AUSPICE

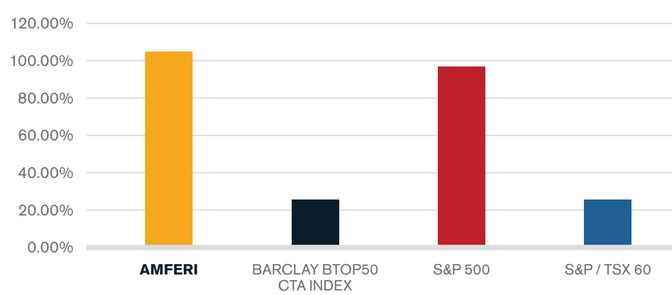
MANAGED FUTURES INDEX

COMMENTARY + STRATEGY FACTS

JANUARY 2018

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



Correlation	0.67	-0.24	-0.19

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CTA Intelligence

Winner - 2016 & 2017
Best Investable CTA Index

COMMENTARY + STRATEGY FACTS

JANUARY 2018

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, 2017.

SUMMARY

Markets generally have had a strong start to the year.

To follow the massive 2017 year, most global equities rallied sharply, setting new records until correcting modestly at month end. The S&P and Nasdaq gained 5.62% and 7.36% respectively, while the MSCI World added 5.22% for reference. Big numbers. However, the resource tilted Canadian TSX/S&P60 went the other way losing 1.59%. Is the TSX the canary in the coalmine? While global markets ended the month correcting, it is likely too early to say much more other than to remain agile and aware.

Interest Rate futures continued their recent decline only slowing down at month end as Janet Yellen's final appearance as Fed chair held rates steady yet signaled the likelihood of additional raises this year. The US Dollar followed a similar path weakening vis-à-vis global currencies until month-end.

Commodity benchmarks also gained in January led by another strong month in the energy complex with WTI crude oil leading the way to as high as $66. As such, the energy tilted GSCI gained 3.28% while the more diverse Bloomberg Commodity Index added 1.85%. This sector also pulled back in the final few days of the month from higher levels.

The AMFERI gained 0.43% while the Barclay BTOP50 CTA benchmark gained an estimated 3.06% (per Table 1). While underperforming most recently, the strategy illustrates long term outperformance at critical times (See Chart 1).

Chart 1 **HISTORICAL GROWTH SINCE 2007**

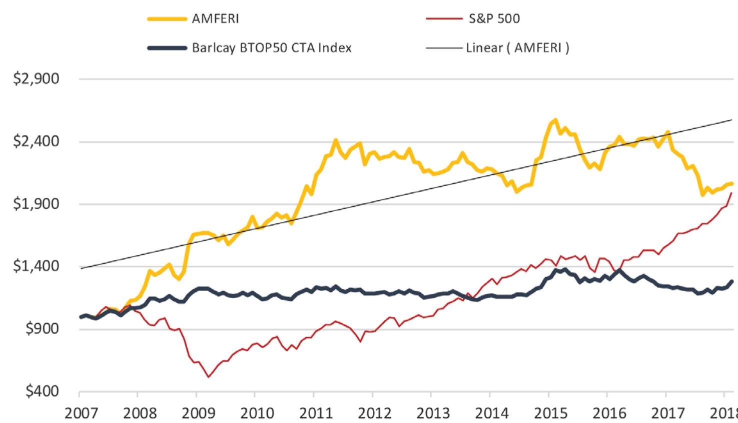

Table 1 **ABSOLUTE PERFORMANCE**

	AMFERI	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	**0.43%**	3.06%	5.62%	-1.59%
2018 YTD	**0.43%**	3.06%	5.62%	-1.59%
1 yr (Feb 17)	**-11.67%**	3.96%	23.91%	3.87%
3 yr (Feb 15)	**-19.77%**	-6.74%	41.55%	10.16%
5 yr (Feb 13)	**-3.81%**	8.27%	88.49%	29.77%
10 yr (Feb 08)	**65.70%**	16.62%	104.84%	22.24%
Annualized (Jan 07)				
Return	**6.76%**	2.23%	6.41%	2.19%
Std Deviation	**11.88%**	6.45%	14.67%	12.81%
Sharpe Ratio	**0.67**	0.38	0.55	0.28
MAR Ratio	**0.29**	0.16	0.12	0.05
Worst Drawdown	**-23.32%**	-14.08%	-52.56%	-44.27%

OUTLOOK

While 2017 was a frustrating year for CTAs up until Q4, the momentum that appeared late has extended into 2018 and we see a number of reasons to be optimistic.

While the equity market trend is undeniable, we are indeed seeing trends outside of this seemingly unstoppable sector. We are now seeing momentum build in commodities, interest rates and currencies and expect this shift in opportunity to continue regardless of equity direction.

Given the AMFERI strategy does not have equity exposure it has been handicapped by this and a higher tilt to commodities versus CTA peers and benchmarks. However, these are the same attributes that caused outperformance in history.

There is also no doubt that there is a shift in asset allocation discussions as investors realize how undervalued commodities are on a historic basis coupled with the real threat of inflation. Moreover, the reality is interest rates are rising.

For more about this specific topic, Auspice published a paper in late December - **Commodities: When is the right time? Benefits and Timing the Cycle.** Available in the Resources/Research section of the website.

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ATTRIBUTIONS AND TRADES

The strategy performed very well before correcting at month end (a reminder that fitting returns into monthly boxes often doesn't work well). While one may think this could be attributed to long equity exposure (we do not have), the reality is that many trends, both financial (outside of equity) and commodity, corrected at month end. Long exposures in Energy along with short exposures in Softs and Grains had this experience as did currencies versus the US dollar.

The portfolio has remained very stable the last couple months as trends develop and only made one change in January.

Performance was positive in 3 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 the commodity sectors.

For the month, the top performing commodity positions were long WTI Crude Oil and short Sugar. In financials, short Rates and long currencies did well.

Losing positions were led by Gold which rallied while Copper corrected lower. Grains also rallied where we remain short. The portfolio maintained its slight short tilt to commodity exposures in 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 long the Aussie dollar.

Chart 2 **INDEX RETURN ATTRIBUTION**

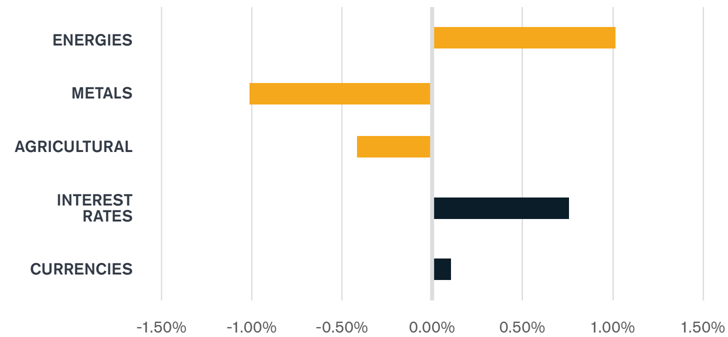
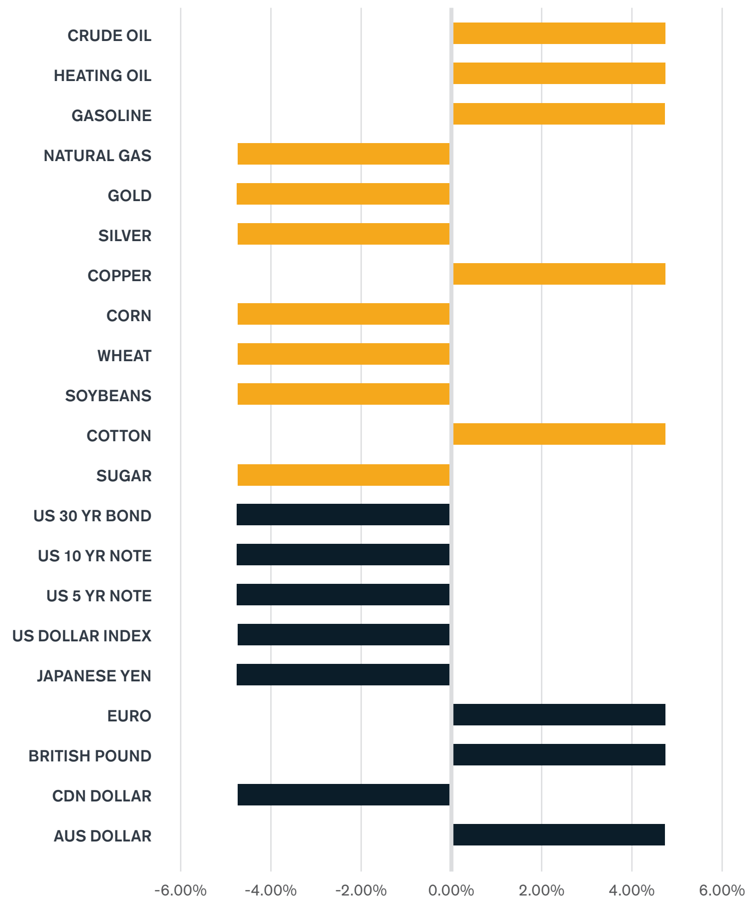


Chart 3 **COMPONENT EXPOSURE: SHORT/LONG**



SECTOR HIGHLIGHTS

ENERGY

The energy sector had a strong start to the year with natural gas joining the momentum. While gas remains short, it will be one to keep an eye on as trend followers start to participate.

METALS

Precious metals rallied much of the month against existing shorts while Copper weakened for a sector loss. Positions held at this time.

AGRICULTURE

Ags struggled as Grains rallied while the weakness in Sugar was not enough of an offset. Cotton remains long although corrected lower on the month. Sugar short was the top performer in the portfolio.

INTEREST RATES

Interest Rate futures provided a strong sector gain as the sector continued to soften. Short across the curve.

CURRENCIES

Currencies had a small positive attribution on the back of a weakening US Dollar and long exposure in the British Pound and Euro. The commodity currencies of the Aussie and Canadian dollars gained strength and we shifted to long Aussie dollar.

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JANUARY 2018

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:

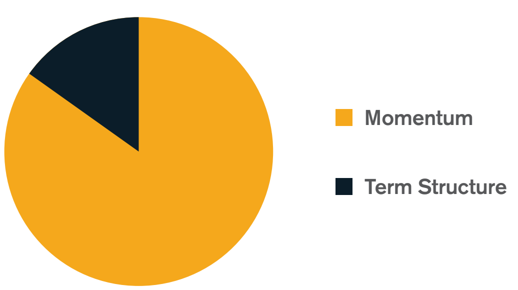
STRATEGY DESCRIPTION

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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AUSPICE **MANAGED FUTURES INDEX**

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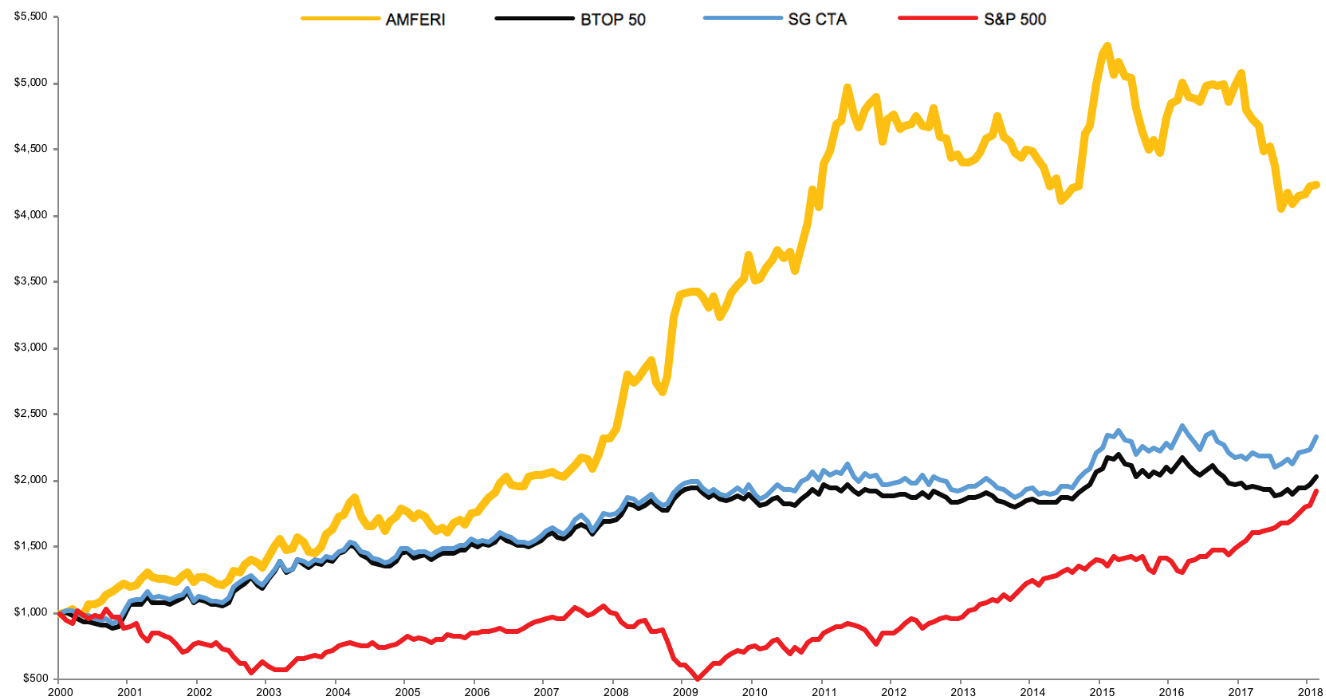
COMPARATIVE MANAGED FUTURES INDEX PERFORMANCE



MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2018	0.43%												**0.43%**
2017	-5.56%	-1.48%	-1.05%	-4.02%	0.84%	-3.43%	-7.36%	3.08%	-1.95%	1.32%	0.20%	1.54%	**-16.94%**
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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