



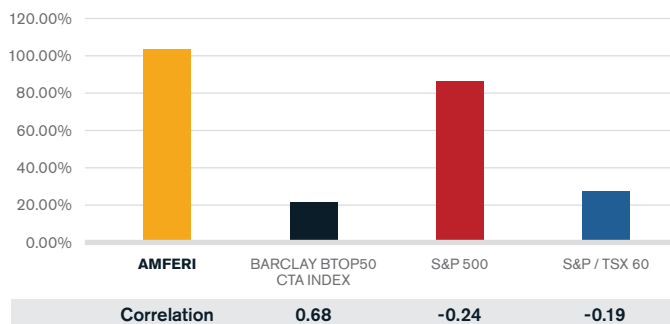
MANAGED FUTURES INDEX

COMMENTARY +
STRATEGY FACTS

NOVEMBER 2017



CUMULATIVE PERFORMANCE (SINCE JANUARY 2007*)



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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

November was another strong month for global stock markets, the S&P and Nasdaq gained 2.81% and 2.17% respectively, while the MSCI World added 1.99% for reference. However, gains on the resource tilted Canadian TSX/S&P60 were curiously muted, up 0.51%, along with its currency and that of other “commodity” currencies. It bears mention that Bitcoin and other cryptocurrencies have exploded higher and captivated public interest, specifically with futures coming in December. More on this on the Auspice blog.

Interest Rate futures again weakened despite spending much of November consolidating after ending last month on a weak tone. This came as US FED chair Yellen commented that the economy continues to gain strength and thus the FED is on track to raise rates. The US Dollar reversed its recent course and fell during the month which is in the direction of the long-term trend established throughout 2017. This allowed for a currency rebound in many markets.

Some commodity benchmarks gained with another strong month in the energy complex. WTI oil pushed over \$59. The energy tilted GSCI gained 1.28% while the more diverse Bloomberg Commodity Index fell 0.56%.

The AMFERI gained 0.20% slightly outperforming CTA benchmarks: the Barclay BTOP50 CTA benchmark was off an estimated -0.27% (per Table 1).

OUTLOOK

We are becoming more and more excited for opportunities going forward for many reasons. While equity markets continue to lead the upside and asset gains, the valuation of other assets and their respective volatilities remain low. Commodities are the sector we think has an enormous potential for trend and volatility for the next few years. This isn't to say that financial sectors

Chart 1 HISTORICAL GROWTH SINCE 2007

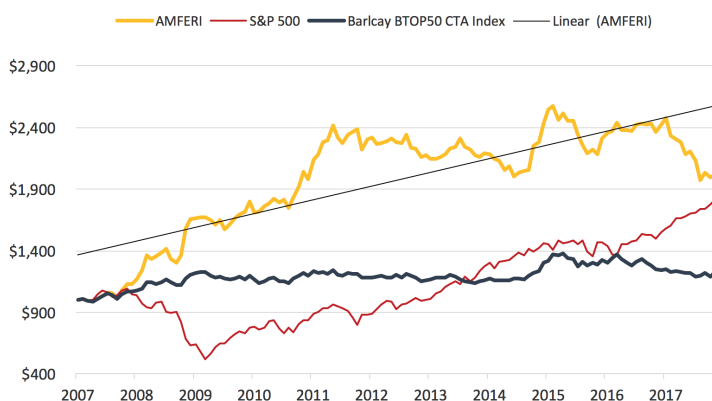


Table 1 ABSOLUTE PERFORMANCE

	AMFERI	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	0.20%	-0.27%	2.81%	0.51%
2017 YTD	-18.20%	-1.67%	18.26%	5.78%
1 yr (Dec 16)	-16.42%	-1.26%	20.41%	7.18%
3 yr (Dec 14)	-16.76%	-5.90%	28.05%	10.31%
5 yr (Dec 12)	-6.90%	5.83%	86.95%	35.51%
10 yr (Dec 07)	79.07%	14.74%	78.75%	19.23%
Annualized (Jan 07)				
Return	6.68%	1.88%	5.88%	2.30%
Std Deviation	11.96%	6.43%	14.70%	12.89%
Sharpe Ratio	0.66	0.32	0.52	0.28
MAR Ratio	0.29	0.13	0.11	0.05
Worst Drawdown	-23.32%	-14.10%	-52.56%	-44.27%

(interest rates, currencies and equities) don't have potential. However, we see the commodity sector as the best opportunity and thus remain committed to the commodity tilting the AMFERI strategy has. As such, we view the current environment a statistically good entry point given the long history of performance versus peer benchmarks and the equity market (see Chart 1).

ATTRIBUTIONS AND TRADES

There was but a single change in the portfolio during November which is encouraging given the positive performance in October.

Performance was positive in 4 of the 5 index sectors with Energies again leading the attribution complimented by Rates and Currencies. Gains were made both from the long and short sides in both financial and commodity sectors.

For the month, the top performing positions were long WTI Crude Oil and short Silver in commodities. Financials gained from short Rates and long currencies vis-à-vis the greenback.

The losing positions were led by short Soft Commodities which both rallied against the long term trend.

The portfolio maintained its short commodity exposures to 7 of 12 commodity components (or 58%) and includes all 3 sectors – Energy, Metals, and Ags (see Chart 3). Within financial exposures, the only change was shifting to short the Aussie dollar.

SECTOR HIGHLIGHTS

ENERGY

The energy sector had another solid month with the long petroleum exposures moving up. Natural Gas was a wash trading up and down sharply.

METALS

While Gold moved slightly higher, the sector win was short Silver. This was offset by a loss from Copper which fell for small sector gain.

AGRICULTURE

Ags were the worst and only negatively performing sector. While we remain short Grains which were slightly profitable, the correction in Soft commodities higher for Cotton and Sugar dragged the sector down. Positions held.

INTEREST RATES

The shift to short Rates last month was profitable across the curve.

CURRENCIES

While shorts in Aussie and Yen were not profitable, long positions in the British Pound and Euro pulled the sector up to profit.

Chart 2 INDEX RETURN ATTRIBUTION

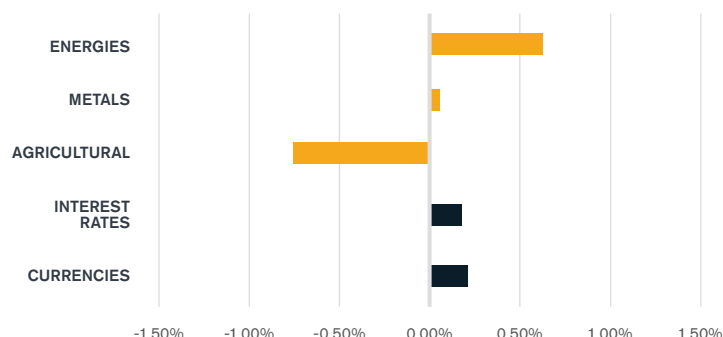
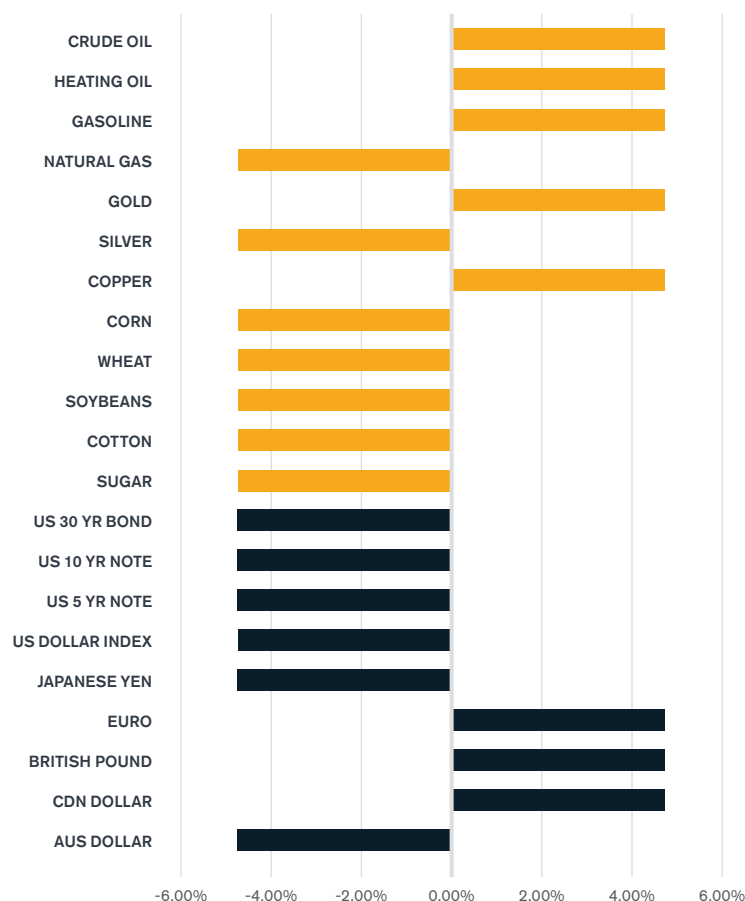


Chart 3 COMPONENT EXPOSURE: SHORT/LONG



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:

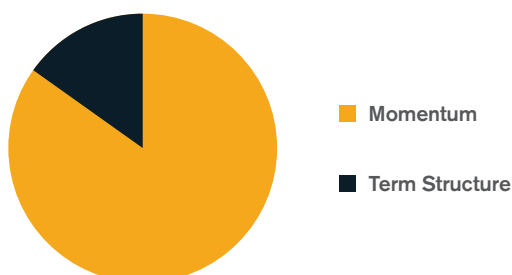
STRATEGY DESCRIPTION

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 indices 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

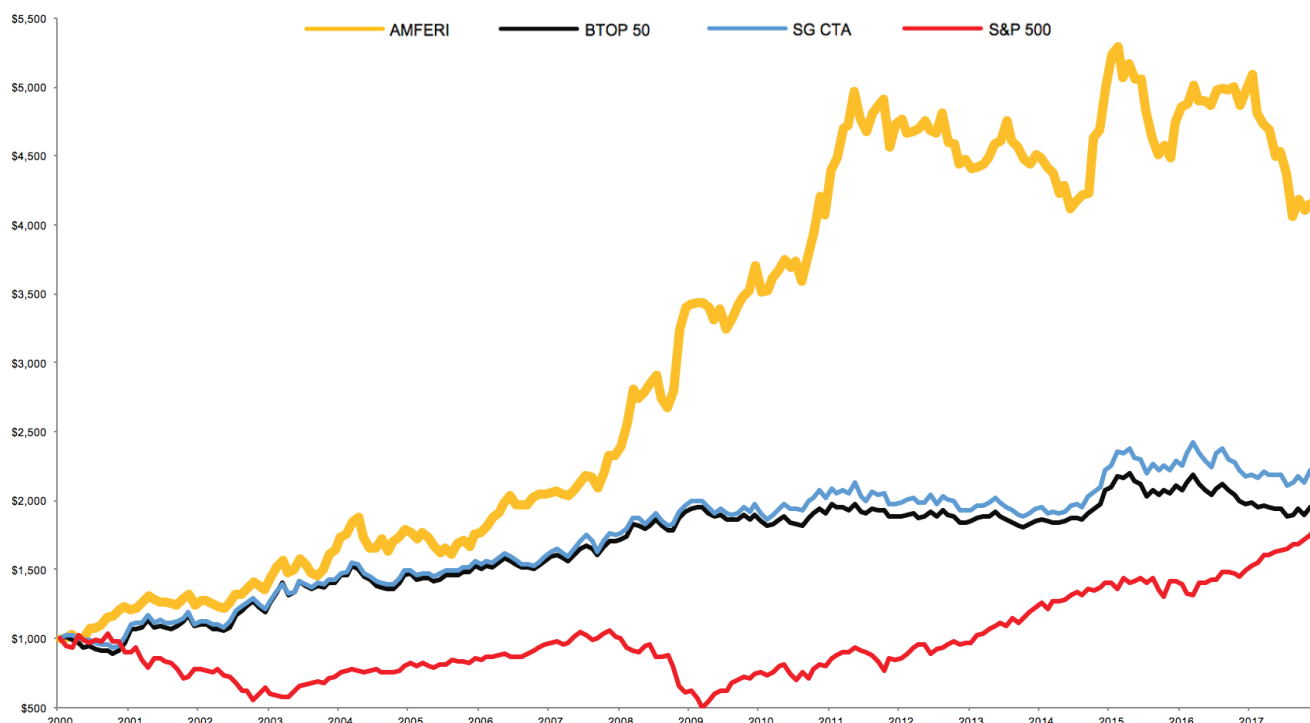
Licensing and/or sub-advisory of the strategy
Bespoke product design
ETFs: through partner firms
40 Act Mutual Funds: US investors through partner firms
Separately Managed Accounts

AUSPICE MANAGED FUTURES INDEX

COMMENTARY + STRATEGY FACTS

NOVEMBER 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%	-7.36%	3.08%	-1.95%	1.32%	0.20%		-18.20%
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



IMPORTANT DISCLAIMERS AND NOTES

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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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