



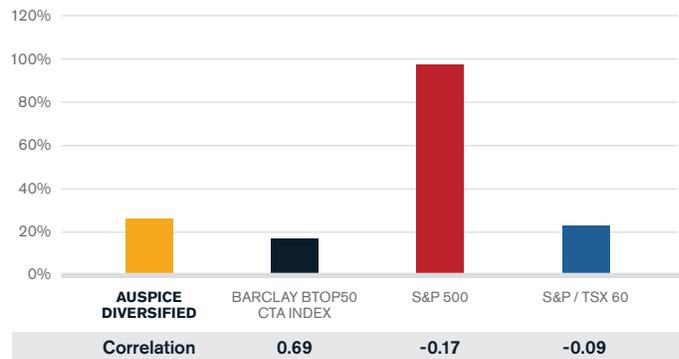
DIVERSIFIED PROGRAM

COMMENTARY +
PORTFOLIO FACTS

NOVEMBER 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

Auspice Diversified Program gained 3.66% in November. The strategy is outperforming benchmarks: Barclay BTOP50 fell an estimated 0.28% to be off 5.17% for the year (Table 1) while SocGen CTA Index lost 1.43% and is off 7.50% to lag for the year. In addition to a strong monthly performance, Auspice remains ahead of both benchmarks long-term while Chart 1 illustrates the history of stronger gains at critical times of CTA performance.

While not much solace after correcting an average of 8%, equities moderated in November with the market trading in a choppy fashion before most benchmarks ended slightly positive. The tech focused Nasdaq lagged ending up a mere 0.34%, while the S&P and MSCI World added 1.79% and 0.96%. With the exception of the major US benchmarks, most global indices are down for the year highlighted by the resource tilted Canadian TSX/S&P60 down 4.84% and Hong Kong down 11.26%.

Commodity benchmarks continued to weaken led mostly by oil suffering its steepest loss in a decade, over 20%. As such the energy weighted GSCI fell 11.45% while the more diverse Bloomberg Commodity index softened a mere 0.76%. This weakness takes the GSCI negative on the year and now lagging equities after pulling ahead in recent months.

Now that US midterm elections are done most currencies were weak as the US dollar resumed its trend higher. A rare exception was the Aussie dollar rallying strongly off a down-trend that has lasted all year. With central banks quiet, US rates eased despite continued rhetoric for higher rates coming.

OUTLOOK

While October was frustrating as long-term trends reversed, a month like November illustrates our agility. While the sell-off in energy and its severity was a surprise to many market participants, it highlights our ability to quickly change direction. Being tactical has two possible benefits and a risk. The risk is the strategy gets whipsawed – and this does happen from time to time. But this is outweighed by the benefits of protecting capital and participating more quickly in changing trends.

We believe a month like November affirms our belief that we are entering period that holds significant opportunity for the program. While equity is no longer providing the opportunity at the moment, we are finding the volatility and opportunity, both long and short, based on our disciplined expertise and focus

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Chart 1 HISTORICAL GROWTH OF \$1000 INVESTMENT

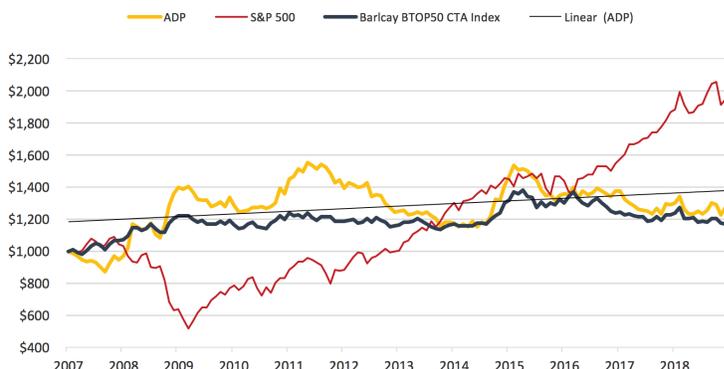
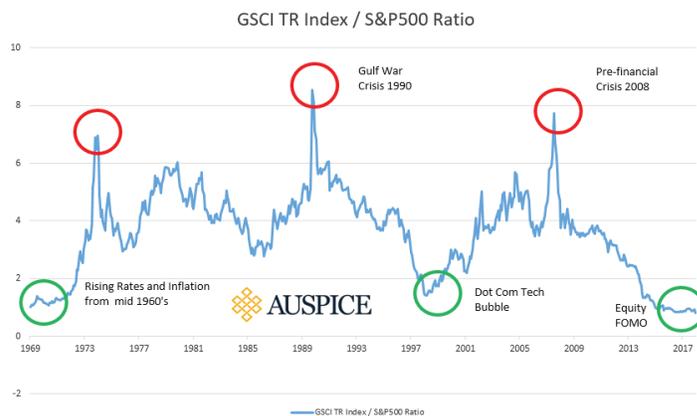


Table 1 ABSOLUTE PERFORMANCE

	Auspice Diversified (2/20 fees)	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	3.66%	-0.28%	1.79%	2.03%
2018 YTD	-2.22%	-5.17%	3.24%	-4.84%
1 yr (Dec 17)	-1.56%	-4.35%	4.25%	-4.07%
3 yr (Dec 15)	-1.95%	-11.57%	32.67%	15.34%
5 yr (Dec 13)	1.50%	0.83%	52.85%	18.32%
10 yr (Dec 08)	-0.67%	-2.49%	207.97%	62.19%
Annualized (Jan 07)				
Return	2.05%	1.34%	5.75%	1.75%
Std Deviation	11.14%	6.53%	14.46%	12.60%
Sharpe Ratio	0.28	0.24	0.51	0.24
MAR Ratio	0.08	0.09	0.11	0.04
Worst Drawdown	-26.04%	-15.13%	-52.56%	-44.27%

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



Source: Dr. Torsten Dennen, Incrementum AG

OUTLOOK (CONTINUED)

beyond the financial markets (currency, fixed income and equities) in commodities. This allows us more opportunity to perform, outperform and perform at different times than our peers.

ATTRIBUTIONS AND TRADES

As illustrated in Chart 2, the opportunity that eroded in Energy from a long perspective during October, was found again with both a short and long tilt. After shifting petroleum energies to short in October and early November, strong gains were made. However, gains were also made long Natural Gas where we exited most of the risk mid-month, capturing a volatile opportunity.

While we shifted to short in the weakest of the equity markets in Hang Seng during July, the rest of the market hung on and did not present opportunity until October. Yet while many of those markets remain short, we have covered Hang Seng to capture the gains and this loss on the month makes up the bulk of the negative sector attribution. Current short risk is concentrated in the weakest of markets as depicted on the next page.

While weakness in the energy market blankets much of recent month, the reality is many commodities showed some strength, often against short positions we are holding. This was particularly noteworthy in Metals and Grains. Copper and Gold rallied along with Soybeans and Corn. Watch commodities closely.

In financials, the portfolio remains positioned short currencies vis-à-vis long the US Dollar. While the attribution was negative, gains were made in all markets with the exception of a loss due to a strong rally in the Aussie Dollar. The Aussie bounced of recent lows over 3% and we have reduced to exposure capturing the bulk of this trend.

Return Drivers: Trend strategies were top performing in November but also complimented by excellent performance in the Short-Term strategies. While quiet transactionally overall, the strategies were executed selectively and effectively in the volatility the energy market presented (see Chart 3).

Chart 2 SECTOR PNL MONTHLY ATTRIBUTION

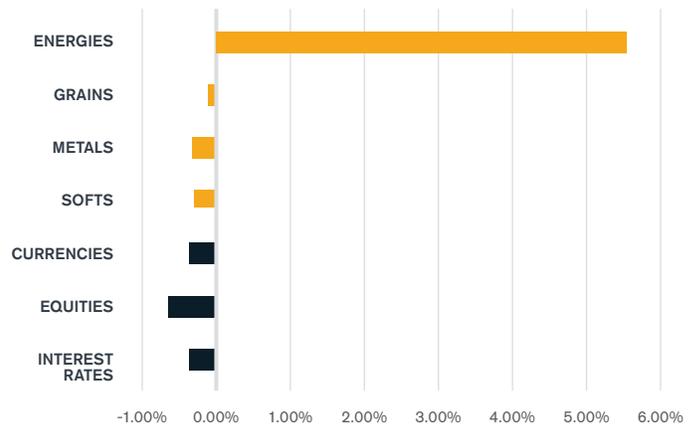
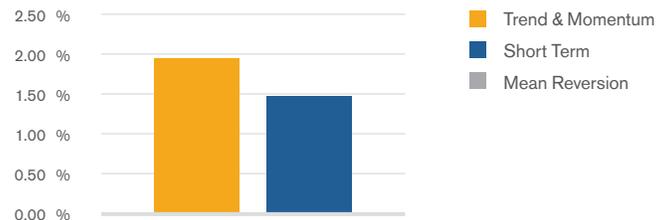


Chart 3 STRATEGY (RETURN DRIVER) ATTRIBUTION



POSITION HIGHLIGHTS

GAINS

- Long gain in Natural Gas.
- Short exposures in Gasoline, WTI and Brent Crude, Heating Oil.
- Short Japanese Yen
- Long Palladium

LOSSES

- Short Aussie Dollar lost on the month but was exited to capture a long-term gain.
- Long Platinum exited on weakness.
- Short Hang Seng exited on strength capturing gains.
- VIX long exposure exited on weakness.

EXPOSURE AND RISK ALLOCATION

Commodity to Financial exposure tilted to commodity 75:25 from 66:34 last month per Chart 4. This higher commodity exposure is typical of the Auspice approach specifically in times of concentrated volatility like we have experienced recently in Energy.

Within commodities, the most notable changes were increases in Energies that was offset by a decrease in Metals and Equities.

Portfolio exposure was moved to below average at 5.6% while the historical average level is 6.8% as measured by the Margin to Equity ratio (see Chart 6 next page).

CURRENT RISK BY SECTOR

Chart 4 COMMODITIES VS. FINANCIAL EXPOSURE

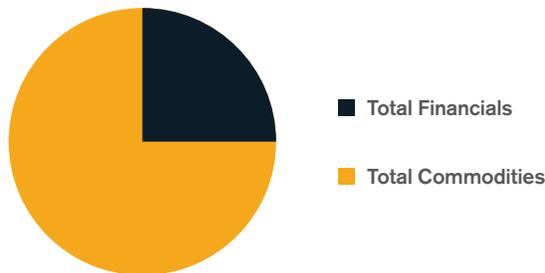
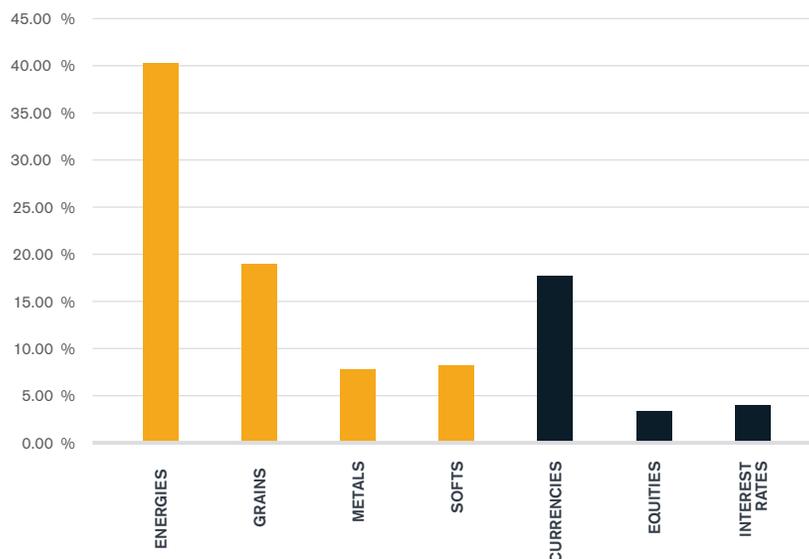


Chart 5 CURRENT SECTOR RISK



ENERGIES 40.15%

Largest Holdings	Position	% of Risk
WTI Crude Oil	Short	11.71%
Gasoline	Short	8.57%
Heating Oil	Short	7.56%

GRAINS 18.79%

Largest Holdings	Position	% of Risk
Wheat	Short	13.44%
Canola	Short	3.13%
Corn	Short	1.12%

METALS 7.69%

Largest Holdings	Position	% of Risk
Silver	Short	3.10%
Palladium	Long	1.65%
Copper	Short	1.49%

SOFTS 8.27%

Largest Holdings	Position	% of Risk
Cotton	Short	4.44%
Sugar #11	Long	2.72%
Rubber	Short	1.11%

CURRENCIES 17.70%

Largest Holdings	Position	% of Risk
Euro	Short	5.23%
Japanese Yen	Short	5.03%
Canadian Dollar	Short	4.03%

EQUITIES 3.42%

Largest Holdings	Position	% of Risk
DJ EuroStoxx	Short	1.46%
Nasdaq 100	Short	1.29%
TSX/SP60 Canada	Short	0.39%

INTEREST RATES 3.98%

Largest Holdings	Position	% of Risk
Long Gilt (UK)	Long	2.69%
Treasury Bond/30yr (USA)	Short	0.86%
Treasury Note/5yr (USA)	Short	0.23%

* 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 -0.17 to the S&P (see front page), and a modest 0.66 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)

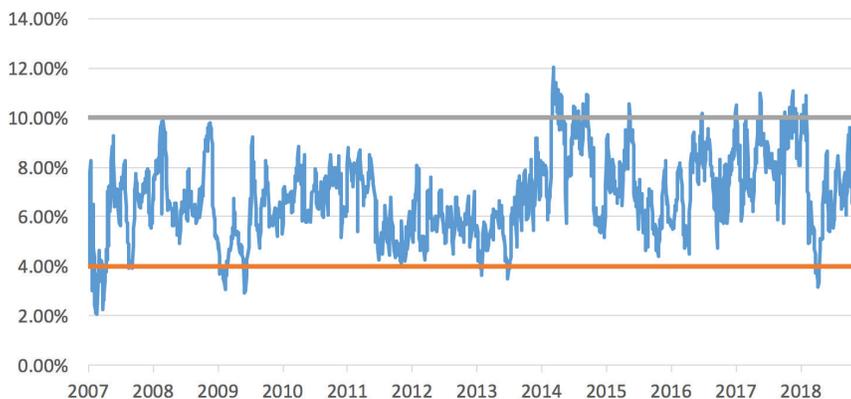


Table 3 NAVS

NAV	Auspice Managed Futures LP*	
Series 1	1144.4452	3.66%
NAV	Auspice Diversified Trust	
Class A	8.8287	3.57%
Class F	9.3482	3.66%
Class S	8.6146	3.57%
Class I	11.2205	3.75%
Class X	10.6974	3.66%

Program Statistics (from Jan 2007)		Trade Statistics	
Annualized Return	2.05%	Avg Monthly Gain	2.87%
Annualized Std Dev	11.14%	Avg Monthly Loss	-2.01%
Largest Drawdown	-26.04%	Daily Std Dev	0.68%
Sharpe Ratio ¹	0.28	Daily VAR (sim w/99% conf)	-0.85%
MAR Index ²	0.08	Round Turns per \$million	500
Sortino	0.50	Margin to Equity ratio	6.82
Upside/Downside Deviation	0.15 / 0.05	Average Hold Period (Days)	63
Correlation to S&P 500	-0.17	% Profitable	40%
Correlation to TSX60	-0.09	\$Win / \$Loss	1.49
Correlation to BCOM ER	0.06	Skew	1.13

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	\$235M
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%	1.89%	3.57%	-0.84%	-4.75%	3.66%		-2.22%
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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