AUSPICE

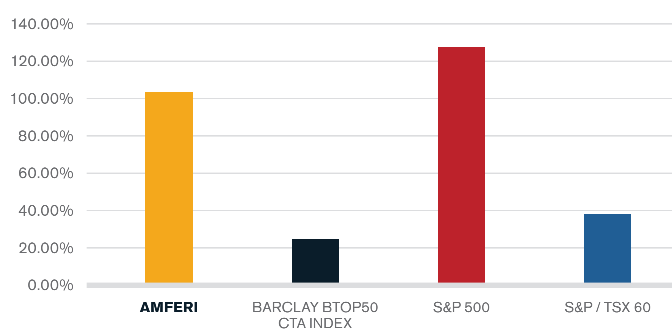
MANAGED FUTURES INDEX

COMMENTARY + STRATEGY FACTS

JANUARY 2020

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



Correlation	0.63	-0.20	-0.16

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SUMMARY

Through a number of geo-political events, natural disasters and health epidemics, global equities were relatively unphased to start 2020. While the S&P posted a small loss at -0.16%, the Nasdaq and MSCI World gained 1.99% and 0.57%. The historically resource influenced Canadian TSX/S&P60 had a strong month at 1.78% despite the TSX Energy sub-index losing 10.60%, highlighting the current low weight.

Commodities took a hit as fear that Chinese and global economies are at risk and demand may suffer long-term. Petroleum energies and Copper suffered most while Gold gained. The energy weighted GSCI lost 2.21% while the ore diverse Bloomberg Commodity index dropped 7.48%.

Bond futures rallied regaining their trend while the US dollar followed similar pattern. Commodity currencies sold off while the British Pound was steady into Brexit.

RESULTS

The AMFERI fell 3.37% in January while the Barclay BTOP50 CTA added 0.28% for the month (per Table 1).

The strategy has lagged benchmarks in 2019 and to start the new year as strong equity gains persist. Yet, a reminder the lack of equity exposure and commodity tilt is a core reason for the outperformance in 2018 as the industry benchmarks and equities fell.

It is important to note that in addition to long term outperformance, gains have come at critical times of need (per Chart 1) and is illustrated by long term performance: 10, 12 year and since early 2007 in Table 1. The annualized result since 2007 is similar to equity gains.

Chart 1 **HISTORICAL GROWTH SINCE 2007**

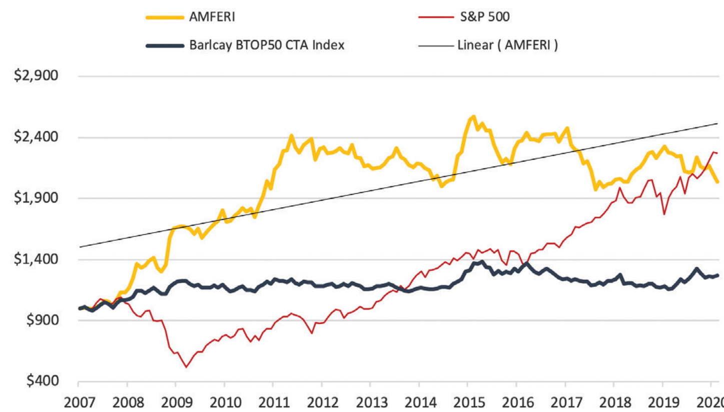

Table 1 **ABSOLUTE PERFORMANCE**

	AMFERI	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	**-3.37%**	0.28%	-0.16%	1.78%
2020 YTD	**-3.37%**	0.28%	-0.16%	1.78%
1 yr (Feb 19)	**-10.63%**	9.48%	19.28%	11.16%
3 yr (Feb 17)	**-4.54%**	3.25%	41.54%	13.61%
5 yr (Feb 15)	**-20.97%**	-7.37%	61.68%	20.49%
10 yr (Feb 10)	**18.49%**	11.25%	200.36%	59.28%
12 yr (Feb 08)	**63.21%**	15.83%	133.98%	33.71%
Annualized (Jan 07)				
Return	**5.58%**	1.84%	6.48%	2.55%
Std Deviation	**11.46%**	6.64%	14.56%	12.48%
Sharpe Ratio	**0.58**	0.31	0.56	0.31
MAR Ratio	**0.24**	0.11	0.12	0.06
Worst Drawdown	**-23.32%**	-16.11%	-52.56%	-44.27%

OUTLOOK

An incredible month of events starting with the US assassination of a top Iranian General followed by the Iran led downing of a civilian commercial airline. Australia experienced incredible devastation from wildfires while by mid-month this was drowned out by concerns over the coronavirus as China quarantined over 40 million people in an unprecedented step. The month ended with the U.K. finally leaving the EU.

While equities remained buoyant, there was a sharp reversal in commodity markets. We view this an early indicator of true fear given commodity supply and demand can be witnessed more directly than that of corporate results.

However, just a month ago, we observed commodity markets showing significant interest and upside volatility. Given the diversity of the sector, this can provide movement, both up and down, that are opportunities for trend-followers and can result in valuable diversification for investors. Given the portfolio of opportunities goes beyond the sharp reversal of the energy markets, we are optimistic about 2020.

COMMENTARY + STRATEGY FACTS

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ATTRIBUTIONS AND TRADES

After adding a number of commodity components in the last month, January started with the same trend. The portfolio shifted to long Crude Oil (WTI) and Heating Oil early in the month.

However, this was not long lived as the upside volatility began to reverse as the coronavirus fears became evident. These components were exited alongside Copper which fell 10%.

The portfolio is now long commodities in 6 of 12 components (or 50%) and includes all 3 sectors - Energies, Metals and Ags (see Chart 3).

Performance was positive in 2 of 5 index sectors, both commodity and financial. However, the losses in the Energy sector along with Metals eclipsed these gains for a portfolio loss (Chart 2). Currencies were challenged by reversals in trends in both the US dollar Index and Aussie Dollar.

There were a number of strong performing portfolio components, both long and short: Gold and Sugar rallied while Natural Gas and Soybeans fell.

The weakest performing components came reversals in petroleum energies, Copper and the Aussie Dollar.

Chart 2 **INDEX RETURN ATTRIBUTION**

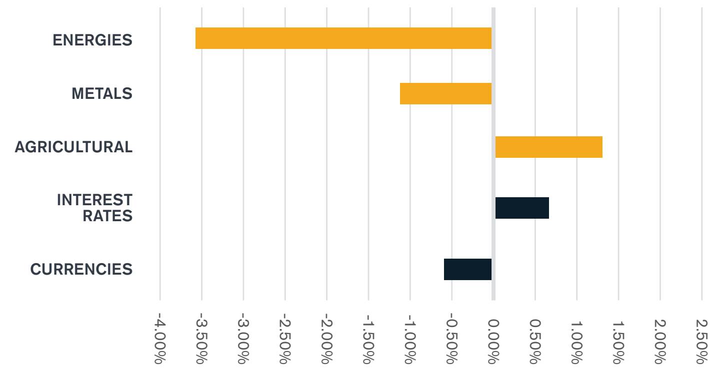
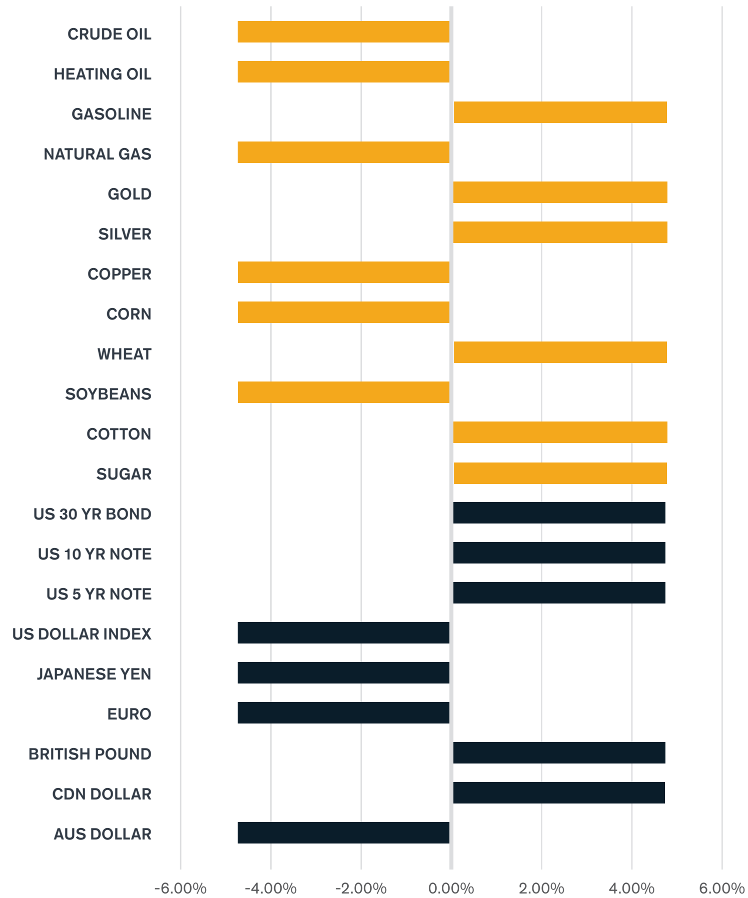


Chart 3 **COMPONENT EXPOSURE: SHORT/LONG**



SECTOR HIGHLIGHTS

ENERGY

Following a strong late 2019 rally, the portfolio added Crude and Heating Oil only to reverse these positions late month. The reversal was drastic as WTI fell 15%.

METALS

While long precious metals made gains as Silver and Gold marched higher, this was offset by a collapsing Copper market. The portfolio is now short Copper.

AGRICULTURE

While Wheat held its price to the benefit of our long exposure, weakness in Corn and Soybeans was profitable on the short side. Sugar continued to provide gains as it rallied almost 9% in the face of overall commodity weakness.

INTEREST RATES

US Rate futures bucked the late year weakness and rallied affirming the long term up-trend. The portfolio remains long across the curve.

CURRENCIES

Continued weakness in the US Dollar index had the portfolio shift to short exposure early in the month. At the same time, weakness in the Aussie Dollar on the back of commodity pressure provided a negative attribution for the sector, a sharp contrast from a month ago.

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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:

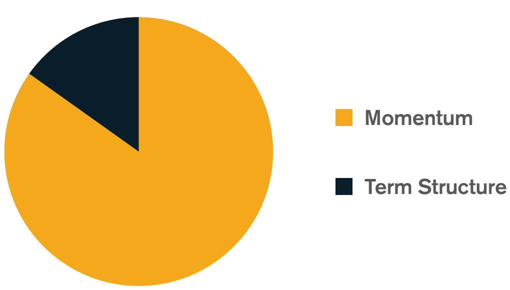
STRATEGY DESCRIPTION

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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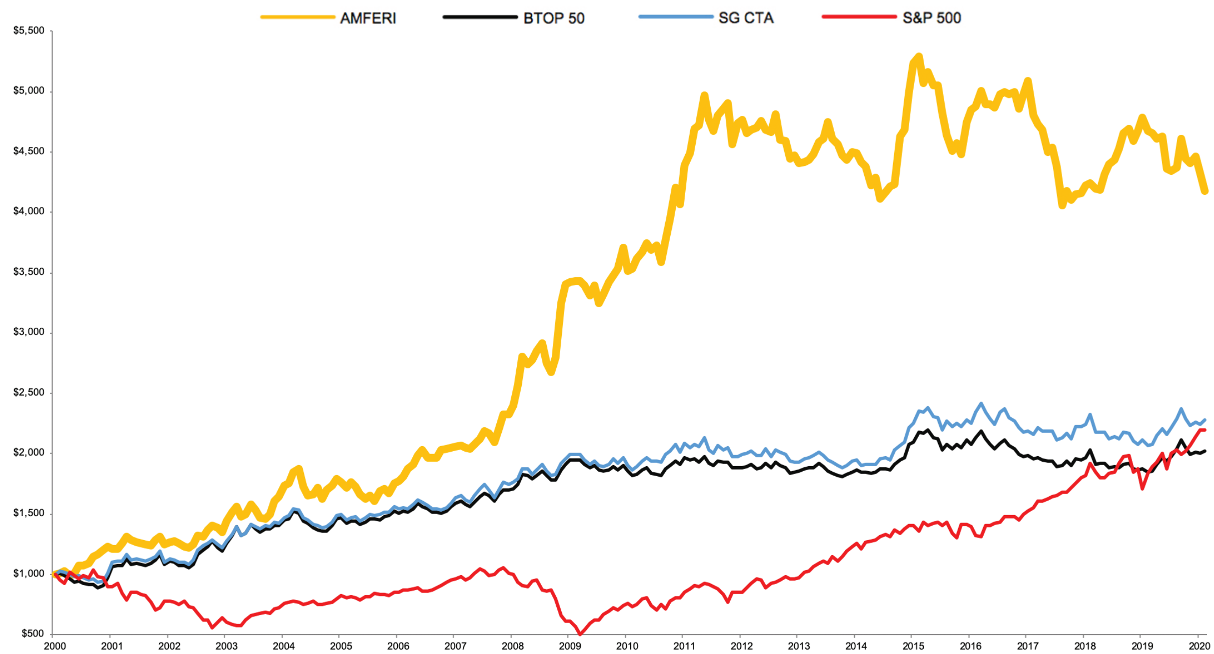
COMPARATIVE MANAGED FUTURES INDEX PERFORMANCE



MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2020	-3.37%												**-3.37%**
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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