



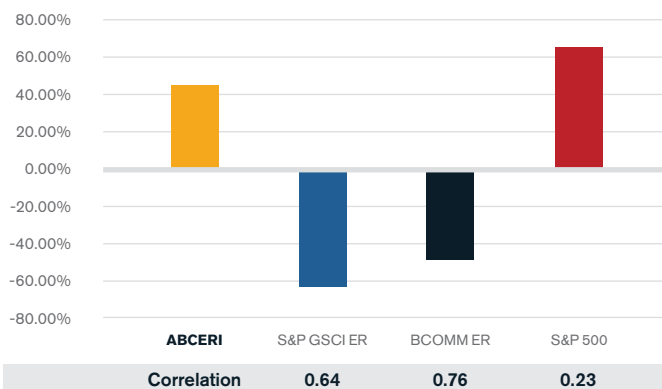
BROAD COMMODITY INDEX

COMMENTARY +
STRATEGY FACTS

MAY 2017



CUMULATIVE PERFORMANCE (SINCE JANUARY 2007*)



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SUMMARY

Commodities were mixed and choppy with some markets gaining and some falling. Overall, call it a wash before digging into the details of this highly diverse sector. Grains were mostly soft while Energies bounced back along with Precious Metals. Soft commodities were up and down market by market.

The benchmarks were also mixed with the energy tilted GSCI slightly positive while the more diverse Bloomberg Commodity Index was softer (+0.31% and -1.41% respectively).

Despite a number of geo-political events during the month, the broad global equity markets largely continued their trend higher: The S&P 500 gained 1.16% and the MSCI World gained 1.78% for reference while the commodity tilted Canadian TSX/S&P60 lost 1.36%. The French election win by Emmanuel Macron caused the CAC40 to relinquish some of its significant gains (6%+) made since the first round of the process. However, like most major equity benchmarks, it remains resilient and ended up higher on the month

Despite accusations by the former FBI Director against Trump being revealed, causing the US markets to have their biggest sell-off in over 8 months on May 17, and VIX pop up over 17%, the markets turned around and marched higher and the VIX reverted.

Interest Rate futures started the month falling, yet also reverted to their trend by mid-month, rising both domestically and in Europe while the US Dollar extended its weakness.

Auspice Broad Commodity softened 0.56% in May in line with the long-only benchmarks 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. On a 10 year basis this performance significantly outstrips the commodity benchmarks.

Table 1 also illustrates that on a long term basis (annualized 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. Importantly, this highlights the strategy's ability to limit the downside and volatility significantly while providing the same or better gains.

Of note, product linked to the index was awarded a 5 Star rating by Morningstar (on all time frames): link here: <http://www.morningstar.com/funds/xnas/dxcix/quote.html>

Chart 1 HISTORICAL GROWTH SINCE 2007

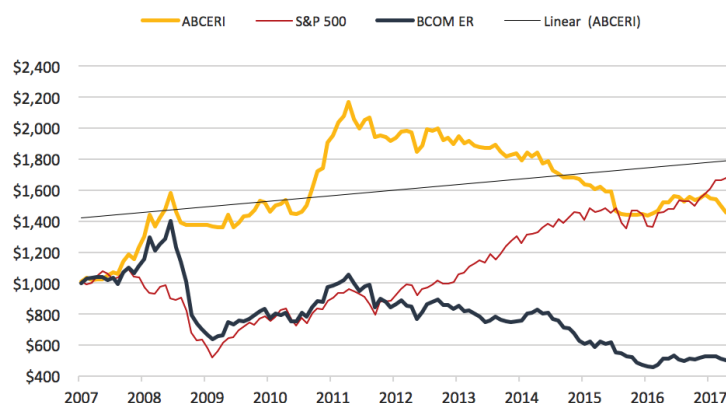


Table 1 ABSOLUTE PERFORMANCE

	ABCERI	S&P GSCI ER	BCOM ER	S&P 500
1 Month	-0.56%	0.31%	-1.41%	1.16%
2017 YTD	-7.82%	-7.54%	-5.35%	7.73%
1 yr (Jun 16)	-4.96%	-6.39%	-2.94%	15.01%
3 yr (Jun 14)	-18.25%	-55.47%	-38.11%	25.38%
10 yr (Jun 07)	41.28%	-63.37%	-52.05%	57.57%
Annualized (Jan 07)				
Return	3.62%	-9.09%	-6.48%	5.23%
Std Deviation	11.01%	23.13%	17.58%	15.02%
Sharpe Ratio	0.40%	-0.26	-0.27	0.46
MAR Ratio	0.11%	-0.11	-0.10	0.10
Worst Drawdown	-33.68%	-81.12%	-67.41%	-52.56%

OUTLOOK

We believe there are reasons to be optimistic about the commodity asset class especially within the context of a tactical strategy focused on momentum and risk management.

Moreover, the key aspect to participating in this valuable asset class remains a rules-based approach. This enables investors to be able to participate earlier in asset class trends with far less risk and volatility but also exit those market 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.

ATTRIBUTIONS AND TRADES

There were a number of changes in the portfolio in May that reduced the overall exposure.

Performance was negative in all 3 sub-sectors of the index with Metals and Energy leading weakness (see Chart 2).

For the month, the top performing positions in the portfolio were gains in Corn along with Gold and Silver.

The worst performing components were Cotton along with Copper which was exited early in the month.

The portfolio changes now shifts the bulk of the commodity portfolio flat with only 4 of 12 commodity components (or 33%) long and includes 2 of 3 sectors – Metals, and Ags (see Chart 3).

SECTOR HIGHLIGHTS

ENERGY

The weakness on the petroleum side of the energy market caused reversal in trends and exits to the remaining markets. The sector is now without exposure.

METALS

The strategy is now long Precious Metals and flat Base metals. While both Gold and Silver had a strong end to the month continuing the recent momentum, Copper softened. We have exited Copper which, with the exception of the rally from November to December 2016, is the long term pervasive weighting since 2011.

AGRICULTURE

Ag positions were held with only Cotton and Corn a long weight. While Corn gained, Cotton was an offset for a sector wash.

Chart 2 INDEX RETURN ATTRIBUTION

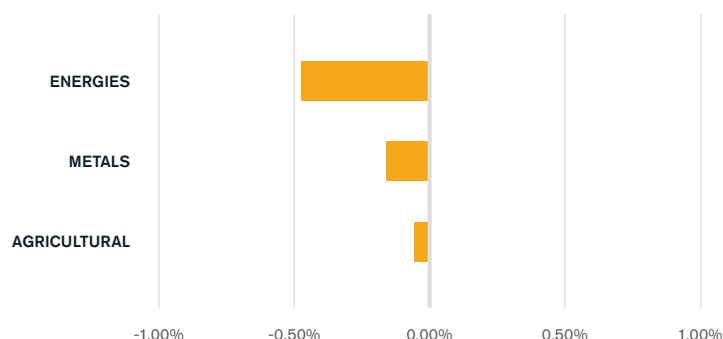
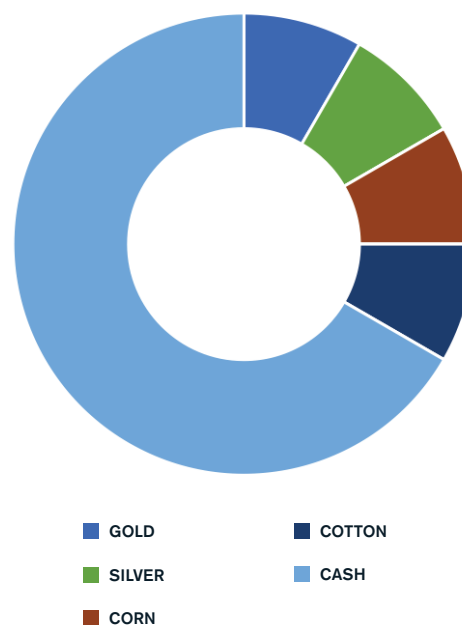


Chart 3 COMPONENT EXPOSURE: LONG / CASH



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.

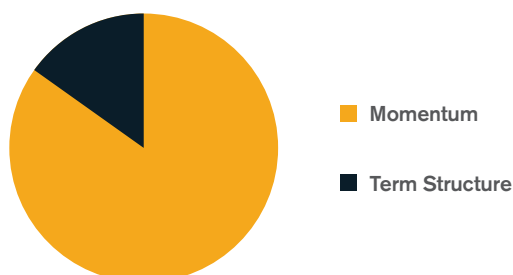
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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

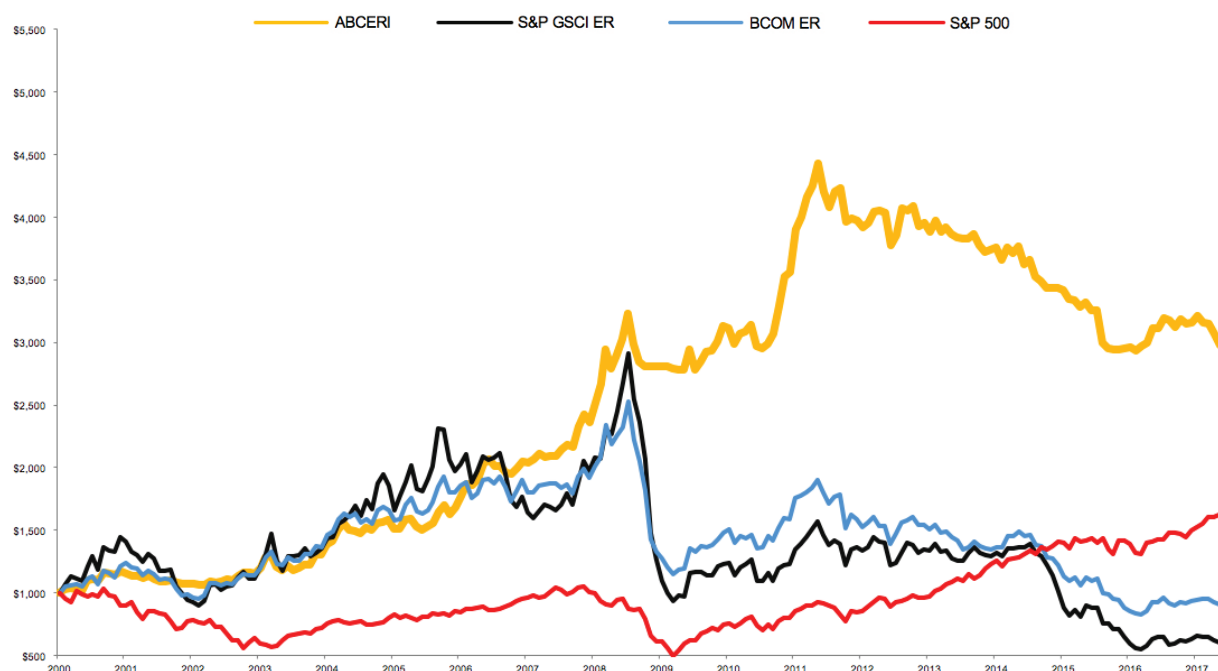
Licensing and/or sub-advisory of the strategy
Bespoke product design
ETFs: through partner firms
40 Act Mutual Funds: US investors through partner firms
Separately Managed Accounts

AUSPICE BROAD COMMODITY INDEX

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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%								-7.82%
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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