AUSPICE

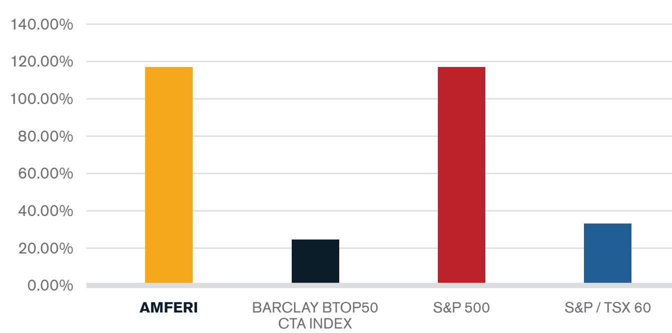
MANAGED FUTURES INDEX

COMMENTARY + STRATEGY FACTS

OCTOBER 2019

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



Correlation	0.64	-0.20	-0.16

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SUMMARY

Like last month, global equity markets moved higher despite another US Fed interest rate cut in October. Rhetoric surrounding global growth and trade wars remain a worry, yet many equity markets are making new all-time highs, shaking this off. The S&P added 2.04% while the Nasdaq jumped 3.66% and the MSCI World gained 2.45%. The resource tilted Canadian TSX/S&P60 softened by 1.16% as the TSX Energy sub-index fell 10.40%.

Commodities found a stronger tone led by many Ag markets including Grains. Both precious and base metals also moved higher. The energy weighted GSCI gained 1.10% while the more diverse Bloomberg Commodity index added 1.87%.

Bond futures remained volatile and sold-off after rallying last month. The US dollar weakened against most global currencies while the Japanese Yen continued to weaken. The ongoing UK Brexit drama had the Euro and Pound strengthen, highlighting a challenging and choppy currency market overall.

Chart 1 HISTORICAL GROWTH SINCE 2007

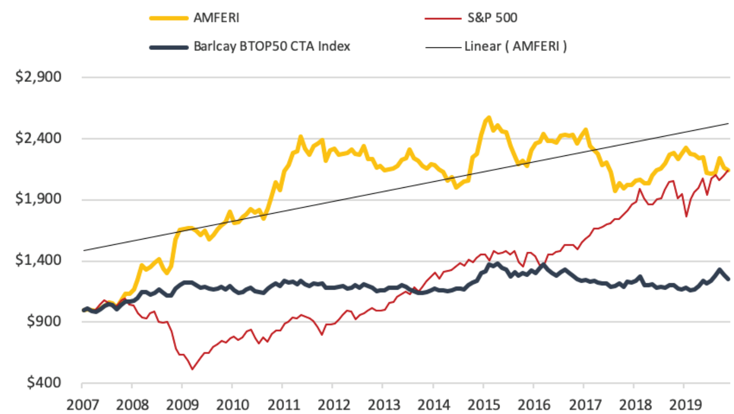

Table 1 ABSOLUTE PERFORMANCE

	AMFERI	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	**-0.90%**	-2.58%	2.04%	-1.16%
2019 YTD	**-7.83%**	6.38%	21.17%	14.78%
1 yr (Nov 18)	**-4.00%**	6.68%	12.02%	10.19%
3 yr (Nov 16)	**-9.37%**	0.23%	42.87%	13.58%
5 yr (Nov 14)	**-5.97%**	1.33%	50.52%	16.11%
10 yr (Nov 09)	**24.89%**	7.29%	193.15%	52.28%
12 yr (Nov 07)	**89.80%**	17.31%	96.05%	16.20%
Annualized (Jan 07)				
Return	**6.12%**	1.78%	6.12%	2.24%
Std Deviation	**11.47%**	6.70%	14.66%	12.57%
Sharpe Ratio	**0.63**	0.30	0.53	0.28
MAR Ratio	**0.26**	0.11	0.12	0.05
Worst Drawdown	**-23.32%**	-16.11%	-52.56%	-44.27%

RESULTS

The AMFERI softened 0.90% in October yet performed slightly better than the sector benchmarks for the month (per Table 1): Barclay BTOP50 CTA fell 2.58% for the month while the SocGen CTA Index lost an estimated 2.56%.

The strategy continues to lag benchmarks as equity performs year-to-date in 2019 but illustrates long term outperformance. This comes at critical times per Chart 1 and given long term performance 10, 12 year and since early 2007 in Table 1.

OUTLOOK

The equity market continues to amaze most market participants, often called "the most hated equity rally in history", it cannot be ignored. However, we have been through these types of rallies and dislocations before. While things never play out the same way, we do know that timing the market turn is very difficult. It is hard to say what the catalyst will be. As such, the role of this strategy is providing an unfaltering diversification tool that has the ability to add value at a critical time. The strategy did this as recently as 2018 as equities reversed quickly and sharply.

As previously reflected, we believe the opportunity for the strategy is coming as volatility is rising and the probability of keeping mark-to-market gains in equities falls. The same can be said for other sector such as commodities, currencies and interest rates.

To repeat: The strategy has illustrated its ability to perform at these critical points, time and again. The tradeoff? You have to be patient to achieve this type of highly divergent, positively skewed returns most beneficial for portfolio diversification.

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ATTRIBUTIONS AND TRADES

It was another relatively quiet month for the portfolio. While the commodity positions were left unchanged, two financial positions shifted direction in the currency sector.

The portfolio remains tilted short commodities, now in 9 of 12 components (or 75%) 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 Currencies and Energies most challenging (Chart 2).

The strongest performing portfolio components were precious metals, Gold and Silver. This was complimented by long Wheat and short Sugar in the Ags sector.

The weakest performing components came from short exposures in Energies led by Gasoline and Natural Gas long with Currencies which generally corrected against long-term trends as the US Dollar weakened.

SECTOR HIGHLIGHTS

ENERGY

The Energy sector had a negative attribution as both petroleum and natural gas markets rallied against existing shorts across the sector.

METALS

Long precious metals led the portfolio gains as Silver and Gold moved up while Copper was also stronger where the portfolio remains short. This market will be one to watch as US-China trade-war rhetoric persists.

AGRICULTURE

Gains in the Wheat, the strongest of the Grains and short Sugar did not fully offset the negative attribution form Soybeans and Cotton which rallied. Cotton moved sharply higher, almost 6%, yet this remains corrective. The portfolio has been short Cotton since September 2018.

INTEREST RATES

US Rate futures remain volatile selling off before regaining ground. The sector attribution was neutral as the positions remain long across the term structure.

CURRENCIES

The Currency sector experienced significant volatility as the US dollar corrected from its long-term uptrend. Strength was led by the British Pound which was shifted to long while the weakest market in the Yen was shifted to short.

Chart 2 INDEX RETURN ATTRIBUTION

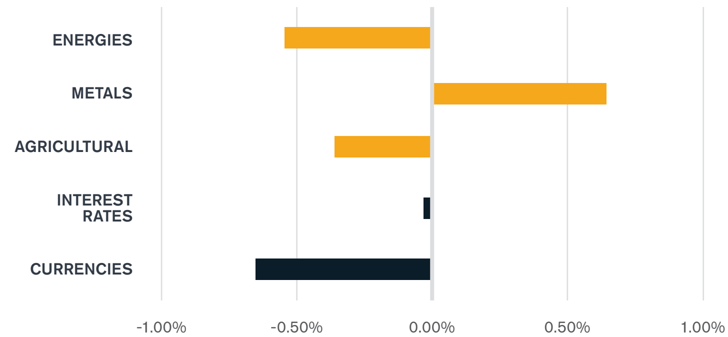
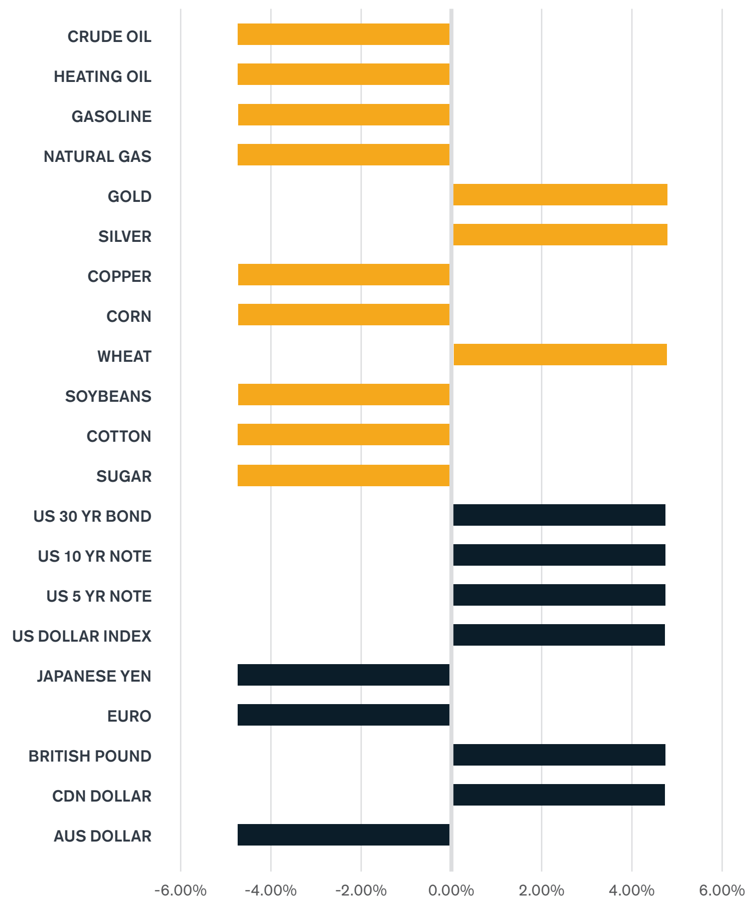


Chart 3 COMPONENT EXPOSURE: SHORT/LONG



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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:

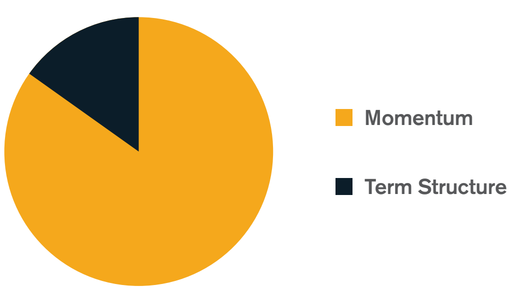
STRATEGY DESCRIPTION

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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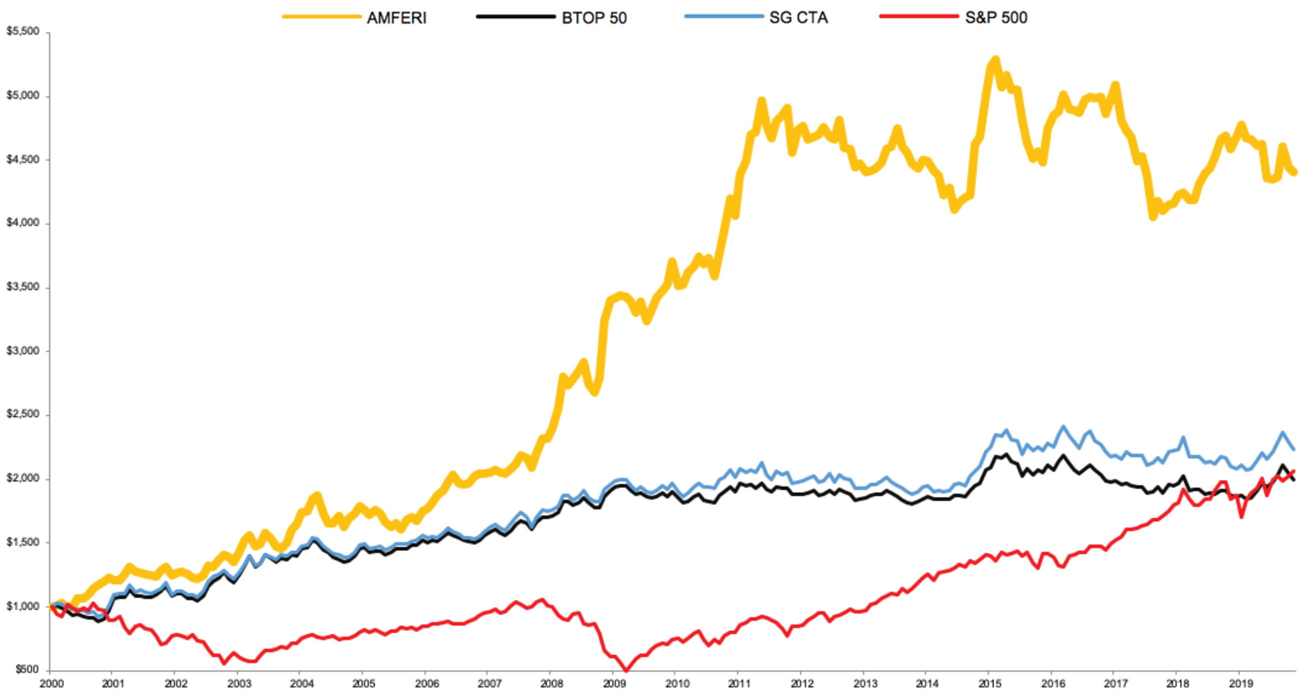
COMPARATIVE MANAGED FUTURES INDEX PERFORMANCE



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%			**-7.83%**
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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