AUSPICE

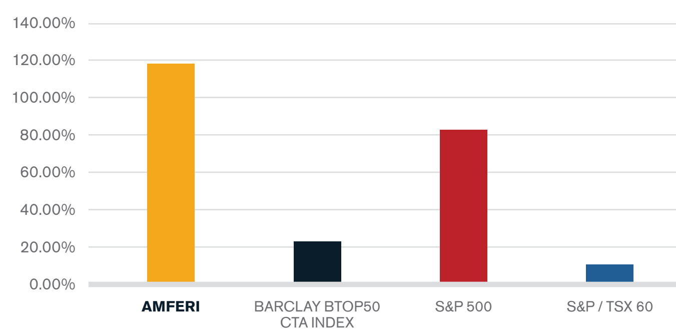
MANAGED FUTURES INDEX

COMMENTARY + STRATEGY FACTS

MARCH 2020

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



Correlation	0.62	-0.23	-0.20

INVEST WITH AUSPICE

Call us
888 792 9291

Visit us online to find out more
auspicecapital.com

CTA Intelligence — Winner - 2016 & 2017 Best Investable CTA Index

AUSPICE Capital Advisors
SUITE 510 - 1000 7TH AVE SW
CALGARY, ALBERTA CANADA T2P 5L5

COMMENTARY + STRATEGY FACTS

MARCH 2020

SUMMARY

Global equities continued the trend lower that started in late February. The S&P fell -12.51% to be down 20% for the year, while the Nasdaq and MSCI World lost 10.12% and 13.47%. The Canadian TSX/S&P60 lost 15.66% while the TSX Energy sub-index collapsed by an astonishing 45.14%.

Commodities continued to sell off as demand destruction due to global economic slow-down (and in many places shut-down) is a reality. Energy was amongst the hardest hit sectors while almost all commodities traded lower. As such, the energy weighted GSCI lost 29.46% while the more diverse Bloomberg Commodity index dropped 12.85%. The Auspice Broad Commodity index tactically exited all remaining exposure early in the month to be down only 2.89%.

Bond futures were volatile and initially sold off sharply along-side equities, providing little safe-haven. Prices recovered and made news highs as a series of global stimulus programs were launched alongside central bank rate reductions. The US dollar was similarly volatile selling off before recovering and making new highs.

RESULTS

The AMFERI gained a solid 7.44% in March while the Barclay BTOP50 CTA fell 1.14% for the month (per Table 1).

The strategy is again outperforming at a critical time with the Q1 spread expanding to 6%. This adds to the strategy outperformance at major historical equity corrections most recently in 2018 as the industry benchmarks and equities fell.

Chart 1 illustrates the long-term outperformance while Table 1 highlights this for 10, 13 year and since early 2007. The annualized result since 2007 is now above equity benchmark gains with over 20% less relative volatility and half the draw-down, a significant outperformance on a risk-adjusted basis.

OUTLOOK

It is challenging to hold strong convictions in terms of market direction, regardless of the sector, given the massive volatility, external forces (eg. government actions) and sheer volume of unknowns.

While equity grabs the headlines, we would point out that the benchmark S&P500 is off 20% for the year which is higher than where we left off in 2018 with the 29% gain of 2019. Given the prolonged outlook for reduced economic activity and corporate slowdown, we have trouble rationalizing this.

Similarly, the severely beaten commodity sector will eventually recover. The drop in demand has been met by a drop in supply and the stimulus and need for commodities will be critical for global economic recovery. Moreover, unexpected inflation, the worst kind, is a real risk.

However, to be clear, at Auspice we are committed to participating in the all markets in an impartial way. Our goal remains to not only capture trends across diverse asset classes but do so agnostically, up or down, managing the risk and capital first and foremost.

Our outlook is simple: The volatility and unknowns are likely to bring about many more surprising trends. This will occur beyond equities in currencies, bonds and across the diverse commodity sector. This will likely provide a series of opportunities for our disciplined approach. We anticipate this period lasting for the rest of 2020 and into 2021.

Chart 1 HISTORICAL GROWTH SINCE 2007

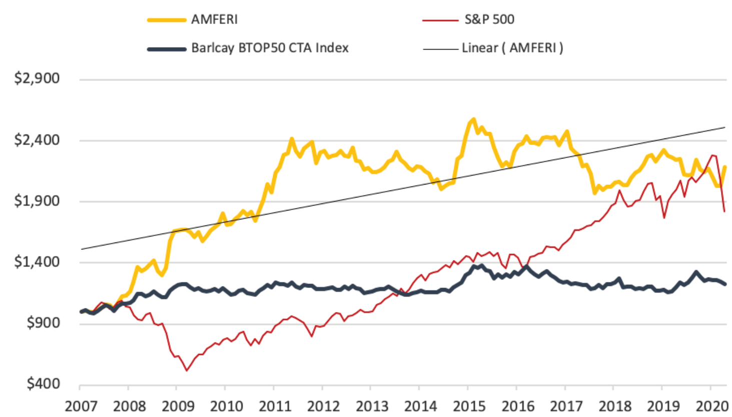


Table 1 ABSOLUTE PERFORMANCE

	AMFERI	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	**7.44%**	-1.14%	-12.51%	-15.66%
2020 YTD	**3.71%**	-2.29%	-20.00%	-19.22%
1 yr (Apr 19)	**-2.76%**	2.48%	-8.81%	-14.55%
3 yr (Apr 17)	**-4.22%**	0.40%	9.39%	-10.45%
5 yr (Apr 15)	**-13.09%**	-11.01%	24.99%	-5.68%
10 yr (Apr 10)	**22.27%**	4.98%	121.01%	16.00%
13 yr (Apr 07)	**119.89%**	24.96%	81.90%	8.96%
Annualized (Jan 07)				
Return	**6.07%**	1.57%	4.63%	0.75%
Std Deviation	**11.54%**	6.63%	15.11%	13.26%
Sharpe Ratio	**0.62**	0.26	0.43	0.17
MAR Ratio	**0.26**	0.10	0.09	0.02
Worst Drawdown	**-23.32%**	-16.11%	-52.56%	-44.27%

AUSPICE

ATTRIBUTIONS AND TRADES

The portfolio continued to exit commodity exposures in March as very few markets maintained strength.

The portfolio is now short commodities in 12 of 12 components (or 100%) and includes all 3 sectors - Energies, Metals and Ags (see Chart 3).

One exception to the weakness (if you look at month end prices) was gold which was very challenging to trade. As the equity markets started to collapse early in the month, other assets followed. This included bonds and gold, typically expected to maintain value on correction. As such, our models exited the long exposure and pivoted short. Gold ended up falling over 7%. However, as equity began to bounce in response to various stimulus, gold did as well.

Performance was positive in 3 of 5 index sectors, both commodity and financial. Gains were led by the short exposures in the energy sector and complimented by Metals. Interest-rate futures ended the month higher and also added value (see Chart 2). Sharp reversals in momentum again challenged currencies as demonstrated by multiple reversals in exposure for the US Dollar Index and Euro.

The strongest performing portfolio components were short energies along with Silver, Copper and Cotton. The weakest performing components were Sugar and Wheat alongside the currencies mentioned.

SECTOR HIGHLIGHTS

ENERGY

There was no escaping the sell-off in the energy sector after Saudi Arabia and Russia announced they were locked in a market-share war March 7th. Crude Oil traded below $20 for the first time in two decades while Gasoline traded at all-time lows. We are short across the sector but have reduced risk.

METALS

Both Copper and Silver sold off sharply and Silver was shifted to short on the first day of the month, participating in much of the gain. Both recovered slightly at month end. Gold was shifted to short mid-month but ended up higher by 1.5% for the month. Remain short across the sector at this moment.

AGRICULTURE

The sole long Grain exposure in Wheat lasted until mid-month and was shifted short. However, the market rallied post and provided a negative attribution. Sugar, which had been in a strong trend higher, literally collapsed, falling 26%. We are now short the entire sector.

INTEREST RATES

US Rate futures were volatile but recovered and ended higher for a gain. The portfolio remains long across the curve.

Chart 2 **INDEX RETURN ATTRIBUTION**

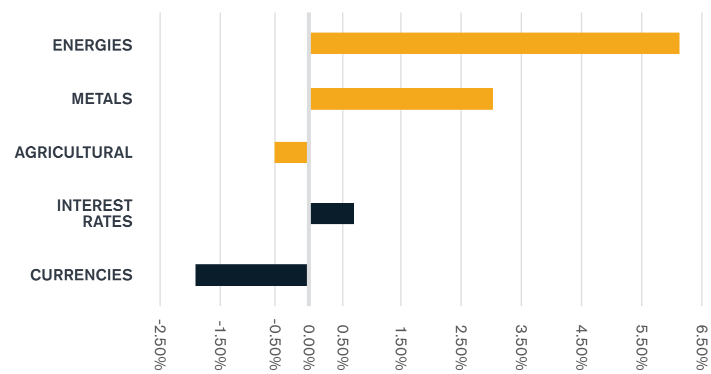
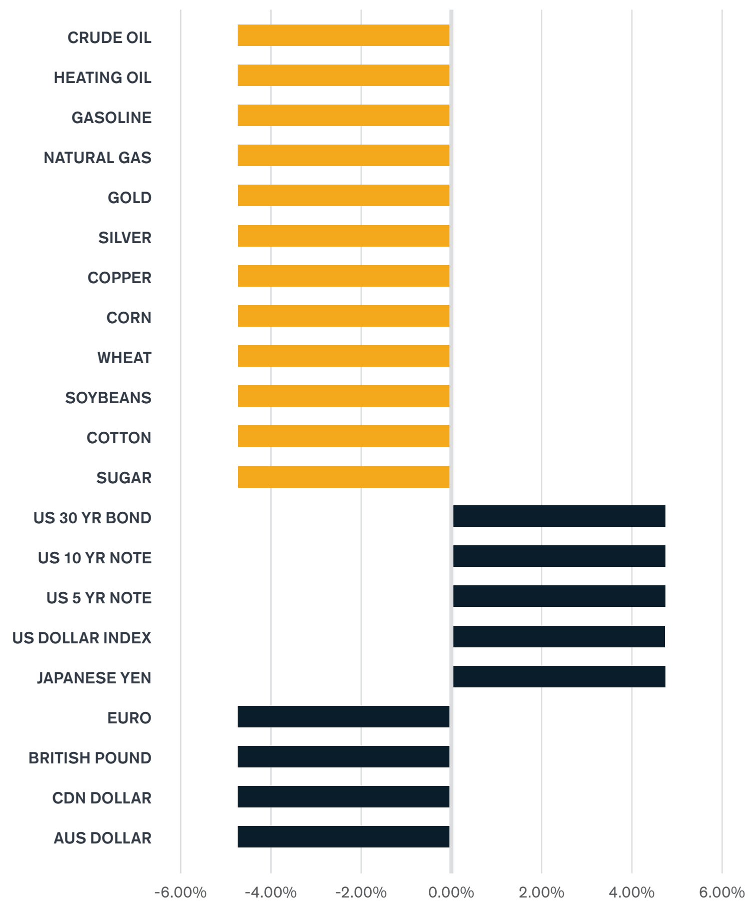


Chart 3 **COMPONENT EXPOSURE: SHORT/LONG**



CURRENCIES

Currencies were exceptionally volatile challenging trends multiple times. The US Dollar and Euro ended up positioned as they started the month, long and short respectively but both shifted direction intra-month. Additionally, the Yen was shifted to long while the Pound went short. All told a very difficult environment and a loss for the sector.

AUSPICE

AUSPICE **MANAGED FUTURES INDEX**

COMMENTARY + STRATEGY FACTS

MARCH 2020

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:

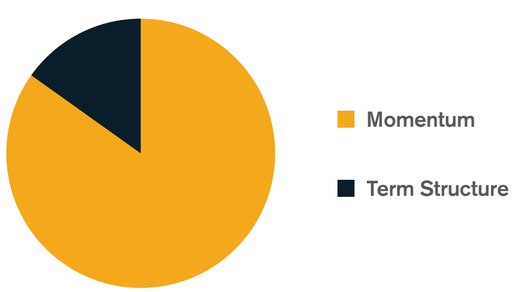
STRATEGY DESCRIPTION

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

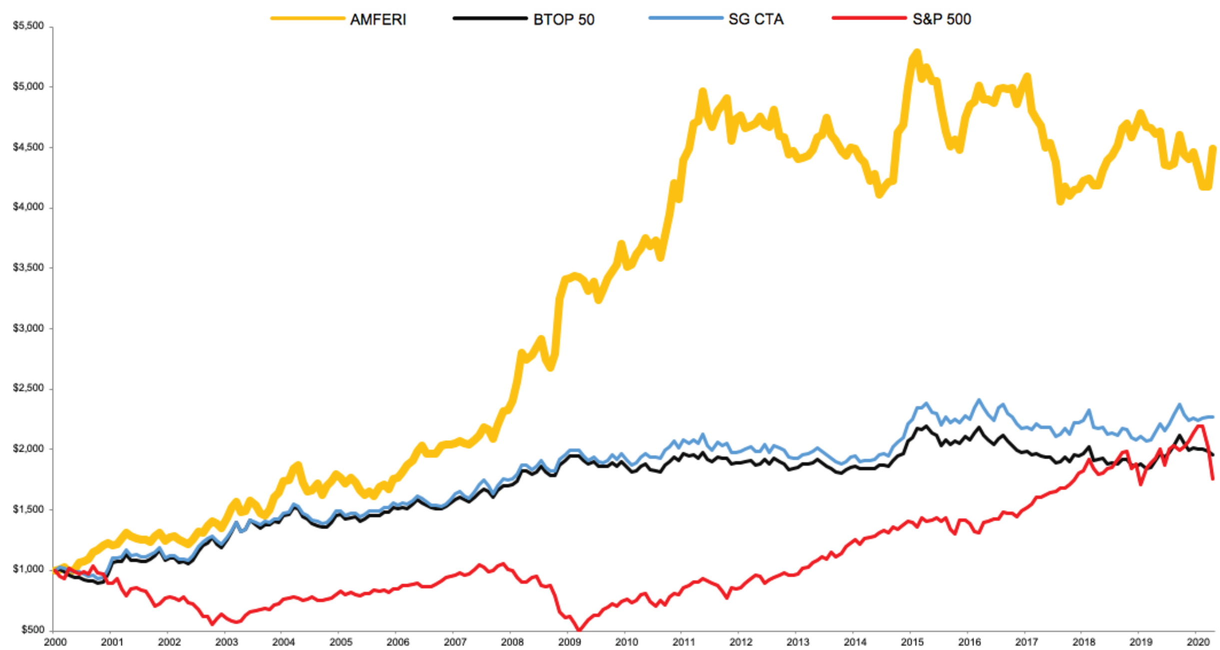
AUSPICE

AUSPICE **MANAGED FUTURES INDEX**

COMMENTARY + STRATEGY FACTS

MARCH 2020

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%	-0.11%	7.44%										**3.71%**
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

AUSPICE

IMPORTANT DISCLAIMERS AND NOTES

Futures trading is speculative and is not suitable for all customers. Past results is not necessarily indicative of future results. This document is for information purposes only and should not be construed as an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. Auspice Capital Advisors Ltd. makes no representation or warranty relating to any information herein, which is derived from independent sources. No securities regulatory authority has expressed an opinion about the securities offered herein and it is an offence to claim otherwise.

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.

INVEST WITH AUSPICE

Call us
888 792 9291
Visit us online to find out more
auspicecapital.com

AUSPICE Capital Advisors
SUITE 510 - 1000 7TH AVE SW
CALGARY, ALBERTA CANADA T2P 5L5

AUSPICE