



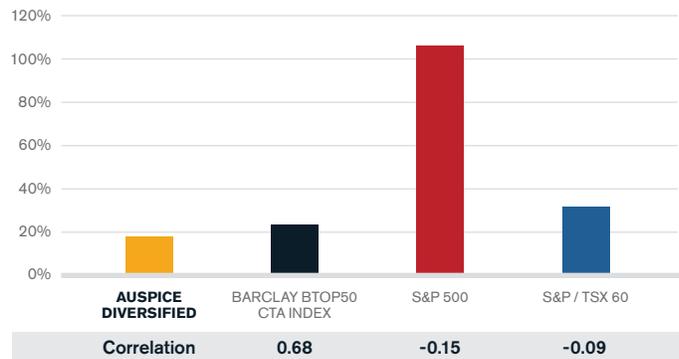
DIVERSIFIED PROGRAM

COMMENTARY +
PORTFOLIO FACTS

JUNE 2019



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 had a neutral result of -0.37%, which moderated the challenging start to 2019. We are glad that is behind us and happy to see Short Term strategies picking up slack when trend lacks. As Chart 1 illustrates there is a history of stronger gains at critical times while outperforming benchmarks long-term.

After correcting in May, global markets moved sharply higher in June. The S&P gained 6.89%, Nasdaq 7.42% while the MSCI World added 6.46%. The resource tilted Canadian TSX/S&P60 added a modest 1.84% while the struggling Energy sub-index continued to fall 2.69%.

Commodities had a strong month on the back of Gold, Grains and led by Oil. Gold gained 8%, Wheat gained 4% while WTI oil added near 9%. The energy weighted GSCI added 4.25% while the more diverse Bloomberg Commodity index gained 2.51%.

Major central banks held rates steady with the US FED commenting they may lower rates in the fall while Canada recorded the highest inflation in seven years (Canadian heavy oil is up 90% in 2019) while the Bank of England noted economic growth dropped to zero. As such bond futures continued to trend higher after correcting last month. The US dollar weakened vis-à-vis most global currencies led by the oil infused Canadian dollar.

OUTLOOK

We believe the actual volatility of markets is not being given due consideration. While the VIX ended the month approaching the lows of the year this doesn't give much indication of an equity market that has lost and gained 7% (S&P) in each of the last two months. While this has extended beyond equities with many core commodities gyrating, we note this comes at a time when commodities historically start to perform, near the end of a prolonged economic cycle, as we have witnessed in 2019.

We believe the volatility is a sign of potential surprising trends as investors heavily weighted to equities and underweight commodities are caught flat-footed. As such, we believe the key to outsized returns in this area is a commodity tilted risk budget complimented with an agile investment and risk management approach. Moreover, this is an approach that may lag while others perform alongside equities. Corrections as experienced to start 2019 may be an historic opportunity for entry.

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Chart 1 HISTORICAL GROWTH OF \$1000 INVESTMENT

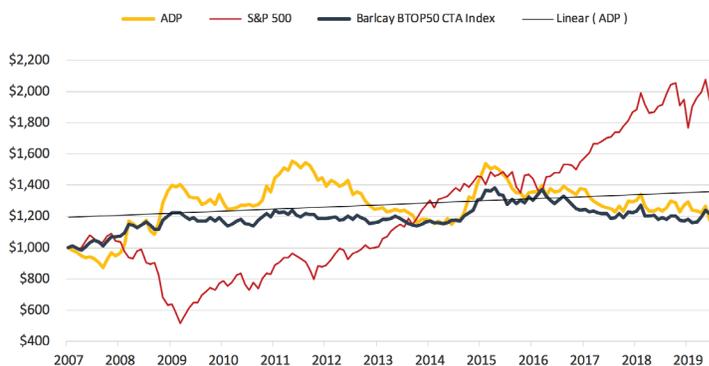
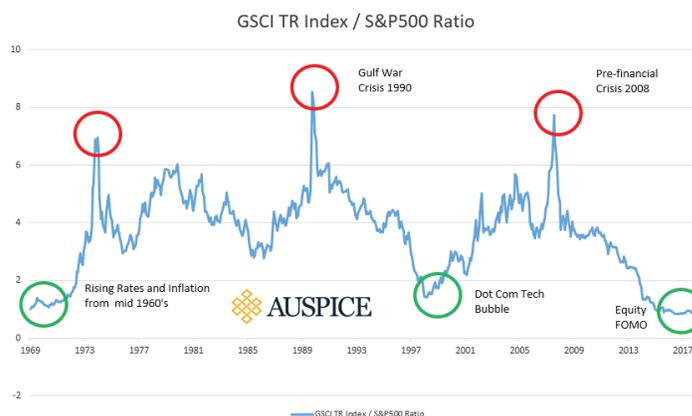


Table 1 ABSOLUTE PERFORMANCE

	Auspice Diversified (2/20 fees)	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	-0.37%	1.99%	6.89%	1.84%
2019 YTD	-9.53%	5.22%	17.35%	14.00%
1 yr (Jul 18)	-5.00%	4.28%	8.22%	1.48%
3 yr (Jul 16)	-14.06%	-5.30%	40.16%	19.81%
5 yr (Jul 14)	-0.95%	5.33%	50.07%	13.11%
10 yr (Jul 09)	-11.43%	5.85%	219.99%	55.48%
12 yr (Jul 07)	25.62%	18.11%	95.86%	22.50%
Annualized (Jan 07)				
Return	1.27%	1.74%	6.01%	2.24%
Std Deviation	11.21%	6.55%	14.83%	12.72%
Sharpe Ratio	0.21	0.30	0.51	0.28
MAR Ratio	0.05	0.11	0.11	0.05
Worst Drawdown	-26.04%	-16.11%	-52.56%	-44.27%

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



Source: Dr. Torsten Dennen, Incrementum AG

OUTLOOK (CONTINUED)

To reiterate: As we reflect on performance over the last year, a few things become apparent. First, given the prominent CTA benchmarks were down in 2018, it tells us that many managers are tilted financially (versus commodities) given the challenges and reversal of trends in those markets late in the year. Second, the performance from commodity trends is beneficial and yet not focused on by many large managers making up the CTA benchmarks as highlighted by our outperformance in 2018. Third, this is confirmed in 2019 as these same benchmarks that underperformed last year are performing well, and so far outperforming, alongside equities.

ATTRIBUTIONS AND TRADES

Reversals in Energies, Grains and Currencies were challenging while we remain mostly on the sidelines despite a renewed Equity rally.

Energy has been a challenging sector to follow trends due to sharp reversals in petroleum markets. While we can blame political tension with Iran for the sharp rally in June, the timing was wrong in the portfolio where we positioned some of the risk short after May weakness. Gasoline bucked the downtrend and remained long for a gain alongside short side weakness in Natural Gas to provide a sector gain.

Grains continued to show strength and we added Wheat alongside Corn while remaining short Soybeans. While a strong month, a sharp correction in the final days of the month caused a negative attribution primarily in Wheat.

Interest Rate futures performed very well, extending upside gains and hold the most exposure currently.

Return Drivers: While trend following strategies were slightly off, challenged by reversals in Currencies and Grains, the non-correlated Short-Term strategies focused in Energies provided a partial offset (see Chart 3).

POSITION HIGHLIGHTS

GAINS

- Long Gold.
- Long German Euro Shatz rate futures led the strong sector gains.
- Natural Gas shorts added to long Gasoline gains.

Chart 2 SECTOR PNL MONTHLY ATTRIBUTION

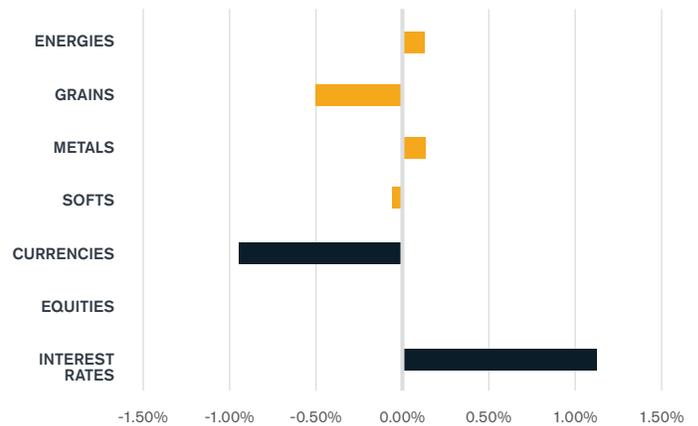
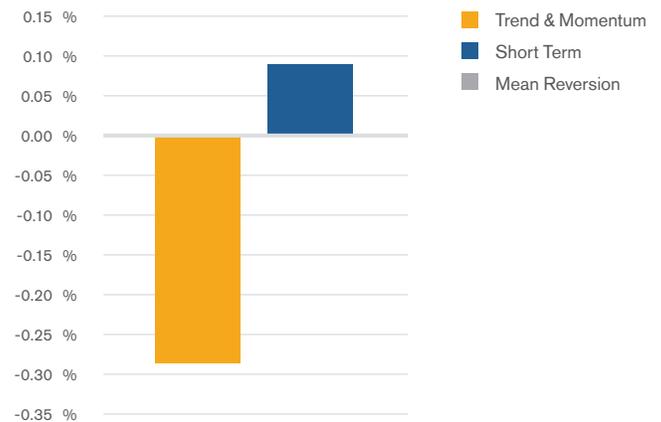


Chart 3 STRATEGY (RETURN DRIVER) ATTRIBUTION



* Strategy Attribution excludes all fees.

LOSSES

- Currencies struggled led by Canadian dollar now shifted long.
- Heating Oil whipsawed from long to short.
- Rally in Grains shifted Wheat to long late month.

EXPOSURE AND RISK ALLOCATION

Commodity to Financial exposure increased commodity to 61:39 from 59:41 last month per Chart 4.

Within commodities, the most notable changes were decreases in Energies while adding to Metals. Within Financials, decreases in Currencies were offset by Rates and Equity Indices.

Portfolio exposure ended the month at 5.7% which is below the historical average level is 6.9% as measured by the Margin to Equity ratio (see Chart 6 next page).

Chart 4 COMMODITIES VS. FINANCIAL EXPOSURE

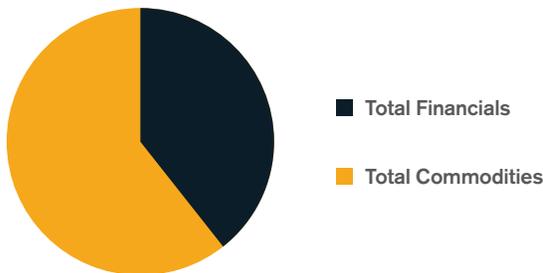
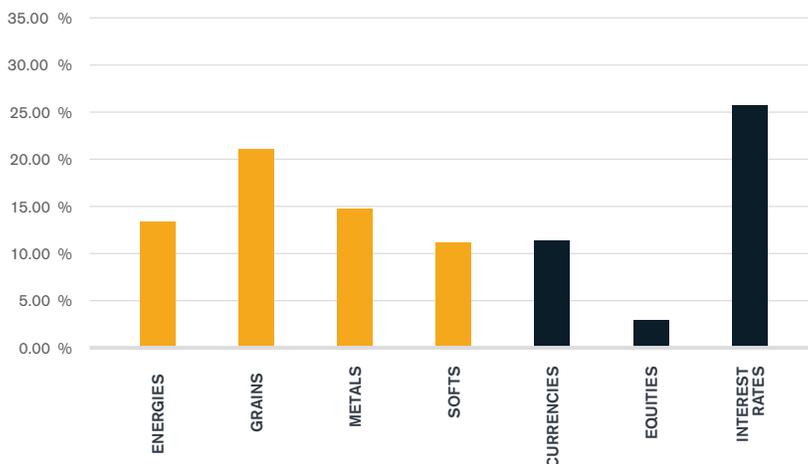


Chart 5 CURRENT SECTOR RISK



CURRENT RISK BY SECTOR

ENERGIES 13.37%

Largest Holdings	Position	% of Risk
Natural Gas	Short	5.61%
Gasoline	Long	4.34%
Heating Oil	Short	1.82%

GRAINS 21.21%

Largest Holdings	Position	% of Risk
Corn	Long	12.20%
Wheat	Long	8.20%
Soybeans	Short	0.81%

METALS 14.78%

Largest Holdings	Position	% of Risk
Gold	Long	7.85%
Copper	Short	2.76%
Silver	Short	2.44%

SOFTS 11.19%

Largest Holdings	Position	% of Risk
Cotton	Short	9.47%
Sugar	Short	1.72%

CURRENCIES 11.23%

Largest Holdings	Position	% of Risk
Canadian Dollar	Long	5.56%
Japanese Yen	Long	2.52%
British Pound	Short	2.48%

EQUITIES 2.63%

Largest Holdings	Position	% of Risk
DJ EuroStoxx 50 (Europe)	Long	2.63%

INTEREST RATES 25.58%

Largest Holdings	Position	% of Risk
Treasury Bond/30yr (USA)	Long	12.21%
Treasury Note/10yr (USA)	Long	5.07%
Euro Schatz (German)	Long	4.50%

* 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.

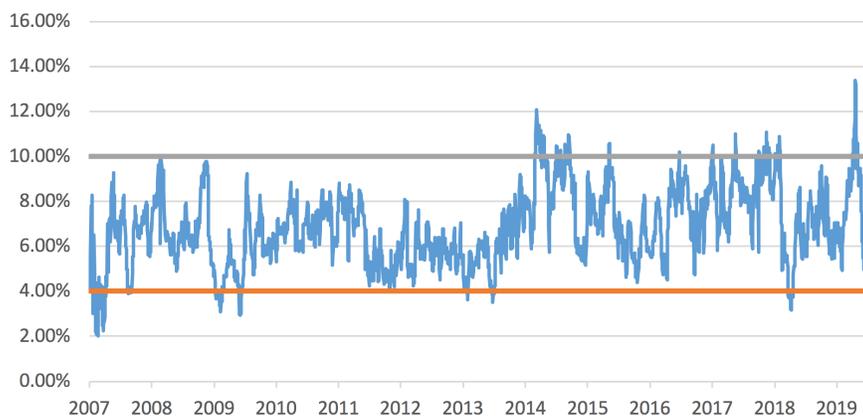
With a long term correlation of -0.15 to the S&P (see front page), and a modest 0.68 correlation to the SG CTA Index (1 year basis - daily returns), this demonstrates the combined performance and non-correlation to equity and other CTAs is accretive and valuable.

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)



Program Statistics (from Jan 2007)		Trade Statistics	
Annualized Return	1.27%	Avg Monthly Gain	2.80%
Annualized Std Dev	11.21%	Avg Monthly Loss	-2.10%
Largest Drawdown	-26.04%	Daily Std Dev	0.67%
Sharpe Ratio ¹	0.21	Daily VAR (sim w/99% conf)	-0.91%
MAR Index ²	0.05	Round Turns per \$million	600
Sortino	0.35	Margin to Equity ratio	6.9
Upside/Downside Deviation	0.15 / 0.06	Average Hold Period (Days)	64
Correlation to S&P 500	-0.15	% Profitable	40%
Correlation to TSX60	-0.09	\$Win / \$Loss	1.46
Correlation to BCOM ER	0.05	Skew	1.01

Table 3 NAVS

NAV	Auspice Managed Futures LP*		
LP		MTD	YTD
Series 1	1052.3223	-0.37%	-9.53%
NAV	Auspice Diversified Trust		
Class A	8.0786	-0.44%	-9.86%
Class F	8.6064	-0.35%	-9.38%
Class S	7.8831	-0.43%	-9.86%
Class I	10.3960	-0.26%	-8.89%
Class X	9.8500	-0.35%	-9.37%

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	\$195MM
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
2019	-4.14%	-0.47%	-0.65%	3.50%	-7.43%	-0.37%							-9.53%
2018	3.12%	-5.81%	-2.27%	-0.19%	1.41%	-1.48%	1.89%	3.57%	-0.84%	-4.75%	3.66%	1.64%	-0.61%
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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