AUSPICE

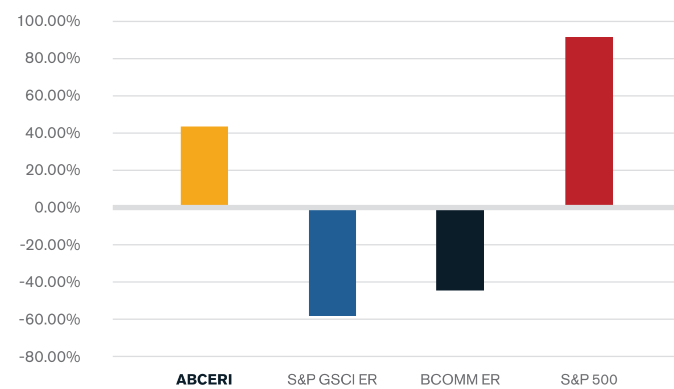
BROAD COMMODITY INDEX

COMMENTARY + STRATEGY FACTS

FEBRUARY 2018

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



Correlation	0.63	0.75	0.22

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MORNINGSTAR® ★★★★★

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

SUMMARY

Commodity benchmarks were weak in February in what seemed to be a "risk-off" reaction to the early month global equity correction. The energy tilted GSCI fell 3.2% while the more diverse Bloomberg Commodity Index fell 1.9%. While Energies and Metals led this weakness, pockets of commodity strength were still found as Ags have found significant renewed strength in line with the general sector trend since mid-2017.

The big story is hard to deny: After months of record equity gains and no corrections in years, the markets finally experienced a pull back and volatility. From its peak in late January, the S&P fell 12% and then spent the rest of the month grinding back up before ending on weak tone. The S&P ended off 3.9%. The resource tilted Canadian TSX/S&P60 added to January weakness losing 3.2%. Per comments last month, perhaps the resource heavy TSX/S&P60 was indeed the canary in the coalmine.

Interest Rate futures rallied briefly in early month equity volatility only to resume their recent declines. New US Fed chair Powell has indicated as many as four rate increases in 2018. Despite the market weakness and rate concerns, the US Dollar managed to find a base and rally for the month vis-à-vis global currencies.

Auspice Broad Commodity lost 1.63% outperforming the benchmark long commodity index performance for the month. On a longer term basis, the tactical value is illustrated and performance outstrips benchmarks with positive returns along with lower volatility and drawdowns. See Table 1.

OUTLOOK

We mentioned last month that there has been a shift in asset allocation discussions as investors realize how undervalued commodities are on a historic basis coupled with the real threat of inflation. Central bankers have continued to voice concerns and take action.

On the back of these discussions, we have experienced decent flows into our commodity related products during the month.

Moreover, our tactical strategy continues to shift to additional long exposure, this month adding two new components to tilt over 50% long. We believe these trend driven investments align well with current supply and demand numbers that may be favorable for a move higher in commodities in general along with increased volatility.

We encourage you to download and read our recently published paper - **Commodities: When is the right time? Benefits and Timing the Cycle.** Available in the Resources/Research section of the website.

Chart 1 HISTORICAL GROWTH SINCE 2007

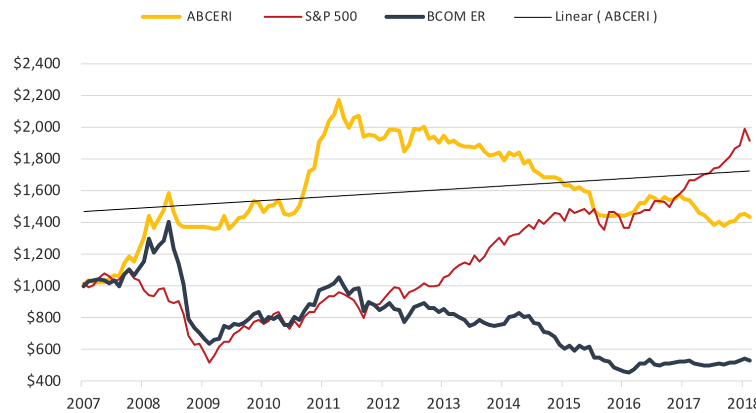
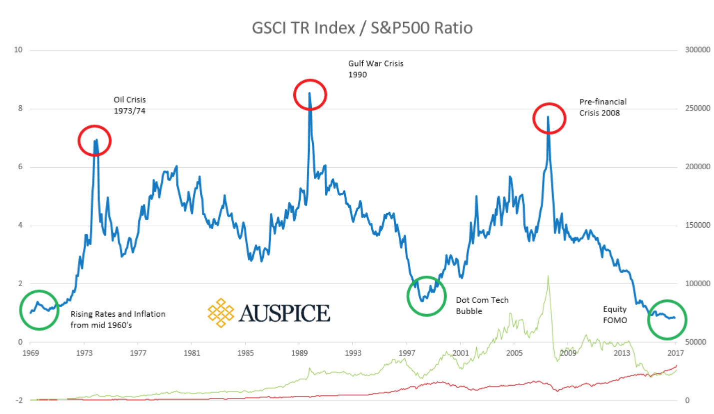


Table 1 ABSOLUTE PERFORMANCE

	ABCERI	S&P GSCI ER	BCOM ER	S&P 500
1 Month	**-1.63%**	-3.17%	-1.85%	-3.89%
2018 YTD	**-1.06%**	-0.29%	-0.03%	1.50%
1 yr (Mar 17)	**-7.02%**	5.82%	0.46%	14.82%
3 yr (Mar 15)	**-12.39%**	-20.98%	-14.79%	28.95%
5 yr (Mar 13)	**-24.69%**	-48.97%	-35.46%	79.17%
10 yr (Mar 08)	**-0.69%**	-70.19%	-59.10%	103.95%
Annualized (Jan 07)				
Return	**3.26%**	-7.50%	-5.54%	5.98%
Std Deviation	**10.76%**	22.54%	17.06%	14.68%
Sharpe Ratio	**0.37**	-0.20	-0.23	0.52
MAR Ratio	**0.09**	-0.09	-0.08	0.11
Worst Drawdown	**-36.44%**	-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

All Grains positions were shifted to long with Wheat added in the first day of March.

As of month end, the portfolio is long 7 of 12 commodity components (or 58%) and includes all 3 sectors, Metals, Ags and Energies (see Chart 3).

Performance was positive in only the Ag sub-sector of the index (see Chart 2). Energies struggled the most where the index remains long all petroleum markets.

The top performing components were Cotton and newly added Corn and Soybeans.

SECTOR HIGHLIGHTS

ENERGY

The energy sector led the negative attribution on the back of long petroleum exposures. Natural Gas remains without an exposure.

METALS

Precious metals led the sector weakness while we remain without an exposure. Copper weakened for a sector loss.

AGRICULTURE

Ags performed well as the portfolio shifted to long Grains complimented by a strong rally in Cotton, an outlier across most asset classes in February.

Chart 2 INDEX RETURN ATTRIBUTION

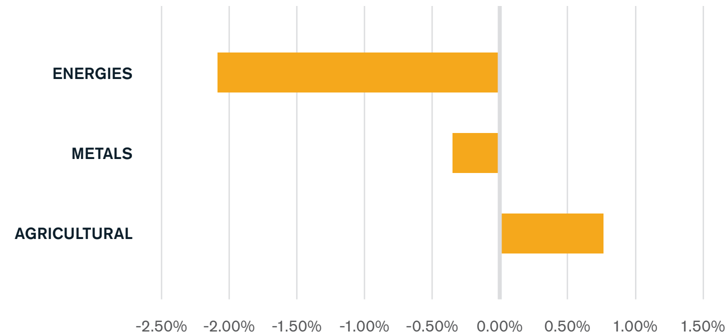
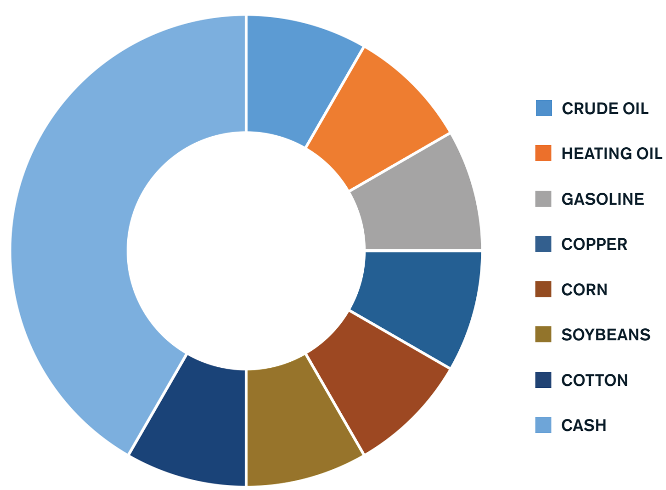


Chart 3 COMPONENT EXPOSURE: LONG / CASH



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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.

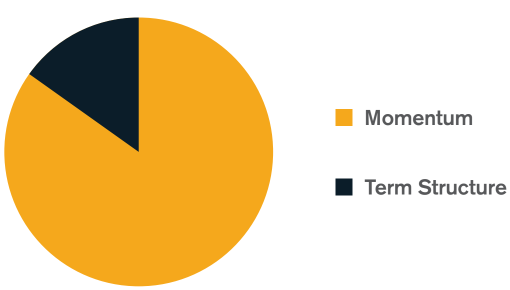
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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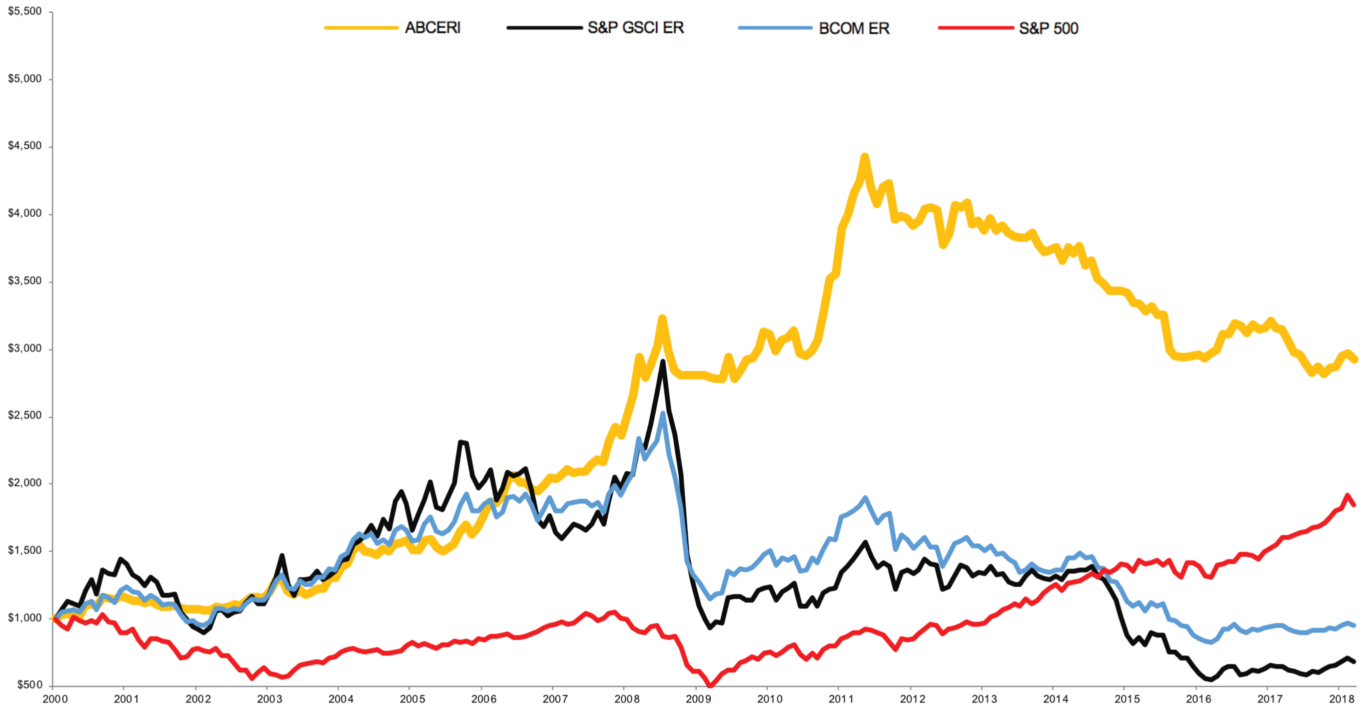
COMPARATIVE BROAD COMMODITY INDEX PERFORMANCE



MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2018	0.58%	-1.63%											**-1.06%**
2017	-1.59%	-0.44%	-2.38%	-3.08%	-0.56%	-2.35%	-2.06%	1.31%	-1.82%	1.74%	0.43%	2.78%	**-7.92%**
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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