



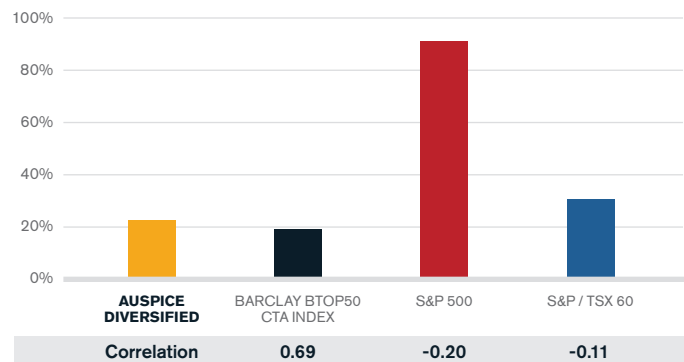
DIVERSIFIED PROGRAM

COMMENTARY +
PORTFOLIO FACTS

JUNE 2018



CUMULATIVE PERFORMANCE (SINCE JANUARY 2007*)



*Cumulative performance from January 2007. This represents the first full year of the fund and is most representative of the current strategy and portfolio.

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Silver Medal
Best Opportunistic Hedge Fund - 2010

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SUMMARY

Another month with the Auspice Diversified Program going in a different direction from the herd but this time softening approximately 1.48% with the benchmark Barclay BTOP50 and SG CTA indices making small gains of an estimated 0.59% and 0.44% respectively. Performance remains similar to benchmarks for the year yet is complimented by long-term outperformance per Table 1 while Chart 1 and illustrates the history of stronger gains at critical times of CTA performance.

North American equities were stronger and led global benchmarks to small gains: the S&P and Nasdaq gained 0.48% and 0.92% respectively. Globally, markets were softer with the MSCI World falling 0.17% for reference while the resource tilted Canadian TSX/S&P60 added 1.56% yet lags for the year.

The US Fed got back on the tightening track raising rates and signaled further rate increases in 2018 with a bullish assessment for the US economy based on accelerating growth and job creation. Rates were largely unchanged while most currencies softened vis-a-vis the US Dollar which continues to rally.

Commodity markets also went in different directions with benchmarks both up and down for the month. While the energy tilted GSCI gained 1.20% on the back of Crude Oil strength, the more diverse Bloomberg Commodity Index lost 3.64% on the month. Outside of energy, many commodity sub-sectors corrected after benchmarks generally trended higher for the last year.

OUTLOOK

We are excited as the the market appears to be at an interesting point. With the exception of the Nasdaq, equities are modestly higher at best for the year, with some global markets showing significant signs of stress. Europe is lagging as is Japan while Hong Kong's Hang Seng is off 5% for the year.

At the same time energy is making multi-year highs and commodities have been trending higher (with the exception of June – arguably either a constructive correction or a tariff driven outlier given demand does not just disappear). Consider also that this is a time when commodity versus equity valuation is at a cyclic low (as noted at right).

Don't forget interest rates are rising, specifically in the US, arguably the strongest global economy where the stock market has also been strongest.

Chart 1 HISTORICAL GROWTH OF \$1000 INVESTMENT

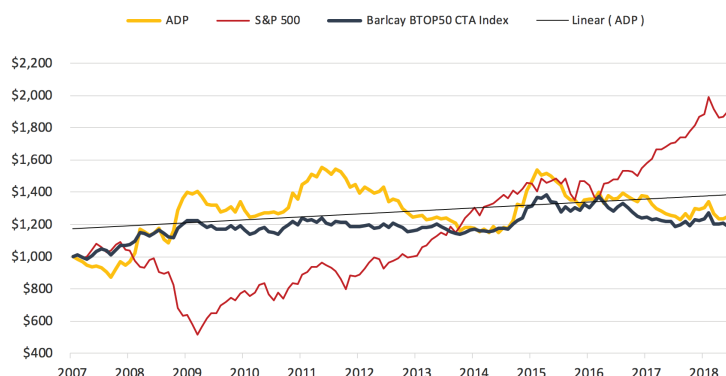
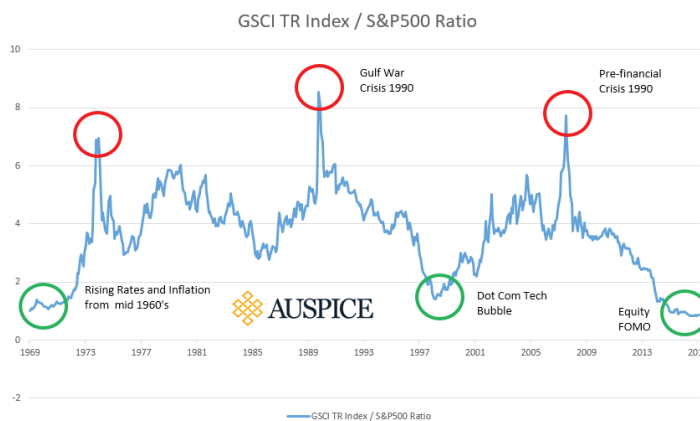


Table 1 ABSOLUTE PERFORMANCE

	Auspice Diversified (2/20 fees)	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	-1.48%	0.59%	0.48%	1.56%
2018 YTD	-5.35%	-3.60%	1.67%	0.59%
1 yr (Jul 17)	-1.51%	0.39%	12.17%	8.14%
3 yr (Jul 15)	-14.60%	-6.53%	31.76%	13.86%
5 yr (Jul 13)	-0.82%	1.95%	69.23%	38.79%
10 yr (Jul 08)	4.88%	2.07%	112.37%	11.83%
Annualized (Jan 07)				
Return	1.83%	1.54%	5.82%	2.31%
Std Deviation	11.14%	6.58%	14.50%	12.66%
Sharpe Ratio	0.26	0.26	0.51	0.28
MAR Ratio	0.07	0.11	0.11	0.05
Worst Drawdown	-26.04%	-14.24%	-52.56%	-44.27%

GSCI/S&P500 RATIO: EQUITIES EXPENSIVE, COMMODITIES CHEAP?



Source: Dr. Torsten Dennen, Incrementum AG

OUTLOOK (CONTINUED)

We have been here before and generally the market trends tell us what to do. Currently, we have one equity market exposure. Think about that: One. Less than 3% of our risk. And it is a commodity tilted market to boot.

As such, we believe our commodity tilt is the right one. It is also the most accretive exposure we can add to our investor's portfolios. We expect more volatility is in store and it is an environment we relish and have a history of performing within.

ATTRIBUTIONS AND TRADES

After exiting all equity exposure, we have added the stronger resource tilted Canadian TSX/S&P60. While this market has lagged over the last decade (while commodity underperformed), it is now recently outperforming.

Metals led the portfolio per Chart 2 during June. While most of the gains came from shorts, we remain long Nickel which has been grinding higher since early in the year. However, other base metals have been softening and we have added to Copper shorts along with Zinc. On the precious side, Gold led weakness falling 4% and we have added to shorts in this sub-sector including Gold and Silver.

Within Ags, Grains sold off hard causing trends to shift and we have exited a number of long exposures and added shorts in Soybeans and Corn. While the transition often hurts profitability, in this case the sell off post change was sharp and most of the losses were made up.

The most challenging sector was Soft Commodities as Cotton sold off sharply, over 9%. However, while trimming risk we remain long this profitable trade.

Within financials, currencies performed as the US dollar rallied vis-à-vis the US Dollar while Rates remains muted where exposure is very light given the period of transition.

Return Drivers: While trend strategies provided mixed performance and net negative, Short Term (non-trend) strategies had another exceptional month (see Chart 3). Small gains were also made in Mean Reversion strategies.

Chart 2 SECTOR PNL MONTHLY ATTRIBUTION

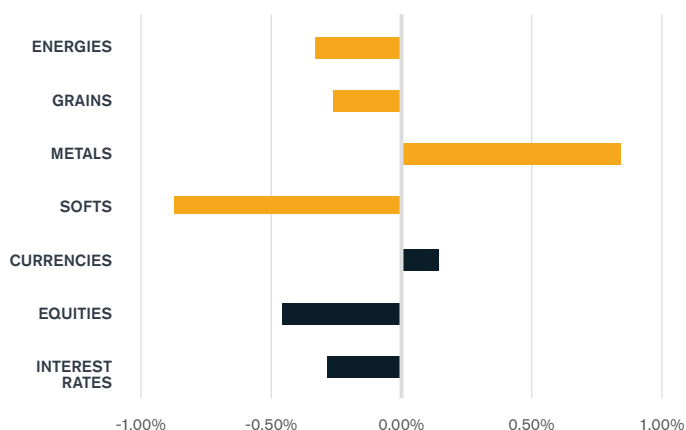
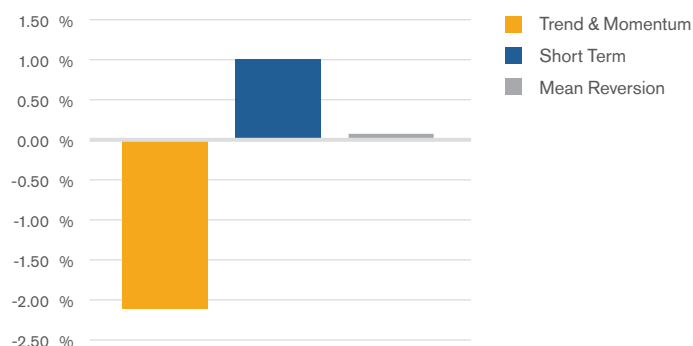


Chart 3 STRATEGY (RETURN DRIVER) ATTRIBUTION



* Strategy Attribution excludes all fees.

POSITION HIGHLIGHTS

GAINS

- New short in Soybeans made strong gains.
- Long WTI Crude Oil led the energy complex.
- Shorts in precious metals of Gold, Silver, Platinum.

LOSSES

- Correction in Cotton was the largest portfolio hit.
- Weakness in Grains including Wheat, Corn and Canola.
- Early month weakness had us trim Energy exposure in a number of markets.

EXPOSURE AND RISK ALLOCATION

Commodity to Financial exposure was fairly steady for the month. The current ratio is 74:24 down from 75:25 last month per Chart 4. This remains a slightly higher tilt to commodity historically and highlights the commodity opportunity.

Within commodities, the most notable changes were decreases in Energies and Softs while adding slightly to Metals and Grains.

In Financials, the most significant change was an increase in Equity exposure from zero.

Portfolio exposure is average at 5.9% while the historical average level is 6.8% as measured by the Margin to Equity ratio (see Chart 6 next page).

Chart 4 COMMODITIES VS. FINANCIAL EXPOSURE

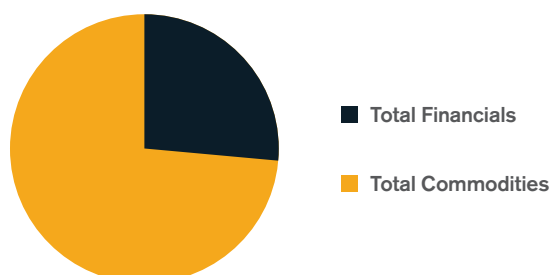
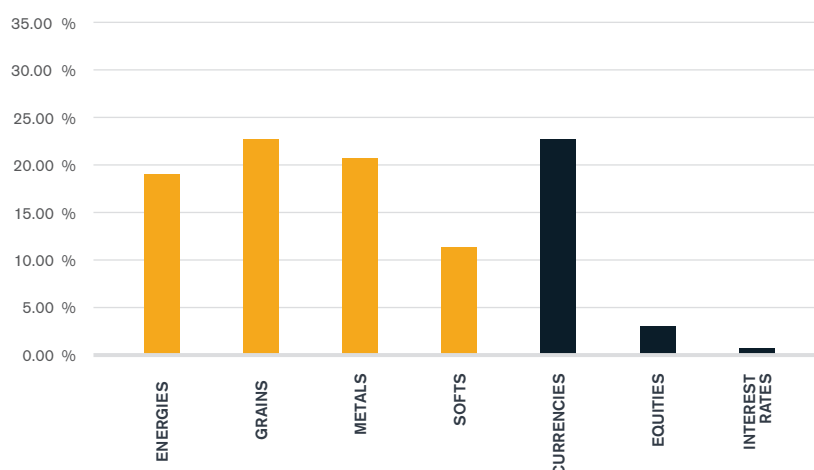


Chart 5 CURRENT SECTOR RISK



CURRENT RISK BY SECTOR

ENERGIES 19.40%

Largest Holdings	Position	% of Risk
Crude Oil	Long	10.80%
Heating Oil	Long	4.50%
Gasoline	Long	3.66%

GRAINS 22.65%

Largest Holdings	Position	% of Risk
Soybeans	Short	11.26%
Corn	Short	6.87%
Soybean Meal	Short	3.38%

METALS 20.54%

Largest Holdings	Position	% of Risk
Gold	Short	5.60%
Zinc	Short	4.65%
Copper	Short	3.62%

SOFTS 11.20%

Largest Holdings	Position	% of Risk
Cotton	Long	4.43%
Coffee	Short	3.14%
Sugar #11	Short	2.54%

CURRENCIES 22.83%

Largest Holdings	Position	% of Risk
British Pound	Short	5.54%
Euro	Short	4.96%
Aussie Dollar	Short	4.43%

EQUITIES 2.65%

Largest Holdings	Position	% of Risk
TSX/S&P60 (Canada)	Long	2.65%

INTEREST RATES 0.73%

Largest Holdings	Position	% of Risk
Treasury Note/5yr (USA)	Short	0.37%
Treasury Note/10yr (USA)	Short	0.20%
Treasury Bond/30yr (USA)	Short	0.17%

* Risk is expressed as the maximum expected loss in a position or sector divided by the total portfolio risk across all positions.

STRATEGY DESCRIPTION

Auspice Diversified is our flagship strategy. It is a rules-based multi-strategy investment program designed to deliver superior, non-correlated returns at critical times. It represents the culmination of the ongoing research and experience of the Auspice Portfolio Management and Research teams.

The strategy draws from all of Auspice's current research (the Auspice Building Blocks). The strategy is rooted in trend following but is our most active and evolving multi-strategy quantitative approach pulling together other complementary strategies and wrapping them in a rigorous risk and capital allocation model. The strategy is designed to be agile and resilient as we believe these traits are necessary in order to generate performance long term.

With a long term correlation of -0.20 to the S&P (see front page), and a modest 0.63 correlation to the SG CTA Index (1 year basis - daily returns), this demonstrates the combined performance and non-correlation to equity and other CTAs is accretive and valuable.

THE MAIN POINTS OF DIFFERENTIATION INCLUDE:

- Higher allocation to commodities relative to our peers,
- Negative correlation to equity, no correlation to commodity,
- Low risk (margin to equity average <7.0%) makes it scalable, low round turns per million.
- Portfolio Management team with experience trading in volatile environments.
- Positive skew: Auspice Diversified has outperformed at critical times of crisis, recovery, and volatility expansion.

FUND FACTS

Chart 6 PORTFOLIO EXPOSURE (MARGIN TO EQUITY)

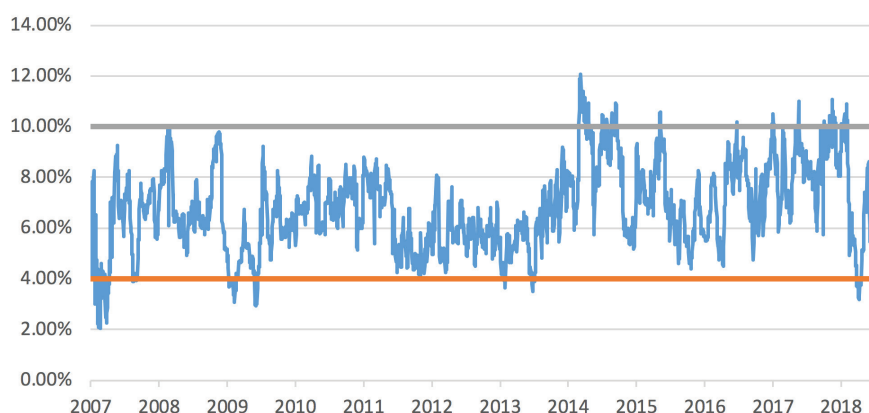


Table 3 NAVS

NAV	Auspice Managed Futures LP*	
Series 1	1107.7266	-1.48%
NAV	Auspice Diversified Trust	
Class A	8.5740	-1.54%
Class F	9.0401	-1.45%
Class S	8.3657	-1.53%
Class I	10.8021	-1.36%
Class X	10.3433	-1.45%

Program Statistics (from Jan 2007)		Trade Statistics	
Annualized Return	1.83%	Avg Monthly Gain	2.80%
Annualized Std Dev	11.14%	Avg Monthly Loss	-2.04%
Largest Drawdown	-26.04%	Daily Std Dev	0.68%
Sharpe Ratio ¹	0.26	Daily VAR (sim w/99% conf)	-0.81%
MAR Index ²	0.07	Round Turns per \$million	450
Sortino	0.47	Margin to Equity ratio	6.8
Upside/Downside Deviation	0.15 / 0.05	Average Hold Period (Days)	23
Correlation to S&P 500	-0.20	% Profitable	43%
Correlation to TSX60	-0.11	\$Win / \$Loss	1.3
Correlation to BCOM ER	0.06	Skew	1.19

Program Details	
Structure	Unit Trust / LP / Mngd Account / Offshore
Mgmt Fee	0-2%
Incentive Fee	20% w/High-Water Mark
Liquidity	Monthly (no lockup)
Firm Assets	\$181M
Min. Investment	Accredited Investor / QEP
Unit Pricing	\$CAD or \$USD

1. Assumes Risk free rate of 0%.

2. MAR is the annualized return divided by the largest drawdown.

FUND FACTS (CONT)

▶ MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2018	3.12%	-5.81%	-2.27%	-0.19%	1.41%	-1.48%							-5.35%
2017	-3.66%	-1.89%	-1.35%	-1.39%	-0.53%	-0.51%	-1.61%	2.76%	-2.53%	5.16%	-0.27%	0.67%	-5.31%
2016	-0.22%	3.12%	-4.93%	3.59%	-1.64%	0.56%	2.44%	-1.55%	-1.06%	-1.34%	2.68%	-0.13%	1.15%
2015	4.66%	-1.93%	0.47%	-0.98%	-2.03%	-1.84%	-4.36%	-2.14%	0.26%	-2.74%	2.56%	0.66%	-7.47%
2014	-2.02%	1.62%	-1.84%	3.25%	-3.11%	2.65%	-0.43%	3.92%	8.56%	-0.78%	7.05%	4.19%	24.76%
2013	0.40%	-2.23%	0.26%	0.99%	-0.90%	0.66%	-1.54%	-1.33%	-4.07%	2.01%	0.04%	-0.36%	-6.01%
2012	2.41%	-1.11%	-1.19%	0.60%	1.72%	-6.29%	1.17%	-0.70%	-3.64%	-1.80%	2.38%	-0.81%	-10.24%
2011	1.39%	2.97%	-1.16%	4.09%	-1.31%	-1.62%	2.16%	-1.09%	-2.60%	-3.82%	1.07%	-3.44%	-3.66%
2010	-3.26%	0.45%	0.61%	0.95%	0.01%	0.62%	-1.02%	1.07%	1.82%	6.98%	-2.51%	6.68%	12.53%
2009	-0.61%	1.08%	-2.27%	-3.32%	-0.58%	0.15%	-3.23%	0.75%	1.44%	-2.31%	4.84%	-3.83%	-7.93%
2008	5.60%	14.59%	-1.72%	-1.58%	0.71%	2.86%	-5.61%	-1.99%	6.86%	10.80%	5.77%	2.73%	44.30%
2007	-1.43%	-1.76%	-2.42%	-0.79%	0.71%	-1.32%	-3.16%	-3.07%	5.87%	4.53%	-2.13%	2.29%	-3.11%

* Returns represent the oldest series of Auspice Managed Futures LP, Series 1 (2% management and 20% performance fee), and based in Canadian Dollars (CAD). See Important Disclaimers and Notes for additional details.

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COMPARABLE INDICES

*Returns for **Auspice Diversified or "ADP"** represent the performance of the Auspice Managed Futures LP Series 1. Performance is calculated net of all fees and based in Canadian Dollars (CAD).

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.

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 CTA indexes do not encompass the whole universe of CTAs. The CTAs that comprise the indices have submitted their information voluntarily and the performance has not been verified by the index publisher.

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.

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.

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.

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 such as the Barclay CTA Index and the Auspice Diversified Program. Adding non-correlated assets within a portfolio has the potential to reduce portfolio volatility and drawdowns.

QUALIFIED INVESTORS

For U.S. investors, any reference to the Auspice Diversified Strategy or Program, "ADP", is only available to Qualified Eligible Persons "QEP's" as defined by CFTC Regulation 4.7.

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