



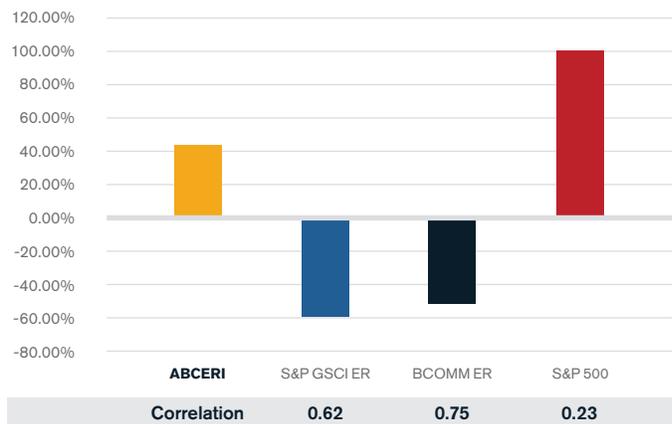
BROAD COMMODITY INDEX

COMMENTARY +
STRATEGY FACTS

MARCH 2019



CUMULATIVE PERFORMANCE
(SINCE JANUARY 2007*)



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Commodity Strategy Fund,
which tracks ABCERI

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SUMMARY

The diverse commodity sector produced mixed results with petroleum Energies remaining strong while Metals sold off. Grains and Softs were volatile, but most trends remain the same. Commodity benchmarks ended Q1 positively with the energy weighted GSCI outperforming in March gaining 1.41% while the more diverse Bloomberg Commodity index lagged at -0.37%.

After pulling back and picking up volatility, global equity markets reversed and rallied. While not eclipsing the 2018 (October) highs, benchmarks have now made back the sharp sell-off. The S&P added 1.79%, Nasdaq gained 2.61% while the MSCI World added 1.05%. The resource tilted Canadian TSX/S&P60 added 0.59% to near 2018 highs.

After bond futures and rates consolidated in February, the market moved sharply higher as the yield curve inverted and central banks issued a cautious tone to potential economic slowdown. The US dollar and other currencies were volatile in response to economic and rate signals yet generally continued existing trends with the British Pound volatile on further BREXIT drama.

RESULTS

The Auspice Broad Commodity program softened by 1.44% in March and has continued to lag the 2019 bounce back of the long-only benchmarks. However, ABCERI remains ahead over the last four months (see Historical Growth chart). ABCERI had a 3% pullback over this time while the benchmarks pulled back 8-11%. Per the chart, the strategy exhibits better performance and stability with far less drawdown than both commodity and equity benchmarks (BCOM and S&P500).

The ABCERI annualized returns (since 2007) are the only positive results amongst comparables and in line with equity benchmarks long term (Chart 1).

OUTLOOK

One of the important things to understand about correlation is that when one highlights “non-correlation”, it does not mean that there aren’t periods of positive (or negative) correlation - there are. Generally, these periods are considered “spurious” and this is normal. The fact remains that in the long-term, commodities have a relatively low correlation to equities. Taking it a step further, tactical approaches wrapped in risk management, like the ABCERI, have an even lower correlation. For example, the long-term (January 2007) correlation of the BCOM index is 0.51 to S&P500 while only 0.23 for the ABCERI program.

(CONTINUED NEXT PAGE)

Chart 1 HISTORICAL GROWTH SINCE 2007

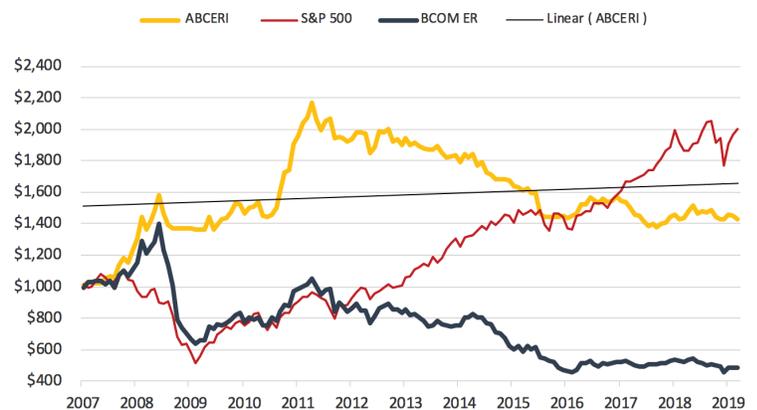


Table 1 ABSOLUTE PERFORMANCE

	ABCERI	BCOM ER	S&P GSCI ER	S&P 500
1 Month	-1.44%	-0.37%	1.41%	1.79%
2019 YTD	-0.27%	5.70%	14.29%	13.07%
1 yr (Apr 18)	-0.59%	-7.30%	-5.13%	7.33%
3 yr (Apr 16)	-2.50%	2.87%	15.26%	37.61%
5 yr (Apr 14)	-21.44%	-39.72%	-51.01%	51.38%
10 yr (Apr 09)	4.86%	-26.14%	-32.09%	255.25%
12 yr (Apr 07)	39.99%	-52.85%	-60.98%	99.48%
Annualized (Jan 07)				
Return	2.95%	-5.71%	-7.11%	5.82%
Std Deviation	10.43%	16.57%	22.23%	14.70%
Sharpe Ratio	0.35	-0.25	-0.19	0.50
MAR Ratio	0.08	-0.09	-0.09	0.11
Worst Drawdown	-36.44%	-67.41%	-81.12%	-52.56%

HISTORICAL GROWTH OF A \$1,000 INVESTMENT



OUTLOOK (CONTINUED)

As such, we believe one of the core benefits is portfolio diversification. At time like this, when equity risk is high and many assets are indeed correlated to equity, finding the gems of non-correlated added-value is important.

We encourage you to read a recent paper we published on the diversification benefits of tactical commodity allocations versus resource equity – please reach out or check the Auspice website under Research

ATTRIBUTIONS AND TRADES

There were no changes to the long exposures in the portfolio during the month. The portfolio is long 5 of 12 commodity components (or 42%) and includes all 3 sectors, Energies, Ags and Metals (see Chart 3). This allows for significant growth of position as the tactical opportunity develops.

Negative attribution from Metals led the result as both precious and base metals softened against long exposures.

SECTOR HIGHLIGHTS

ENERGY

The strategy remains on the sidelines in Energies with the exception of Natural Gas. The result was neutral for a second month.

METALS

Precious metals continued to struggle as Gold and Silver softened while base metals did not provide the offset we saw last month and Copper sold off. The strategy is long all components in the sector.

AGRICULTURE

We remain on the sidelines in Grains as this sub-sector remains weak.

We remain without exposure in Cotton while Sugar also corrected for a sector loss.

Chart 2 INDEX RETURN ATTRIBUTION

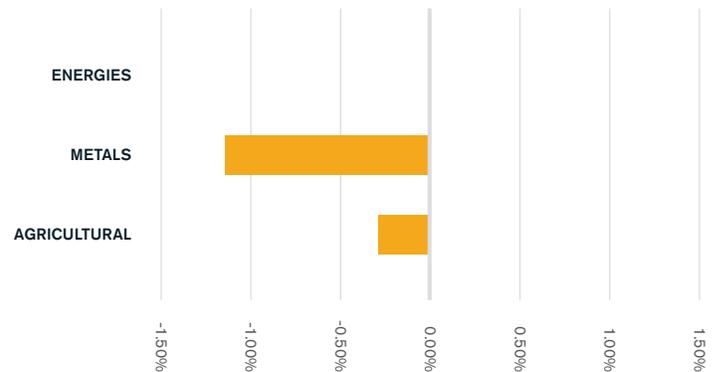
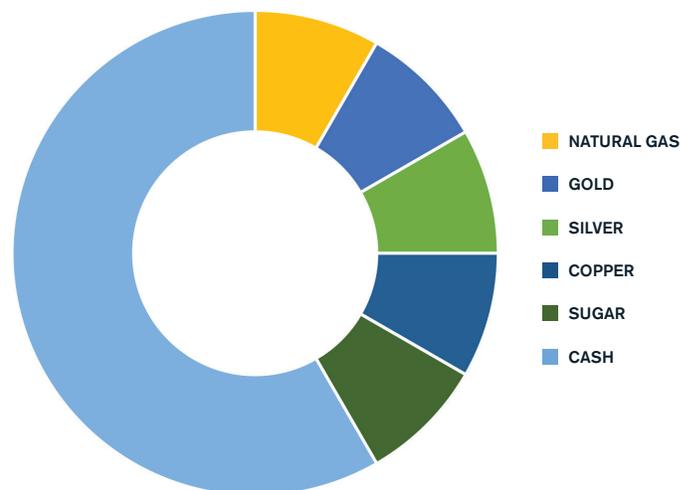


Chart 3 COMPONENT EXPOSURE: LONG / CASH



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.

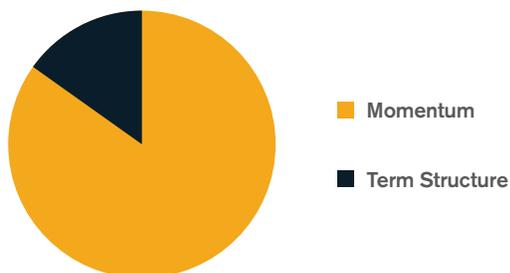
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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

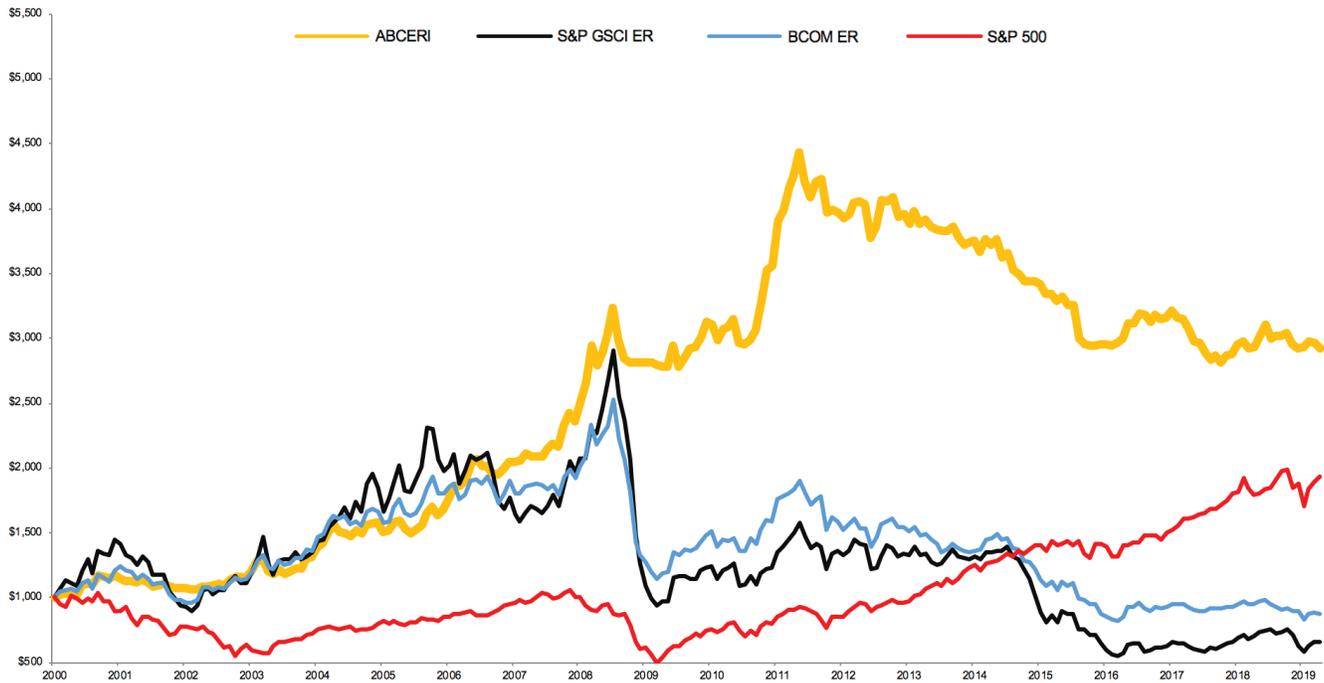
OTHER DETAILS

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

COMPARATIVE BROAD COMMODITY INDEX PERFORMANCE



MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2019	1.74%	-0.55%	-1.44%										-0.27%
2018	0.58%	-1.63%	0.40%	2.80%	2.68%	-3.16%	0.60%	-0.20%	0.72%	-2.60%	-1.09%	0.10%	-0.98%
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.

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.

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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