doesn't take into account downward price trends
Contracts typically roll into next contract month
Poorly diversified amongst single sectors
Most rebalance annually based on predetermined weightings for commodity sector

OTHER DETAILS

Calculated and published by NYSE since 2010.

Tickers: Bloomberg ABCERI, Reuters ABCERI

PRODUCT AVAILABILITY

Licensing and/or sub-advisory of the strategy

Bespoke product design

ETFs: through partner firms

40 Act Mutual Funds: US investors through partner firms

Separately Managed Accounts

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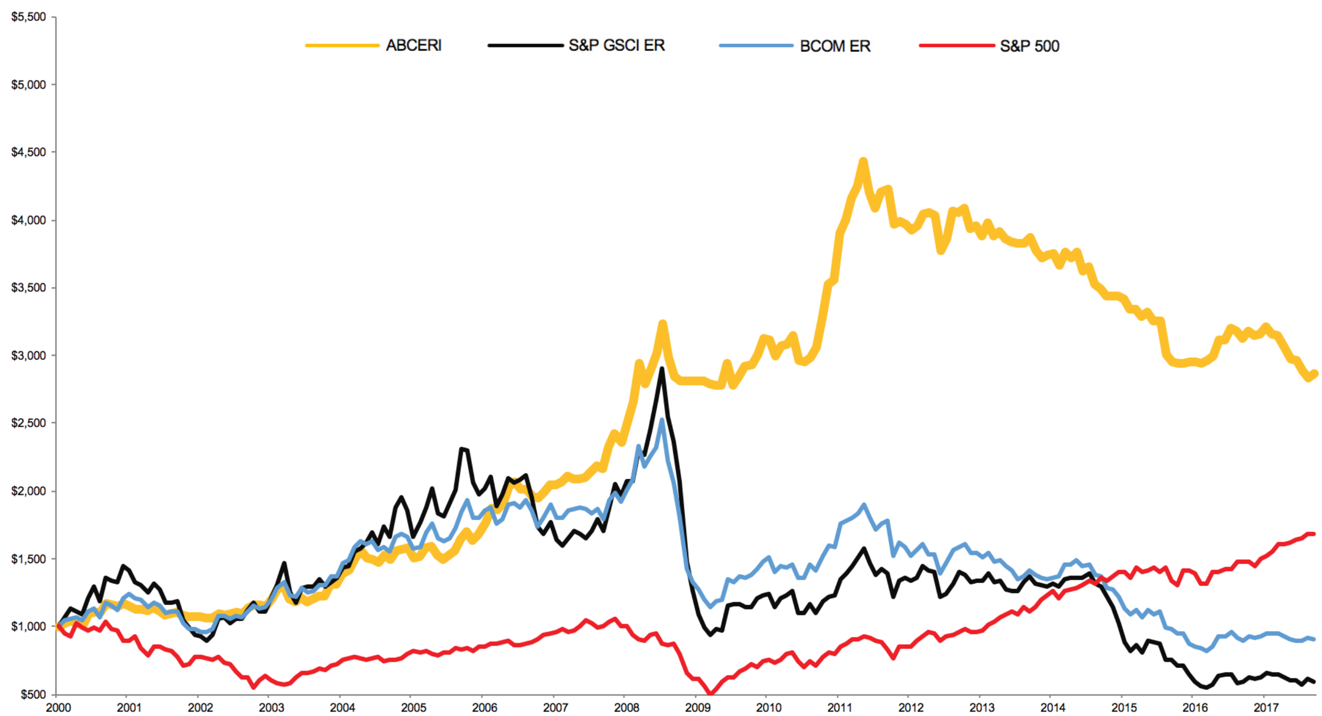
COMPARATIVE BROAD COMMODITY INDEX PERFORMANCE



MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2017	-1.59%	-0.44%	-2.38%	-3.08%	-0.56%	-2.35%	-2.06%	1.31%					**-10.68%**
2016	-0.69%	1.01%	0.92%	4.00%	0.00%	2.64%	-0.61%	-1.75%	1.94%	-1.15%	0.49%	1.59%	**8.55%**
2015	-2.13%	-0.18%	-1.64%	0.99%	-1.78%	-0.08%	-7.77%	-1.59%	-0.27%	-0.01%	0.13%	0.29%	**-13.45%**
2014	-2.41%	2.68%	-1.23%	1.27%	-3.79%	1.03%	-3.57%	-0.96%	-1.64%	0.00%	0.00%	-0.54%	**-8.97%**
2013	2.45%	-2.32%	0.87%	-1.42%	-0.55%	-0.27%	-0.11%	1.03%	-2.26%	-1.57%	0.55%	0.39%	**-3.27%**
2012	0.90%	2.28%	0.09%	-0.38%	-6.43%	2.24%	5.41%	-0.37%	0.82%	-3.79%	0.64%	-1.92%	**-1.02%**
2011	2.44%	4.23%	-1.96%	4.32%	-5.11%	-2.84%	2.88%	0.73%	-6.28%	0.59%	-0.46%	-1.25%	**0.54%**
2010	-3.81%	2.61%	0.53%	1.87%	-5.57%	-0.40%	1.03%	2.64%	6.99%	7.35%	1.02%	9.66%	**25.43%**
2009	0.00%	-0.66%	-0.24%	0.01%	5.78%	-5.49%	2.20%	2.80%	0.39%	2.52%	4.00%	-0.66%	**10.69%**
2008	5.89%	10.60%	-5.20%	3.98%	4.05%	6.96%	-7.48%	-4.78%	-1.31%	0.00%	0.00%	0.00%	**11.71%**
2007	0.90%	2.39%	-1.25%	0.33%	0.13%	2.44%	1.74%	-0.83%	7.48%	4.05%	-2.42%	6.42%	**23.04%**
2006	5.59%	-0.45%	2.39%	6.87%	1.40%	-2.41%	0.07%	-2.92%	-0.44%	2.39%	2.74%	-0.23%	**15.54%**
2005	0.40%	4.37%	0.75%	-3.87%	-2.18%	2.07%	1.75%	5.95%	3.24%	-4.19%	2.93%	5.32%	**17.16%**
2004	2.18%	6.32%	3.54%	-3.42%	-0.70%	-1.49%	3.30%	-1.53%	3.98%	0.57%	0.77%	-4.43%	**8.87%**
2003	6.32%	2.27%	-7.68%	-1.86%	2.82%	-2.92%	1.80%	2.04%	0.32%	6.34%	0.16%	5.95%	**15.63%**
2002	-0.62%	-0.17%	2.53%	-0.50%	0.61%	1.42%	-0.78%	3.42%	2.43%	-0.20%	-1.02%	4.31%	**11.85%**
2001	-1.78%	-0.07%	-1.33%	2.07%	-2.34%	2.22%	0.48%	0.77%	-1.53%	-1.11%	-0.33%	0.21%	**-7.04%**
2000	2.41%	1.08%	-0.62%	-1.93%	8.62%	1.29%	-0.71%	5.78%	-0.97%	-0.86%	2.49%	-1.77%	**15.24%**

Represents index data simulated prior to third party publishing as calculated by the NYSE

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COMPARABLE INDICES

*Returns for **Auspice Broad Commodity Excess Return Index (ABCERI)** represent returns calculated and published by the NYSE. The index does not have commissions, management/incentive fees, or operating expenses.

The Bloomberg Commodity (Excess Return) Index **(BCOM ER)**, is a broadly diversified index that allows investors to track 19 commodity futures through a single, simple measure.

The **S&P/TSX 60 Index** is designed to represent leading companies in leading industries. Its 60 stocks make it ideal for coverage of companies with large market capitalizations and a cost-efficient way to achieve Canadian equity exposure. Price Return data is used (not including dividends).

The **S&P 500** is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Price Return data is used (not including dividends).

The **(MSCI) World Index**, Morgan Stanley Capital International, is designed to measure equity market performance large and mid-cap equity performance across 23 developed markets countries, covering approximately 85% of the free float-adjusted market capitalization in each. This index offers a broad global equity benchmark, without emerging markets exposure.

Excess Return (ER) Indexes do not include collateral return.

The S&P Goldman Sachs Commodity Excess Return Index **(S&P GSCI ER)**, is a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

The **SG CTA Index** provides the market with a reliable daily performance benchmark of major commodity trading advisors (CTAs). The SG CTA Index calculates the daily rate of return for a pool of CTAs selected from the larger managers that are open to new investment.

The **Barclay BTOP50 CTA Index** seeks to replicate the overall composition of the managed futures industry with regard to trading style and overall market exposure. The BTOP50 employs a top-down approach in selecting its constituents. The largest investable trading advisor programs, as measured by assets under management, are selected for inclusion in the BTOP50.

PERFORMANCE NOTES

The Equity benchmarks used in this material are intended to reflect the general equity market performance. They are shown to illustrate the non-correlated attributes versus other assets. Adding non-correlated assets within a portfolio has the potential to reduce portfolio volatility and drawdowns.

The performance of Auspice Broad Commodity Index prior to 9/30/2010 is simulated and hypothetical as published by the NYSE. All performance data for all indices assumes the reinvestment of all distributions. To the extent information for the index for the period prior to its initial calculation date is made available, any such information will be simulated (i.e., calculations of how the index might have performed during that time period if the index had existed). Any comparisons, assertions and conclusions regarding the performance of the index during the time period prior to the initial calculation date will be based on back-testing.

These results are based on simulated or hypothetical performance results that have certain inherent limitations. Unlike the results shown in an actual performance record, these results do not represent actual trading. Also, because these trades have not actually been executed, these results may have under-or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to these being shown. The index does not have commissions, management/incentive fees, or operating expenses.

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