



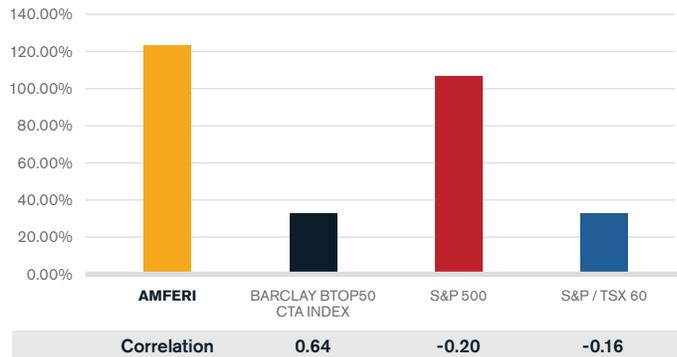
MANAGED FUTURES INDEX

COMMENTARY +
STRATEGY FACTS

AUGUST 2019



CUMULATIVE PERFORMANCE (SINCE JANUARY 2007*)



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CTA Intelligence

Winner - 2016 & 2017
Best Investable CTA Index

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SUMMARY

A risk-off month as global equity markets began to correct right after the US Fed cut rates July 31st. That coupled with trade tensions and global economic concerns had global equity markets sell off. The outperforming S&P lost 1.81%, Nasdaq 2.60% while the MSCI World fell 2.24%. The resource tilted Canadian TSX/S&P60 managed a small gain of 0.28% while the TSX Energy sub-index plummeted 6.58% despite another outperforming month for the heavy-oil market versus WTI.

Commodities were also soft with the exception of precious metals and natural gas. The energy weighted GSCI was off 5.78% while the more diverse Bloomberg Commodity index lost 2.48%. The Auspice Broad Commodity index gained 0.51% for reference.

Bonds rallied much of the month after US rate cuts were followed by a number of other nations. The US dollar wavered before adding to gains against most global currencies with the Japanese Yen moving sharply higher while the Canadian Dollar weakened. Ongoing UK Brexit risk has pressured the Pound and Euro alike.

RESULTS

The AMFERI added 5.44% in August showing up with performance at a critical time after the first half of 2019 correction. This is hallmark of Auspice CTA programs after the outperforming 2018 campaign which saw the strategy gain over 13%. The strategy outperformed the strong sector benchmarks for the month (per Table 1): Barclay BTOP50 CTA gained 3.50% for the month while the SocGen CTA Index added an estimated 3.13%.

Note the strategy lags benchmarks as equity performs (H1 2019) but illustrates long term outperformance and at critical times per Chart 1 and given long term performance 10, 12 year and since early 2007 in Table 1.

OUTLOOK

Auspice AMFERI has begun to perform after lagging to start 2019 and important outperformance in late 2018 as the equity market stumbled.

We believe this environment of increased volatility will continue for some time. Volatility from overall equity levels, central bank actions, trade disputes and commodity dislocations all point to an opportune environment for the disciplined and agnostic approach employed at Auspice. Commodity performance will be an important part of this opportunity. We don't know which way the markets will go, but we believe they will indeed go...

Chart 1 HISTORICAL GROWTH SINCE 2007

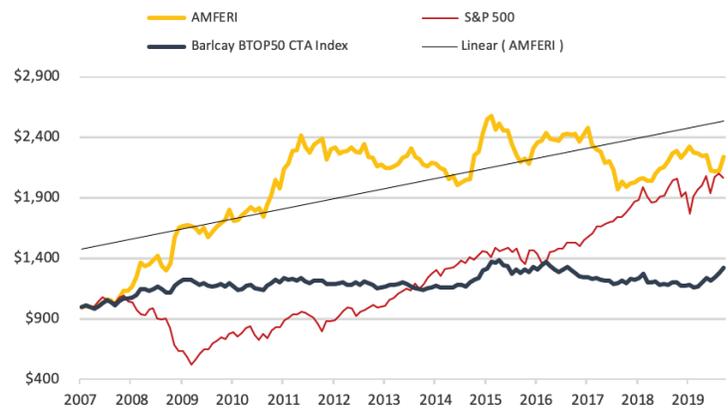


Table 1 ABSOLUTE PERFORMANCE

	AMFERI	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	5.44%	3.50%	1.81%	0.28%
2019 YTD	-3.65%	12.32%	16.74%	14.33%
1 yr (Sep 18)	-1.17%	10.10%	0.86%	1.73%
3 yr (Sep 16)	-7.53%	1.80%	34.80%	15.39%
5 yr (Sep 14)	8.94%	10.35%	46.08%	9.37%
10 yr (Sep 09)	34.79%	12.98%	186.73%	50.50%
12 yr (Sep 07)	120.29%	31.27%	98.54%	23.83%
Annualized (Jan 07)				
Return	6.58%	2.25%	5.89%	2.23%
Std Deviation	11.48%	6.62%	14.75%	12.64%
Sharpe Ratio	0.66	0.37	0.51	0.28
MAR Ratio	0.28	0.14	0.11	0.05
Worst Drawdown	-23.32%	-16.11%	-52.56%	-44.27%

ATTRIBUTIONS AND TRADES

The portfolio positioning remained unchanged in August as market volatility increased. Both commodity and financial positions were left unchanged. Risk resizing did occur in both sectors reducing risk in Silver and Interest Rate futures.

The portfolio remains tilted short commodities in 7 of 12 components (or 58%) and includes all 3 sectors – Energies, Metals and Ags (see Chart 3).

Performance was positive in all 5 index sectors, both commodity and financial, led by Metals and strong complement in Interest Rate futures (Chart 2).

The strongest performing commodity components included long precious metals Gold and Silver but also short Cotton and Sugar.

The weakest performing components came from long exposures in Gasoline as well as Corn and Wheat.

SECTOR HIGHLIGHTS

ENERGY

The Energy sector had a solid month on the back of shorts in WTI Crude Oil and Heating Oil complimented by Natural Gas. This was offset by the remaining long exposure in Gasoline, which has outperformed other petroleum products.

METALS

Ideal positioning in Metals was held. Long precious metals were complemented by short Copper. Strong sector gain.

AGRICULTURE

While Grains were a drag on Ag sector performance, Softs led the sector higher. While long Grains were again softer, Soybeans offset some of the loss from Wheat and Corn. However, shorts in Cotton and Sugar pulled the sector up or a solid month.

INTEREST RATES

US Rate futures rallied most of the month strong sector gain across the curve, led by US 30-year bond futures.

CURRENCIES

Currencies managed a modest gain without any position changes. A small gain from the US Dollar index added value along with a long exposure to the Japanese Yen.

Chart 2 INDEX RETURN ATTRIBUTION

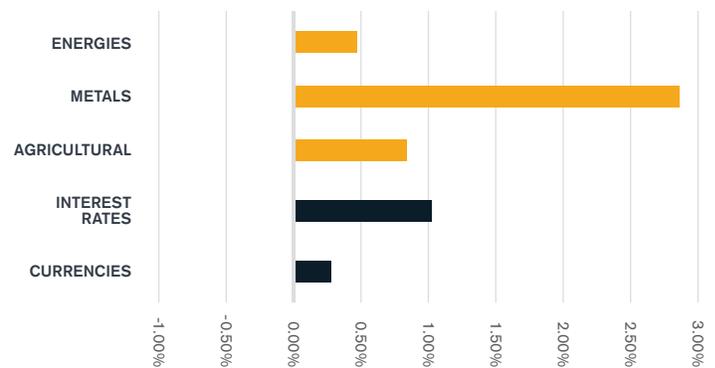
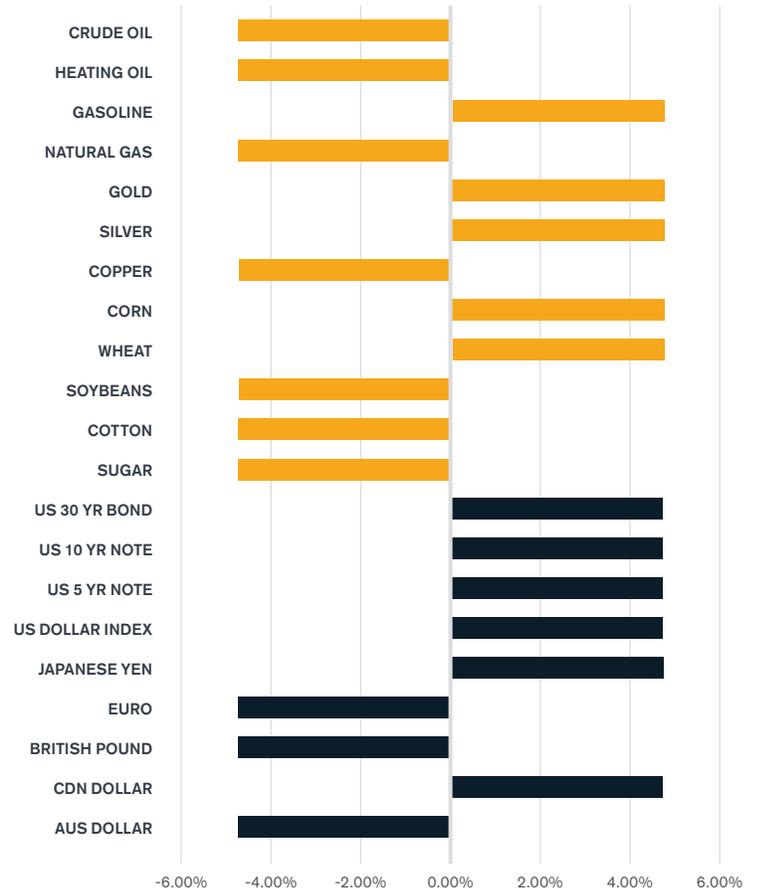


Chart 3 COMPONENT EXPOSURE: SHORT/LONG



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:

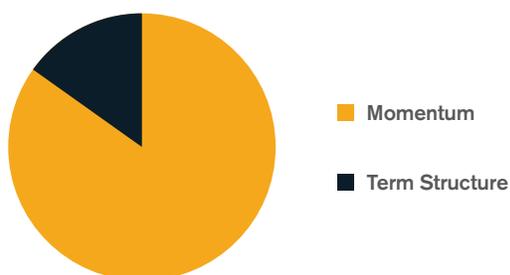
STRATEGY DESCRIPTION

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 indices 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



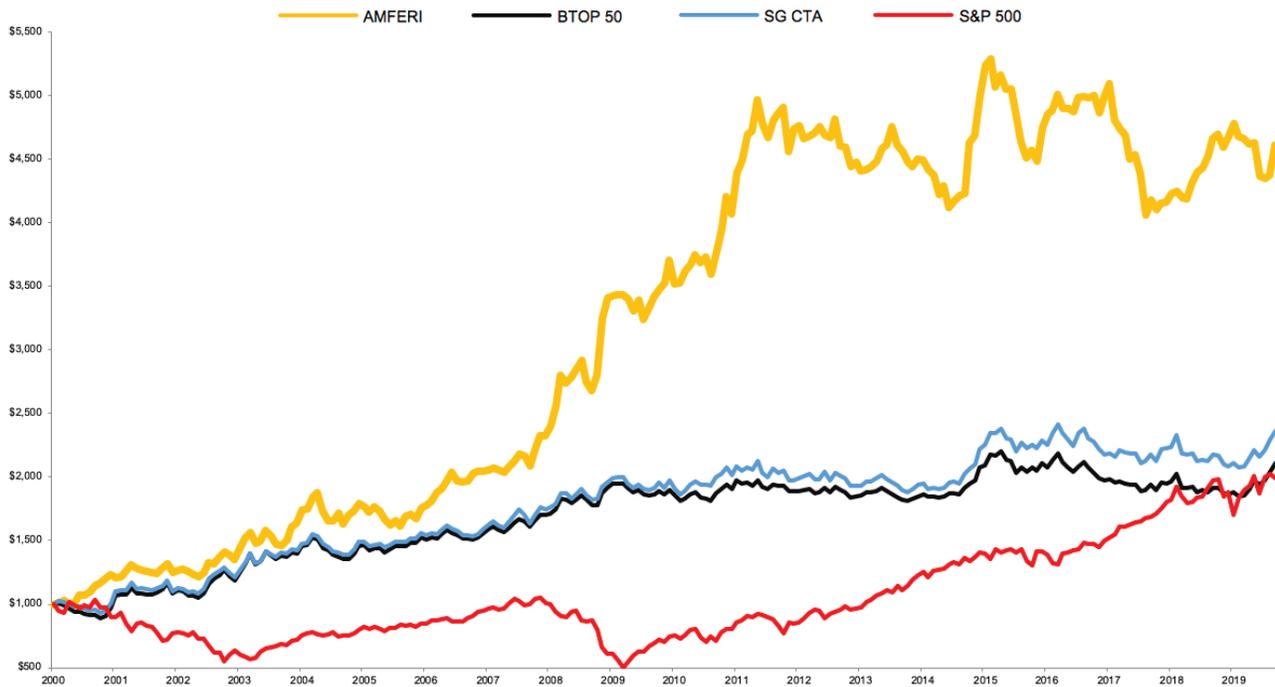
OTHER DETAILS

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

COMPARATIVE MANAGED FUTURES INDEX PERFORMANCE



MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2019	-2.20%	-0.35%	-0.97%	0.32%	-5.76%	-0.36%	0.50%	5.44%					-3.65%
2018	0.43%	-1.25%	-0.10%	2.99%	1.99%	0.74%	2.09%	3.03%	0.75%	-2.25%	1.93%	2.18%	13.12%
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.

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 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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