AUSPICE

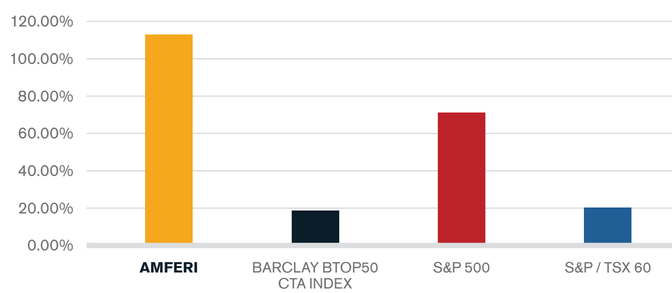
MANAGED FUTURES INDEX

COMMENTARY + STRATEGY FACTS

JUNE 2017

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



Correlation	0.70	-0.24	-0.19

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CTA Intelligence — Winner - 2016 & 2017 Best Investable CTA Index

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The strategy was again named the Best Investable CTA Index by CTA Intelligence Magazine at the US Awards event in New York on February 16th.

SUMMARY

The US Federal Reserve raised rates in June, the fourth in this cycle. Since the first (December 2015), 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. However, the commodity tilted Canadian TSX/S&P60 continued to soften 1.51% to be negative on the year, while weakness was also experienced on Nasdaq and in Europe.

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.

Commodities struggled for much of June 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 Grains and Energies 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%. This sector is picking up volatility and remains one to watch for opportunity and risk management.

The CTA sector struggled in June with the AMFERI falling 3.43% alongside the Barclay BTOP50 CTA benchmark which fell an estimated 2.51% (per Table 1) while the SG CTA Index fell 3.47%.

While the performance is similar on 1 year basis to the benchmark, the real value is illustrated longer term versus peer benchmarks and the equity market. On a 3 year basis the AMFERI is up two of three years ahead of the benchmark despite the challenging CTA environment. On a 10 year basis this performance significantly outstrips both the CTA and equity benchmarks on both an absolute and risk-adjusted basis.

Chart 1 HISTORICAL GROWTH SINCE 2007

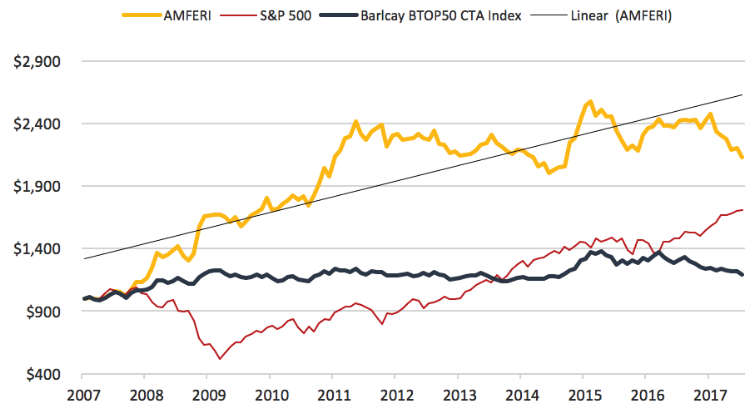

Table 1 ABSOLUTE PERFORMANCE

	AMFERI	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	**-3.43%**	-2.51%	0.48%	-1.51%
2017 YTD	**-13.95%**	-4.69%	8.24%	-0.82%
1 yr (July 16)	**-12.09%**	-9.34%	15.46%	9.17%
3 yr (July 14)	**4.94%**	0.84%	23.63%	3.07%
10 yr (July 07)	**100.46%**	13.07%	61.20%	11.62%
Annualized (Jan 07)				
Return	**7.47%**	1.65%	5.23%	1.77%
Std Deviation	**11.89%**	6.44%	14.96%	13.09%
Sharpe Ratio	**0.72%**	0.29	0.46	0.24
MAR Ratio	**0.43%**	0.12	0.10	0.04
Worst Drawdown	**-17.24%**	-14.00%	-52.56%	-44.27%

OUTLOOK

After a strong 2016 for the AMFERI strategy (+4.9%), leading industry benchmarks by a wide margin of over 9% (BTOP 50: -4.4%), this has been a tough first half of the year for both. This further confirms what we have long advocated that investors should not put all CTAs in the same bucket. For AMFERI, times of outperformance have been at the "right" times, not only in periods of crisis (2008) but also in recovery (2010) and expanding volatility (2014) – see Chart 1. But like anything, there are trade-offs.

Low volatility and reversing commodity trends has hurt the strategy this year more than peers given the commodity tilting to the portfolio. Moreover, its strategic lack of equity exposure has caused a drag. Equity has been one the best performers in 2017, and we are not in it. Why?

We believe that most investors have a significant equity tilting to their portfolios whether direct or indirect through typical high beta alternatives such as real estate, private equity and infrastructure. This is the case for most retail and institutional investors. Additionally and importantly, we are positioned to perform well when the market does correct – reversing long equity trends will not be a drag on the portfolio and the non-correlated returns will be of most critical value.

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ATTRIBUTIONS AND TRADES

While financial assets were again unchanged in the portfolio, there were a couple of changes in trends for commodities.

Performance was positive in 1 of the 5 index sectors with commodities both performing and pulling the performance down (see Chart 2). Energies provided had a solid gain while Metals and Ags struggled. Within Financials, Rates and Currencies were off slightly.

For the month, the top performing positions in the portfolio were all gains from short positions: both the energy complex and Sugar added value.

The worst performing components were the remaining long exposures in Precious Metals and a sharp late month spike in Grains against short positions.

The portfolio continued to add to the short commodity exposures now 10 of 12 commodity components (or 83%) and includes all 3 sectors – Energy, Metals, and Ags (see Chart 3).

All financial market positions were held.

SECTOR HIGHLIGHTS

ENERGY

Weakness across the energy sector in both petroleum and natural gas markets provided a gain despite a late month rally. This trend has been gathering strength since early in the year and also gaining volatility – reversals with the trend are commonplace making for a bumpy ride.

METALS

The strategy remains long Precious Metals and short Base metals and both were challenged this month. Gold and Silver weakened while Copper rallied. Positions held.

AGRICULTURE

After Ags were the largest contributor to gains in May, they were the most harmful in June. Softs gained from weakness in Cotton caused a shift to short exposure prior to significant deterioration alongside riding the weakening Sugar market lower. However, this was not enough to offset the Grains which softened early. This initial weakness had the strategy shift Corn to short which was ill-timed. A series of reports on drought concerns rallied the market sharply eroding earlier weakness. The strategy remains short the sub-sector but has reduced exposure to a degree.

INTEREST RATES

The portfolio remains long across the curve for a small loss post FED hike June 14th.

Chart 2 INDEX RETURN ATTRIBUTION

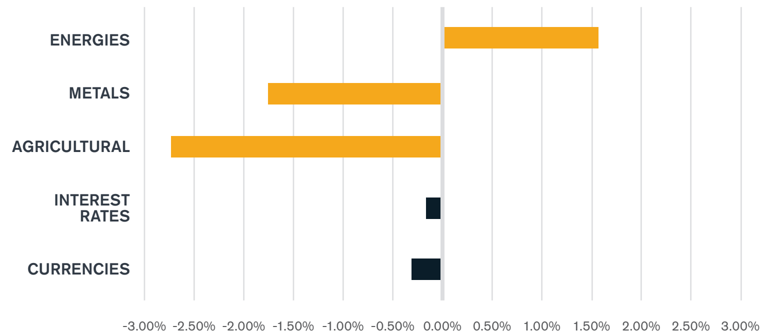
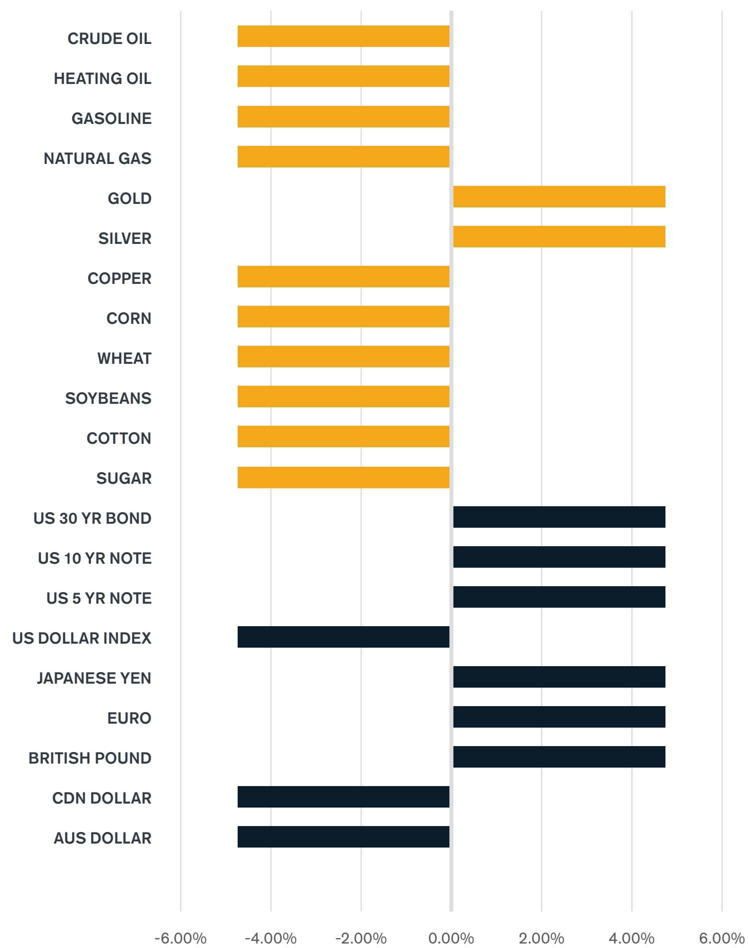


Chart 3 COMPONENT EXPOSURE: SHORT/LONG



CURRENCIES

Unchanged: short the US Dollar Index along with long positions the British Pound, Euro and Yen. Remain short the commodity currencies of Aussie and Canadian dollars. Curiously, while commodities were hit, these currencies have strengthened and are close to position shifts.

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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.

THE MAIN POINTS OF DIFFERENTIATION INCLUDE:

Auspice has addressed typical concerns with the valuable Managed Futures/CTA sector:

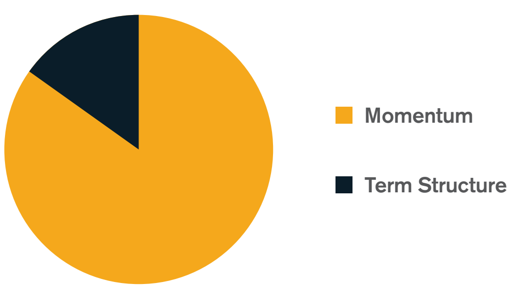
STRATEGY DESCRIPTION

The Auspice Managed Futures Index aims to capture upward and downward trends in the commodity and financial markets while carefully managing risk.

The strategy focuses on Momentum and Term Structure strategies and uses a quantitative methodology to track either long or short positions in a diversified portfolio of 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 in total return (collateralized) and excess (non-collateralized) return versions.

CHALLENGE	SOLUTION
Transparency	Rules-based index published approach that is completely transparent
Liquidity	Daily available (40 act Mutual Funds, ETFs)
High Fees	Low cost, management fee-only provider. No underlying or hidden fees typically associated with sub-advisory
Ability to perform in bear market	Outperformance in critical times
All Managed Futures the same	Compliments many single or multi-manager Managed Futures strategies
Financial markets concentration resulting in high correlation to equities	More balance of commodities and financials with no stock indicies exposure results in lower correlation to equity and peers
Lack of long term track record	Proven long term track record is published by NYSE
Brand recognition	Strategy used by public pensions, institutional investors and retail distributors in US and Canada

RETURN DRIVERS



OTHER DETAILS

Calculated and published by NYSE since 2010.
Tickers: Bloomberg AMFERI, Reuters AMFERI

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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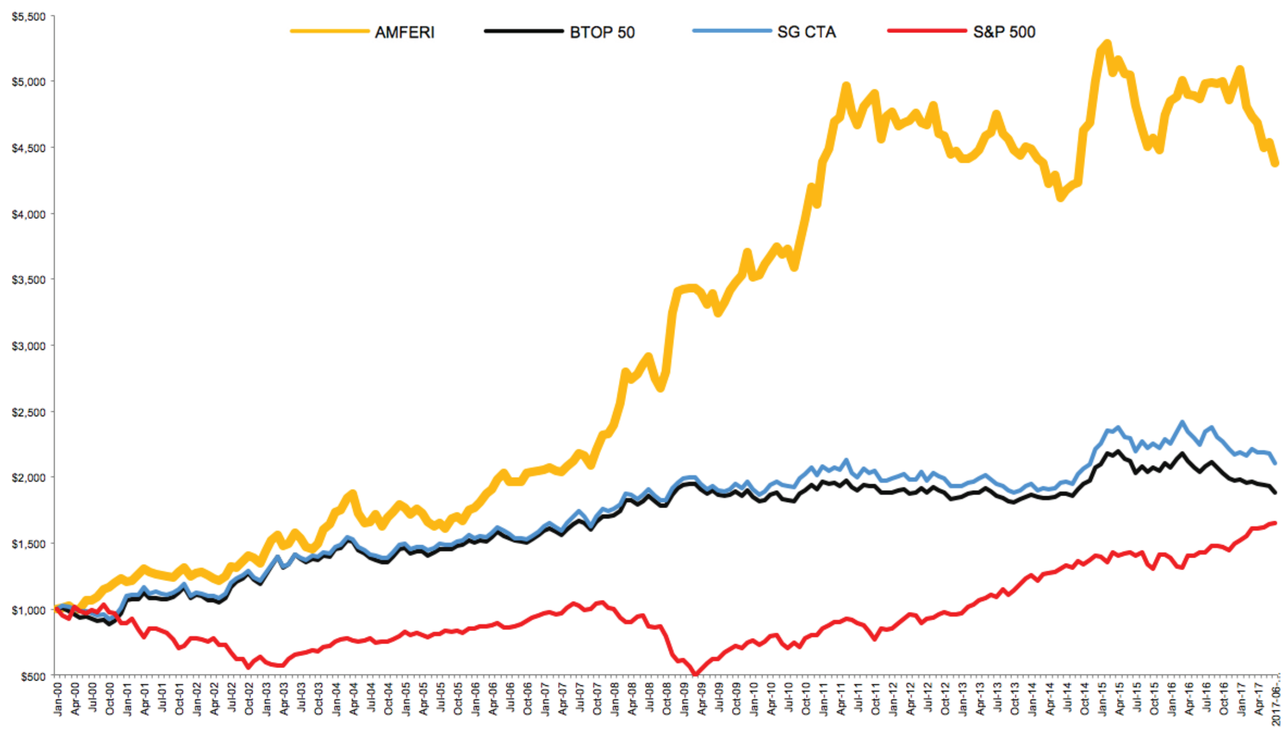
JUNE 2017

COMPARATIVE MANAGED FUTURES INDEX PERFORMANCE



MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2017	-5.56%	-1.48%	-1.05%	-4.02%	0.84%	-3.43%							**-13.95%**
2016	0.57%	2.67%	-2.25%	-0.07%	-0.51%	2.29%	0.26%	-0.25%	0.31%	-2.70%	2.44%	2.17%	**4.87%**
2015	1.11%	-4.22%	1.89%	-2.14%	-0.04%	-4.59%	-3.79%	-2.78%	1.40%	-1.92%	5.85%	2.26%	**-7.26%**
2014	-1.67%	-0.86%	-3.50%	1.47%	-3.79%	1.38%	0.96%	0.38%	9.45%	1.26%	6.70%	4.64%	**16.55%**
2013	0.08%	0.55%	1.01%	2.27%	0.55%	3.09%	-3.05%	-0.96%	-1.87%	-0.86%	1.47%	-0.31%	**1.82%**
2012	-2.20%	0.46%	0.40%	1.21%	-1.48%	-0.41%	3.11%	-4.44%	-0.22%	-3.16%	0.60%	-1.38%	**-7.45%**
2011	2.23%	4.62%	0.54%	5.20%	-4.05%	-2.00%	2.91%	0.98%	1.08%	-7.07%	3.85%	0.60%	**8.48%**
2010	0.31%	2.47%	1.50%	2.09%	-1.55%	1.14%	-3.74%	4.92%	4.81%	6.42%	-3.14%	7.91%	**24.87%**
2009	0.41%	-0.14%	-1.02%	-2.52%	2.51%	-4.43%	2.46%	2.86%	1.70%	1.52%	4.97%	-5.03%	**2.80%**
2008	6.80%	9.39%	-2.14%	1.42%	2.58%	2.12%	-5.75%	-2.49%	4.42%	16.05%	4.92%	0.50%	**42.65%**
2007	0.75%	-1.02%	-0.45%	1.90%	2.05%	2.94%	-0.82%	-3.48%	5.56%	5.18%	0.12%	3.19%	**16.68%**
2006	2.34%	3.43%	2.02%	3.61%	2.71%	-3.20%	-0.30%	0.09%	3.24%	0.62%	0.25%	0.41%	**16.06%**
2005	-2.46%	2.45%	-1.94%	-3.87%	-2.36%	1.70%	-2.48%	4.80%	1.03%	-2.03%	5.04%	0.90%	**0.35%**
2004	0.76%	5.16%	1.70%	-7.67%	-4.21%	0.12%	3.53%	-5.24%	4.32%	2.20%	3.33%	-1.56%	**1.52%**
2003	5.61%	2.95%	-5.34%	0.93%	5.66%	-2.64%	-4.26%	-0.92%	2.93%	7.09%	2.28%	5.80%	**20.92%**
2002	0.65%	-1.93%	-1.81%	-1.12%	2.66%	5.99%	-0.72%	3.94%	2.96%	-1.54%	-2.51%	6.40%	**13.15%**
2001	0.50%	3.90%	3.87%	-2.30%	-1.13%	-0.53%	-0.65%	-1.01%	3.72%	2.35%	-5.23%	2.00%	**5.18%**
2000	1.43%	1.78%	-3.61%	1.19%	6.54%	0.03%	2.32%	4.74%	1.85%	3.01%	2.27%	-1.81%	**21.17%**

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

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COMPARABLE INDICES

*Returns for **Auspice Managed Futures Excess Return Index (AMFERI)** 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 Managed Futures Index prior to 11/17/2010 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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