AUSPICE

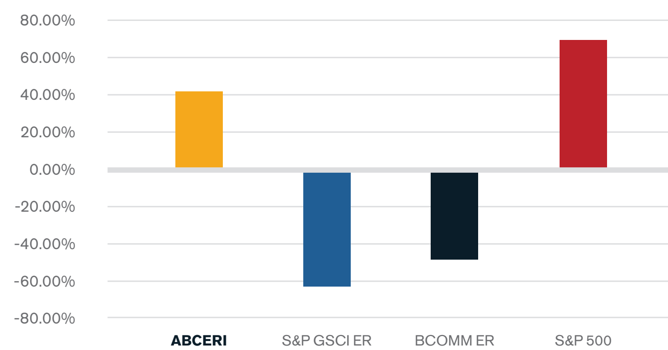
BROAD COMMODITY INDEX

COMMENTARY + STRATEGY FACTS

JUNE 2017

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



	ABCERI	S&P GSCI ER	BCOMM ER	S&P 500
Correlation		0.64	0.76	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

Commodities showed their diversity with some markets selling off and others gaining. Moreover, within the month, many markets such as Energy and Grains, traded sharply in both directions.

For much of June, commodities struggled led by the Energies. Safe haven sub-sectors like Precious metals were not immune while Soft Commodities gained downside momentum. However, in the final days of the month, both Energies and Grains bounced sharply.

As a result commodity benchmarks were mixed with the energy tilted GSCI off 5.11% while the more diverse Bloomberg Commodity Index lost only 0.27%. We note that the overall sector is picking up volatility and remains one to watch for opportunity and risk management.

The US Federal Reserve raised rates in June its fourth in this cycle. Since the first hike, the S&P 500 has stretched over 20%. This month the S&P gained 0.48% and the MSCI World added 0.27% for reference while the commodity tilted Canadian TSX/S&P60 again lost 1.51%.

While Interest Rate futures had rallied from mid-May into the FED announcement June 14th, they softened post. The US Dollar continued to soften in June extending its weakness in June while global currencies were generally. Curiously, while commodities were hit, the so-called "commodity currencies" of Canadian and Aussie Dollars have strengthened.

Auspice Broad Commodity fell 2.35%, middle of the road to the bifurcated commodity index performance for the month and year to date. See Table 1.

While the performance is similar to benchmarks on 1 year basis, it is longer term the 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 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.

Chart 1 **HISTORICAL GROWTH SINCE 2007**

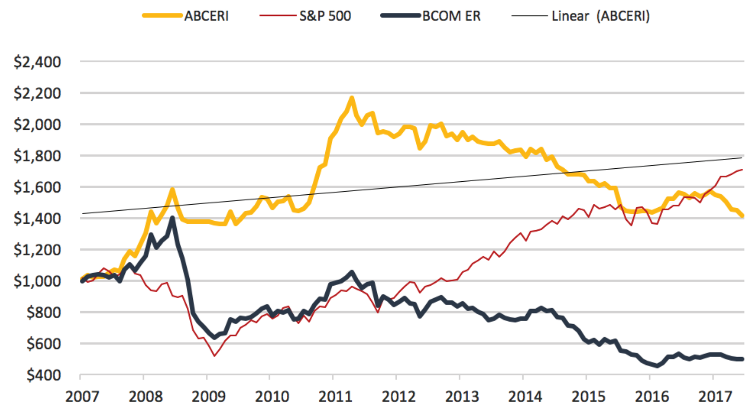

Table 1 **ABSOLUTE PERFORMANCE**

	ABCERI	S&P GSCI ER	BCOM ER	S&P 500
1 Month	**-2.35%**	-5.11%	-0.27%	0.48%
2017 YTD	**-9.98%**	-12.27%	-5.61%	8.24%
1 yr (Jul 16)	**-9.57%**	-11.23%	-7.02%	15.46%
3 yr (Jul 14)	**-20.98%**	-58.63%	-38.64%	23.63%
10 yr (Jul 07)	**34.67%**	-66.20%	-51.23%	61.20%
Annualized (Jan 07)				
Return	**3.35%**	-9.48%	-6.46%	5.23%
Std Deviation	**10.99%**	23.08%	17.51%	14.96%
Sharpe Ratio	**0.38%**	-0.28	-0.27	0.46
MAR Ratio	**0.10%**	-0.12	-0.10	0.10
Worst Drawdown	**-34.75%**	-81.12%	-67.41%	-52.56%

OUTLOOK

Sometimes there is nothing new to say: Renewed weakness to start 2017 has many people questioning the asset class. We understand this in the context of a buy-and-hold or long-only context. However, we believe real value of the asset class is extracted using a tactical strategy focused on momentum and risk management. Go long when it makes sense and on the sidelines at other times.

Furthermore, the rules-based approach embraced in this strategy enables investors to participate earlier in asset class trends with far less risk and volatility but also exit those markets that cease to show upside potential. This is illustrated in Chart 1 versus the Bloomberg Commodity Index benchmark – greater gains with limited downside historically. While 2017 has started the year with a correction in the commodity sector and the strategy performance, we believe that the asset class remains on the positive trajectory. This is a trend that started 18 months ago and these cycles are typically long.

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ATTRIBUTIONS AND TRADES

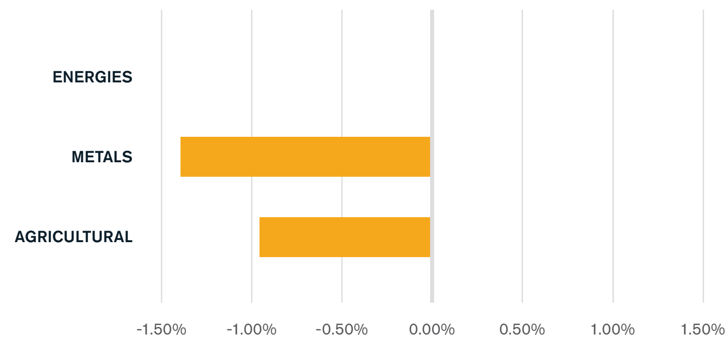
There were two changes in the portfolio in June that reduced the overall exposure. Both Cotton and Corn were exited during the month.

Performance was negative in 2 sub-sectors of the index, Metals and Ags (see Chart 2).

Of the remaining exposures, the worst performing components were Gold and Silver.

The portfolio has significantly reduced exposure in the face of weakness with only 2 of 12 commodity components (or 17%) long and includes 1 of 3 sectors – Metals (see Chart 3).

Chart 2 INDEX RETURN ATTRIBUTION



SECTOR HIGHLIGHTS

ENERGY

A good time to be on the sidelines as weakness across the energy sector in both petroleum and natural gas markets prevailed. This trend has been gathering strength since early in the year and also gaining volatility.

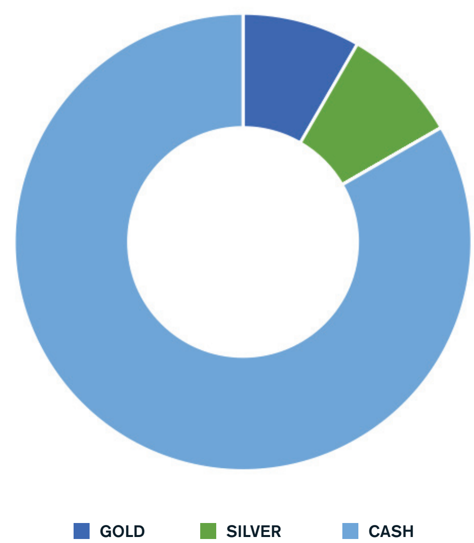
METALS

The strategy remains long Precious Metals and flat Base metals. While both Gold and Silver were weak, Copper showed strength during the month.

AGRICULTURE

After holding and benefitting from stronger markets in Corn and Cotton, both markets turned a corner early in June. This initial weakness had the strategy shift Corn to flat. The strategy is without exposure while the month ended with a series of reports on drought concerns that rallied the market sharply. Cotton was also exiting prior to further weakness which continued throughout the month. No sector exposure at this time.

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.

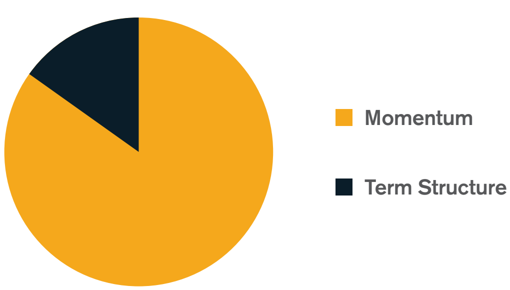
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods. 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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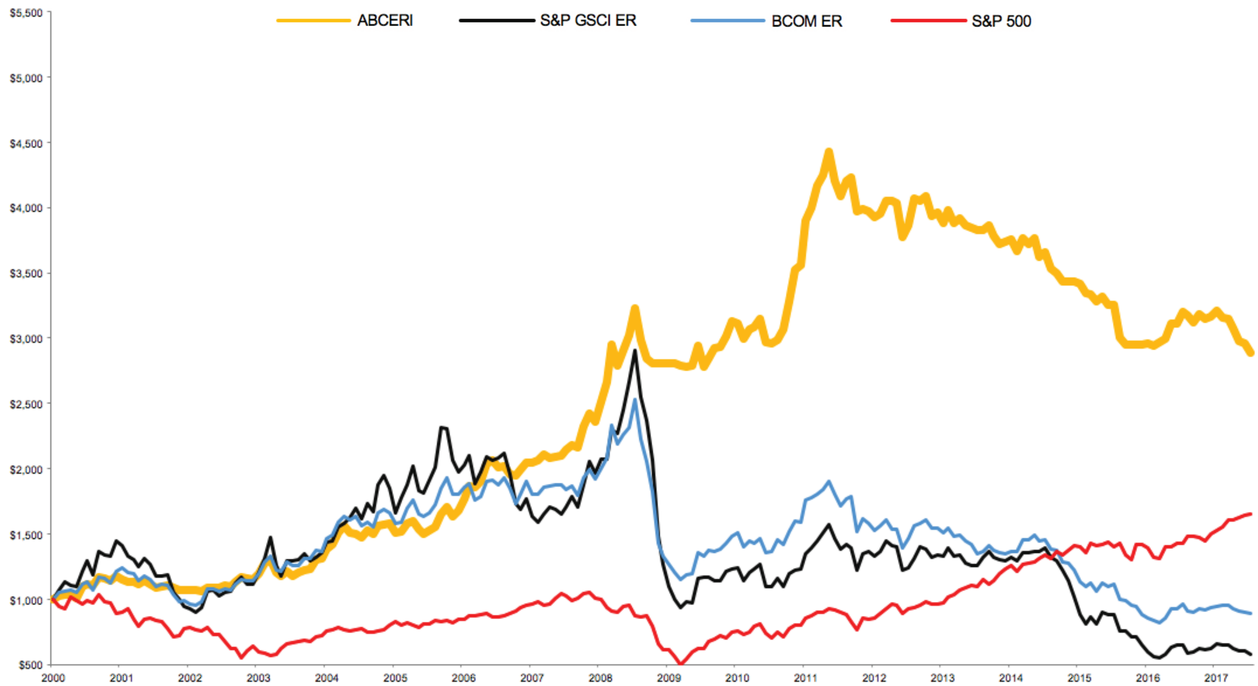
COMPARATIVE BROAD COMMODITY INDEX PERFORMANCE



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%							**-9.98%**
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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