AUSPICE

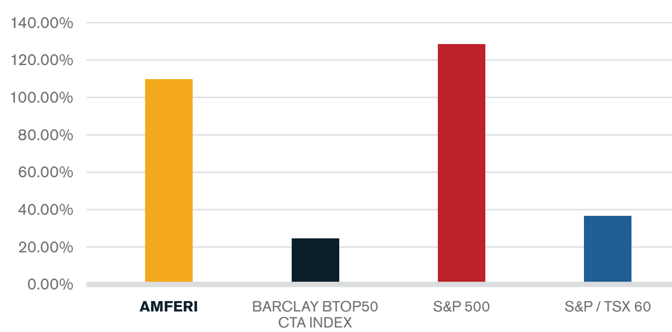
MANAGED FUTURES INDEX

COMMENTARY + STRATEGY FACTS

DECEMBER 2019

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



Correlation	0.63	-0.20	-0.16

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SUMMARY

Global equities finished the year up in December adding to one of the strongest years in history. Optimism regarding a US-China trade pact along with the US Fed holding rates steady and low helped. Many markets are at all-time highs. The S&P and Nasdaq added 2.86% and 3.38% to end up 28.88% and 35.00% respectively while the MSCI World gained 2.89%. The resource tilted Canadian TSX/S&P60 was muted down 0.36% despite the TSX Energy sub-index adding 11.02%.

Commodities had a strong end to a generally sideways year with some markets pulling benchmarks to positive territory for the year. Strength was widespread in December with gains in petroleum Energies, Grains, Metals and Softs. The energy weighted GSCI gained 6.84% while the more diverse Bloomberg Commodity index bounced back adding 4.90%, the bulk of the 2019 gain.

Bond futures softened to end the year, continuing the recent correction despite a strong move higher for the year overall. The US dollar followed similar pattern while "commodity currencies" led gains alongside a strong British Pound post-election following a decisive win for Boris Johnson and a mandate to pull the U.K. out of the European Union.

RESULTS

The AMFERI fell 2.99% in December. The Barclay BTOP50 CTA softened 0.32% for the month while the SocGen CTA Index was down an estimated 0.54% (per Table 1).

The strategy lagged benchmarks in 2019 as equity made strong gains after providing outstanding results (+13.12%) while the industry benchmarks and equities fell in 2018.

It is important to note that in addition to long term out-performance, gains have come at critical times of need per Chart 1 and given long term performance 10, 12 year and since early 2007 in Table 1. Annualized since 2007 is similar to equity gains.

OUTLOOK

It is challenging to be in strategy that does not have equity exposure at this time. This is in stark contrast to exactly a year ago when equities corrected and ended down for the year. CTA strategies as a whole, represented by the benchmarks were also down, frustrating investors looking for not only diversification, but positive gains when market weakness showed up.

For Auspice as a manager, it is equally frustrating providing gains at a critical time, to see them erode. However, what we know is we have a long history of performing at time of equity weakness and to do that, there are concessions to make. While having equity exposure would have helped in 2019, it would have been a serious drag in 2018. But most importantly, commodities markets have begun to show significant upside volatility. This sector has the ability to provide significant opportunity across an inherently diverse component landscape at the right time.

More about this topic in the monthly Blog and Research sections on the Auspice website.

Chart 1 HISTORICAL GROWTH SINCE 2007

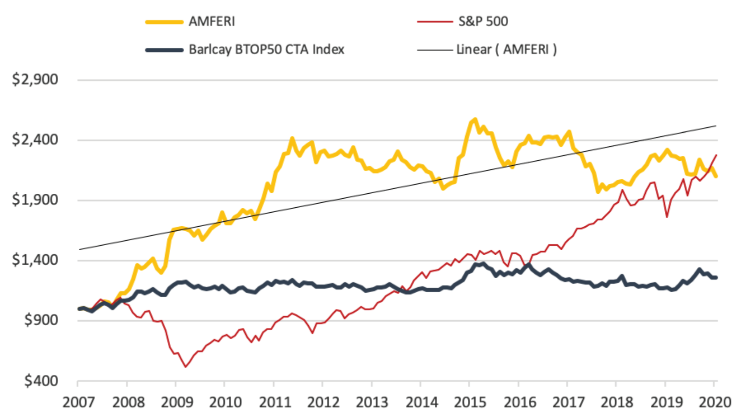

Table 1 ABSOLUTE PERFORMANCE

	AMFERI	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	**-2.99%**	-0.32%	2.86%	-0.36%
2019 YTD	**-9.50%**	6.73%	28.88%	18.11%
1 yr (Jan 19)	**-9.50%**	6.73%	28.88%	18.11%
3 yr (Jan 17)	**-14.97%**	1.24%	44.31%	12.76%
5 yr (Jan 15)	**-17.31%**	-4.15%	56.92%	18.72%
10 yr (Jan 10)	**23.01%**	8.46%	189.73%	46.40%
12 yr (Jan 08)	**80.39%**	17.32%	120.03%	25.53%
Annualized (Jan 07)				
Return	**5.89%**	1.81%	6.54%	2.43%
Std Deviation	**11.44%**	6.66%	14.60%	12.52%
Sharpe Ratio	**0.61**	0.30	0.56	0.30
MAR Ratio	**0.25**	0.11	0.12	0.06
Worst Drawdown	**-23.32%**	-16.11%	-52.56%	-44.27%

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ATTRIBUTIONS AND TRADES

After a period of quiet, there were a number of portfolio changes in December.

The big change was a shift to long commodity exposures. The portfolio is now tilted long commodities in 7 of 12 components (or 58%) and includes all 3 sectors – Energies, Metals and Ags (see Chart 3).

Performance was negative in 4 of 5 index sectors, both commodity and financial, with Energies and Ags dragging performance the most while Metals provided an offset (Chart 2).

The strongest performing portfolio components were Gold and Silver while Wheat and Cotton also added value. Currencies added value led by the British Pound and Canadian dollar.

The weakest performing components came from short exposures in petroleum Energies. Reversals in Copper and Soybeans rounded out the weak performers.

Chart 2 INDEX RETURN ATTRIBUTION

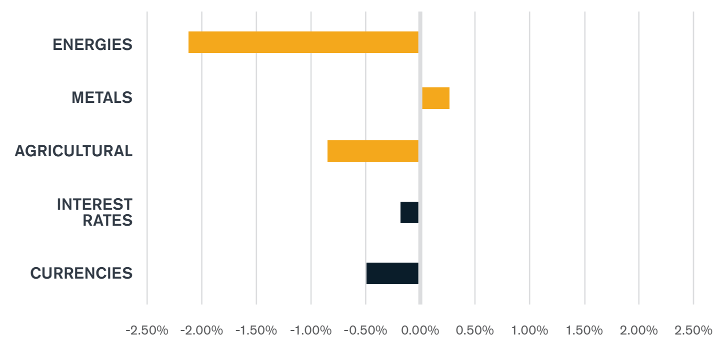
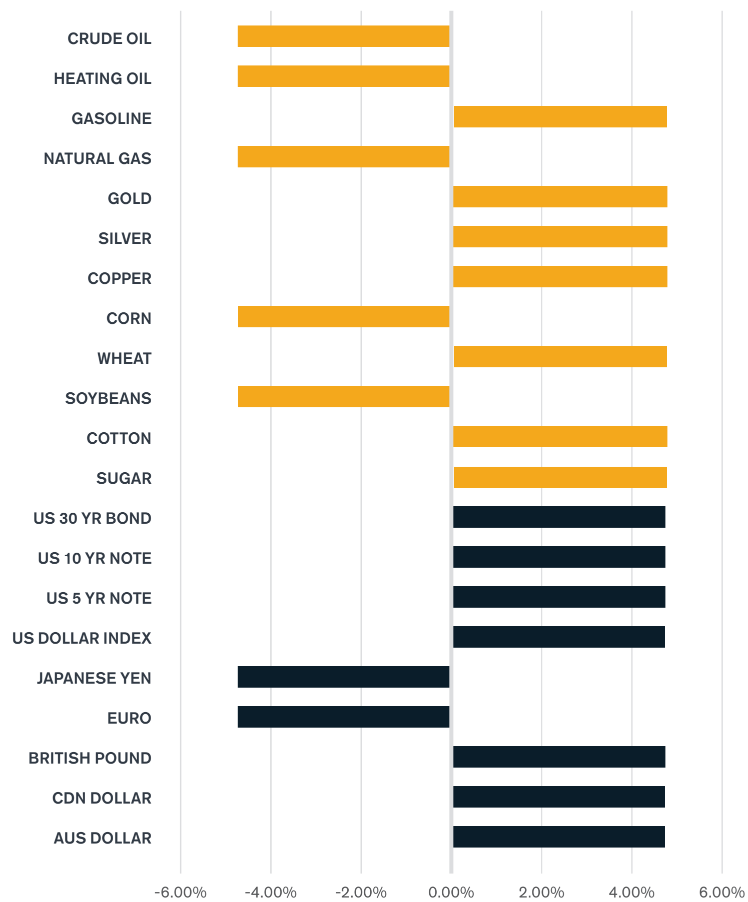


Chart 3 COMPONENT EXPOSURE: SHORT/LONG



SECTOR HIGHLIGHTS

ENERGY

The petroleum side of energy rallied sharply in December with WTI oil gaining 10%. As such we shifted Gasoline to long while Heating Oil and Crude remain short alongside Natural Gas

METALS

Long precious metals made gains in Silver and Gold while the portfolio reversed position in Copper. All components in the sector, precious and base, are now long.

AGRICULTURE

Wheat continued to add value from the long side while shorts in Corn and Soybeans finally reversed course. We remain short but this will be an area to watch closely. Soft commodities also found upside strength and we have shifted both Cotton and Sugar to long.

INTEREST RATES

US Rate futures continued to soften slightly versus the long term up-trend and the portfolio remains long.

CURRENCIES

Correction in the US Dollar index pulled the sector down while gains in the British Pound and Canadian Dollar neutralized the sector loss. We also shifted to long the Aussie dollar to round out the commodity push.

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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:

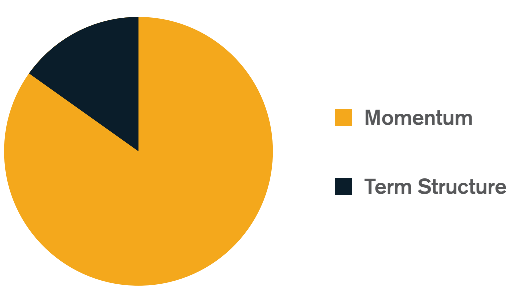
STRATEGY DESCRIPTION

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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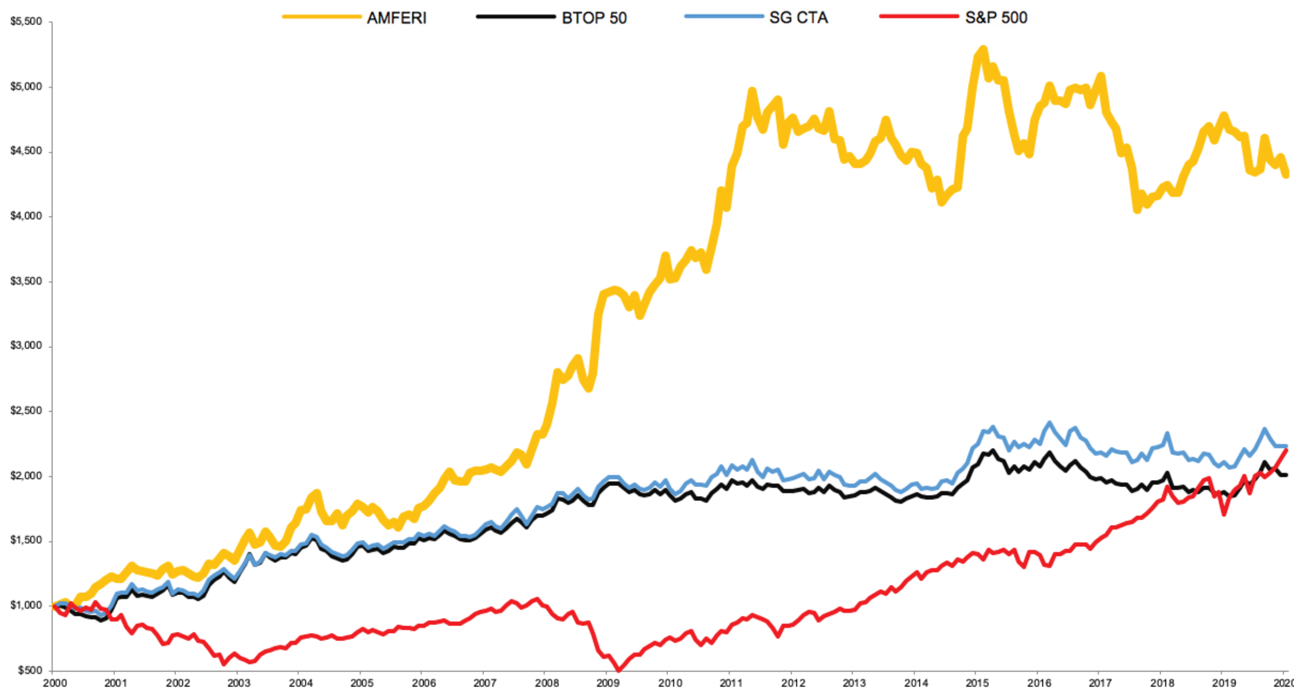
COMPARATIVE MANAGED FUTURES INDEX PERFORMANCE



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%	-3.47%	-0.90%	1.21%	-2.99%	**-9.50%**
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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