AUSPICE

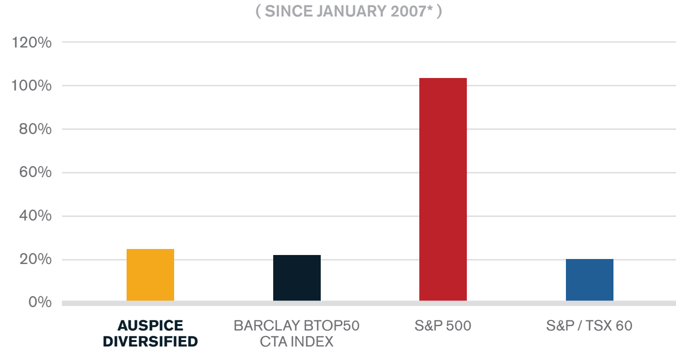
DIVERSIFIED PROGRAM

COMMENTARY + PORTFOLIO FACTS

APRIL 2020

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



	AUSPICE DIVERSIFIED	BARCLAY BTOP50 CTA INDEX	S&P 500	S&P / TSX 60
Correlation		0.66	-0.21	-0.16

*Cumulative performance from January 2007. This represents the first full year of the fund and is most representative of the current strategy and portfolio.

INVEST WITH AUSPICE

Call us
888 792 9291

Visit us online to find out more
auspicecapital.com

altegris
Winner - 2014
Altegris CTA Challenge

MORNINGSTAR® Silver
Silver Medal
Best Opportunistic Hedge Fund - 2010

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

COMMENTARY + PORTFOLIO FACTS

APRIL 2020

SUMMARY

The Auspice Diversified Program kept most of the recent gains, softening 3.16%, after gaining 9.72% in March. Further illustrating all managers in the sector are not the same, the Barclay BTOP50 CTA, which fell alongside equity weakness last month, added back 0.45% for the month (per Table 1) yet the spread of Auspice outperformance for the year is 6.00%. The importance difference is Auspice is positive while the sector benchmark and equity remains negative in 2020. Auspice continues to provide exceptional gains at critical times. For a history of this performance back to 2007, please check out the website or reach out.

As a wide range of government stimulus efforts kicked in, global equities continued the move up after bottoming since late March. The S&P added 12.68% to only be down 9.85% for the year, while the Nasdaq and MSCI World added 15.29% and 10.80%. The Canadian TSX/S&P60 gained 8.75% while the TSX Energy sub-index bounced 28.45% after falling 45.14% last month.

The commodity rout, beyond energy, leveled off as talks of economic "re-start" has begun with some positive signs in Asia. Energy continued to lead the headlines as WTI oil futures traded negative for the first time in history. The energy weighted GSCI fell 9.68% while the more diverse Bloomberg Commodity index lost 1.55%. The Auspice Broad Commodity index tactically started to add back exposure early in the month to be end up 0.07%.

Bond futures stabilized off the March highs, as central bank actions, primarily stimulus from the balance sheet, left rate actions muted. The US dollar was relatively stable versus last month while many currencies recovered some of their deep sell-offs. The Canadian dollar was surprisingly resilient considering oil was trading single digit for the CCI (Canadian Crude Index).

OUTLOOK

Something doesn't quite fit. The IMF, for example, warned (the) "world outlook had changed dramatically" since January with output losses that would "dwarf" the global financial crisis 12 years ago." How is it that the stock markets are only down 10% post massive 2019 gains?

The US industrial production number for March showed a 5.4% m/m contraction, the sharpest fall since 1946, while manufacturing output hit the lowest since WWII and the unemployment rate surged to between 15% and 20%. This unprecedented loss of jobs in a single month equates to more than double the total decline in employment during and after the financial crisis. Yet the S&P added over 12%.

(CONTINUED NEXT PAGE)

Chart 1 HISTORICAL GROWTH OF $1000 INVESTMENT

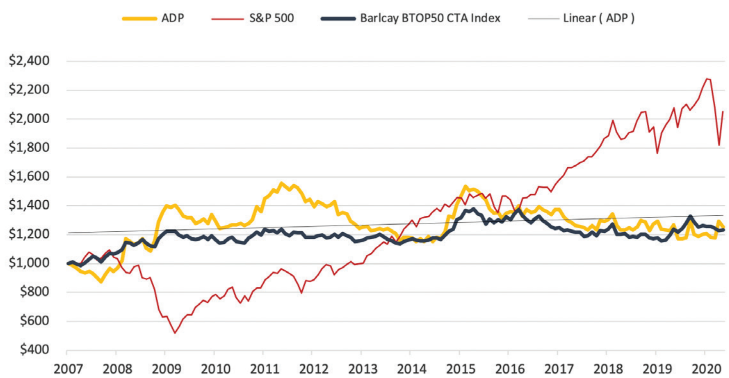
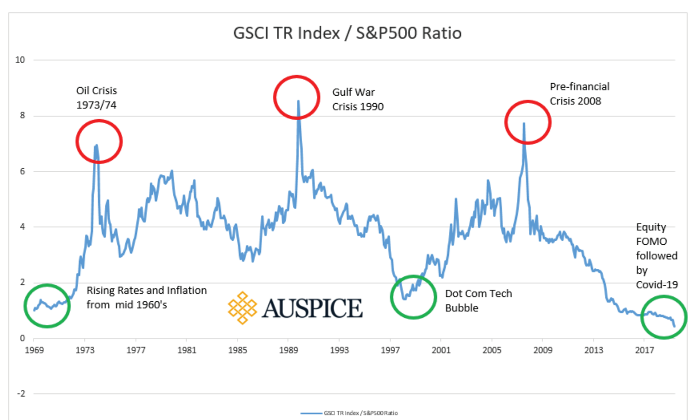


Table 1 ABSOLUTE PERFORMANCE

	Auspice Diversified	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	**-3.16%**	0.45%	12.68%	8.75%
2020 YTD	**3.86%**	-2.15%	-9.85%	-12.20%
1 yr (May 19)	**-1.27%**	-0.20%	-1.13%	-10.35%
3 yr (May 17)	**-0.88%**	1.45%	22.16%	-2.97%
5 yr (May 15)	**-16.48%**	-8.00%	39.65%	0.57%
10 yr (May 10)	**-1.37%**	4.57%	145.42%	24.52%
13 yr (May 07)	**33.65%**	22.66%	96.47%	16.50%
Annualized (Jan 07)				
Return	**1.71%**	1.60%	5.55%	1.38%
Std Deviation	**11.79%**	6.60%	15.43%	13.43%
Sharpe Ratio	**0.23**	0.27	0.47	0.20
MAR Ratio	**0.07**	0.10	0.11	0.03
Worst Drawdown	**-26.04%**	-16.11%	-52.56%	-44.27%

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



Source: Dr. Torsten Dennin, Incrementum AG

AUSPICE

OUTLOOK (CONTINUED)

One possible explanation is that in addition to the stimulus applied (literally trillions by the US Fed), the make-up of the S&P has changed dramatically. Some of the more resilient areas such as IT, communications and healthcare, make up more than 50% of the index now. Moreover, the index is skewed to the ultra-large firms, perhaps the most resilient in this pandemic. And given everyone watches the S&P, it's the bell-weather, we all talk about it as "the market".

However, given those factors, maybe the strength of the S&P isn't the best indicator of the prospects for global economies that it might appear. Just maybe. To reiterate, given the prolonged outlook for reduced economic activity and corporate slowdown, we have trouble rationalizing this. There is a reason these are called "risky assets".

However, a quick reminder how we invest in a word: agnostically. Our goal remains to not only capture trends across diverse asset classes but do so agnostically, up or down, across many markets managing the capital and risk first and foremost. We believe it is highly likely that the sheer volatility and unknowns are likely to bring about many more surprising trends that may provide a series of opportunities for our disciplined approach for the foreseeable future – there is no quick fix. We currently have no equity exposure at all.

Chart 2 SECTOR PNL MONTHLY ATTRIBUTION

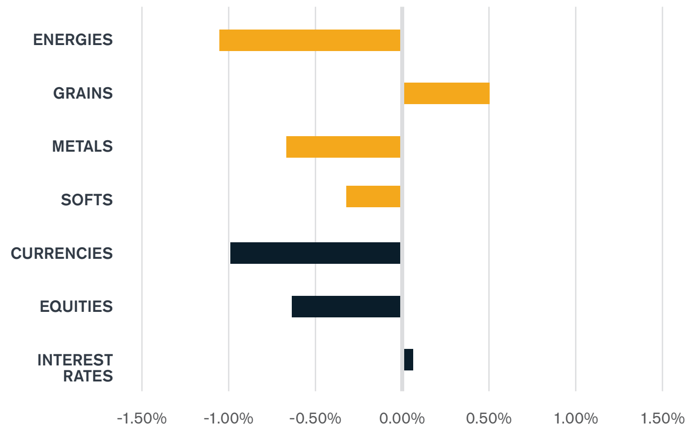
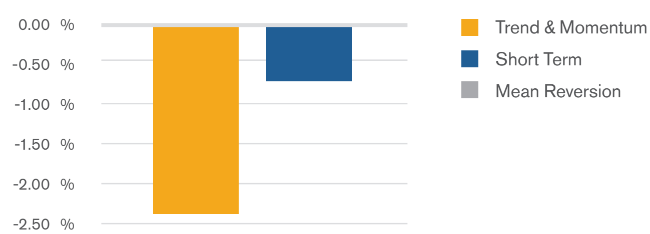


Chart 3 STRATEGY (RETURN DRIVER) ATTRIBUTION



* Strategy Attribution excludes all fees.

ATTRIBUTIONS AND TRADES

In April we continued to adjust risk significantly in order to capture March gains given the continued volatility across commodity and financial assets. There were a number of sectors and individual markets that experienced sharp reversals that were exited. Risk remains low, with the month-end exposure as measured by the margin-to-equity ratio, at a very low level (illustrated in Chart 6).

While not the biggest risk, it is notable that we have not only exited the remaining equity shorts but have not added any long exposure despite the recent rally. This will be one to watch as a momentum indicator.

Commodity shorts, which led gains last month, also accounted for the bulk of this month's loss specifically as certain markets changed course – but to be clear it was not across entire sectors. The reversal in Gasoline is an example of a surprising shift from fundamental thought while WTI crude not only softened but made historic lows. Within Grains, the stronger market in Soybean Meal reversed course and we exited ultimately shifting to short alongside other weak grains. This was the strongest attribution in the portfolio per Chart 2.

Metals experienced a similar reversal whereby Gold was whipsawed and shifted back to long while remaining shorts were held as the market rallied. After falling 17% last month, and providing one of the strongest attributions, Cotton gained 12% yet we remain short on a risk reduced basis

Currencies continued to be a volatile sector and risk was reduced specifically in British Pound and Aussie Dollar.

Return Drivers: Trend-following strategies had a negative month alongside the non-correlated short-term strategies had a small loss (see Chart 3).

POSITION HIGHLIGHTS

GAINS

- Short Grains led by Corn.
- Short WTI Crude Oil.
- Long US 10-year Treasury Note futures.

LOSSES

- Reversal in the Aussie Dollar from short trend.
- Reversal in Gasoline from short trend.
- Reversal in Soybean Meal from long trend.

EXPOSURE AND RISK ALLOCATION

Commodity to Financial exposure had the exposure to commodity markets gain to 92:8 from 77:23 last month per Chart 4. This is on the high side of historical commodity tilt.

Within commodities, there were small and larger changes. A gain in Softs was offset by a reduction in Metals while Grains (short side) increased as weakness and mark-to-market gains accelerated. Within Financials, Currencies decreased considerably while Equity exposure was eliminated completely – we have not entered long exposures.

Portfolio exposure as a whole, as measured by the Margin to Equity ratio, was reduced to 5.3% which is below the historical average level of 6.8% (see Chart 6 next page). This continues to indicate we have reduced risk given the volatility in the marketplace. This month the financial markets were trimmed significantly.

Chart 4 COMMODITIES VS. FINANCIAL EXPOSURE

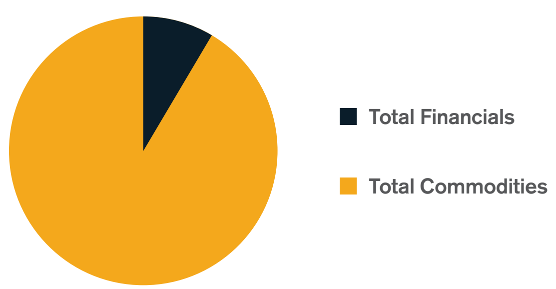
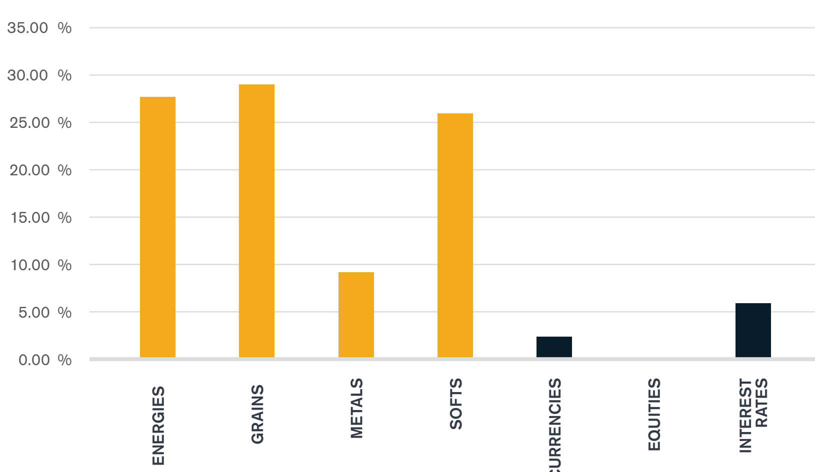


Chart 5 CURRENT SECTOR RISK



CURRENT RISK BY SECTOR

ENERGIES **27.73%**

Largest Holdings	Position	% of Risk
Heating Oil	Short	8.57%
Gasoline	Short	4.67%
Crude Oil (WTI)	Short	4.00%

GRAINS **28.84%**

Largest Holdings	Position	% of Risk
Corn	Short	14.55%
Soybeans	Short	10.82%
Soybean Meal	Short	1.90%

METALS **9.38%**

Largest Holdings	Position	% of Risk
Gold	Long	4.16%
Copper	Short	2.53%
Silver	Short	1.92%

SOFTS **25.76%**

Largest Holdings	Position	% of Risk
Sugar	Short	14.25%
Cotton	Short	11.50%

CURRENCIES **2.46%**

Largest Holdings	Position	% of Risk
Canadian Dollar	Short	2.05%
US Dollar Index	Long	0.41%

EQUITIES **0.00%**

Largest Holdings	Position	% of Risk

INTEREST RATES **5.83%**

Largest Holdings	Position	% of Risk
Treasury Note/10yr (USA)	Long	5.20%
Treasury Note/5yr (USA)	Long	0.63%

* Risk is expressed as the maximum expected loss in a position or sector divided by the total portfolio risk across all positions.

AUSPICE

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 -0.21 to the S&P (see front page), and a modest 0.44 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)

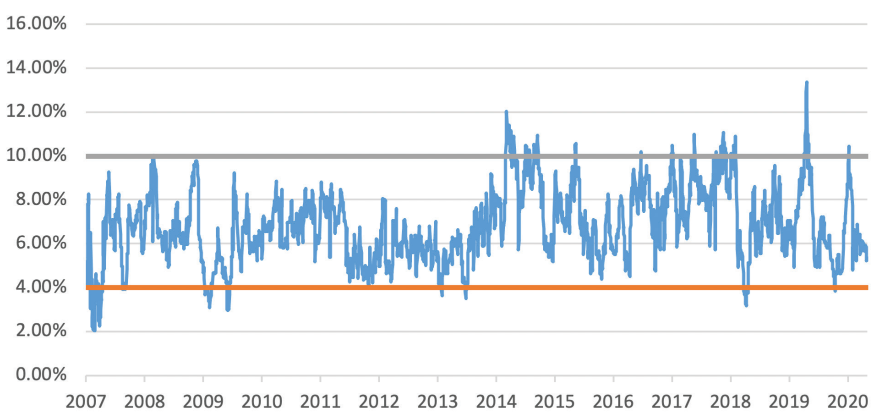


Table 3 NAVS AND RETURNS

Auspice Diversified Trust			
NAV		**MTD**	**YTD**
Class A	8.5752	-3.25%	3.50%
Class F	9.2149	-3.16%	3.86%
Class S	8.3684	-3.25%	3.50%
Class I	11.2296	-3.07%	4.22%
Class X*	10.5477	-3.16%	3.86%

Program Statistics (from Jan 2007)		Trade Statistics	
Annualized Return	1.71%	**Avg Monthly Gain**	2.92%
Annualized Std Dev	11.79%	**Avg Monthly Loss**	-2.14%
Largest Drawdown	-26.04%	**Daily Std Dev**	0.69%
Sharpe Ratio[1]	0.23	**Daily VAR (sim w/99% conf)**	-0.85%
MAR Index[2]	0.07	**Round Turns per $million**	800
Sortino	0.39	**Margin to Equity ratio**	6.8
Upside/Downside Deviation	0.14 / 0.05	**Average Hold Period (Days)**	66
Correlation to S&P 500	-0.21	**% Profitable**	40%
Correlation to TSX60	-0.16	**$Win / $Loss**	1.49
Correlation to BCOM ER	-0.01	**Skew**	1.02

Program Details	
Structure	Unit Trust / LP / Mngd Account / Offshore
Mgmt Fee	Series X 1%
Incentive Fee	15% w/High-Water Mark
Liquidity	Monthly (no lockup)
Firm Assets	$190MM
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
2020	-2.06%	-0.19%	9.72%	-3.16%									**3.86%**
2019	-4.14%	-0.47%	-0.65%	3.50%	-7.43%	-0.37%	0.52%	10.60%	-7.59%	-1.33%	1.42%	0.25%	**-6.75%**
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 performance for Auspice Diversified Trust, Class X (1.5% management and 15% performance fee with hurdle rate). Prior to December 2019, the returns were from Auspice Managed Futures LP, Series 1 (2% management and 20% performance fee) and based in Canadian Dollars (CAD). See Important Disclaimer and Notes for addition details.

COMMENTARY + PORTFOLIO FACTS

APRIL 2020

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 Diversified Program ("ADP")** represent the performance for Auspice Diversified Trust, Class X (1.5% management and 15% performance fee with hurdle rate). Prior to December 2019, the returns were from Auspice Managed Futures LP, Series 1 (2% management and 20% performance fee) 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.

For Canadian investors, any reference to the Auspice Diversified Strategy or Program, "ADP", is only available to "Accredited Investors" as defined by CSA NI 45-106.

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