



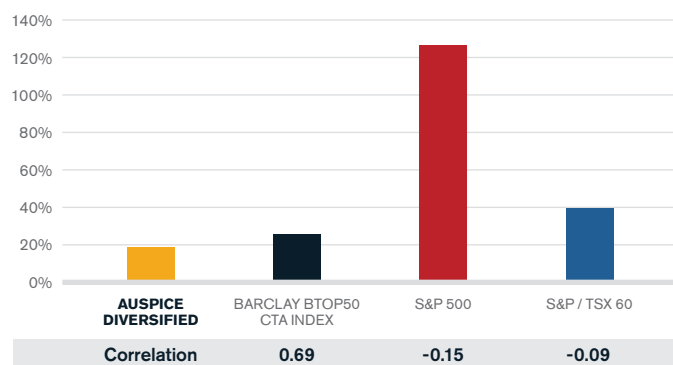
DIVERSIFIED PROGRAM

COMMENTARY +
PORTFOLIO FACTS

JANUARY 2020



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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Winner - 2014
Altegris CTA Challenge



Silver Medal
Best Opportunistic Hedge Fund - 2010

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SUMMARY

The Auspice Diversified Program softened in January by 2.06%. The Barclay BTOP50 CTA added 0.28% for the month (per Table 1). Chart 1 illustrates there is a history of stronger gains at critical times while performing alongside benchmarks long-term.

Through a number of geo-political events, natural disasters and health epidemics, equities were surprisingly strong to start 2020, outside of Asia. 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 more diverse Bloomberg Commodity index dropped 7.48%.

Bond futures rallied regaining their trend while the US dollar followed similar pattern. The commodity currencies of Canada and Australia sold off while the British Pound was steady into Brexit.

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 of the unknown given commodity supply and demand can arguably be witnessed more directly than that of corporate results.

However, just a month ago, we observed commodity markets showing significant buying 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.

Chart 1 HISTORICAL GROWTH OF \$1000 INVESTMENT

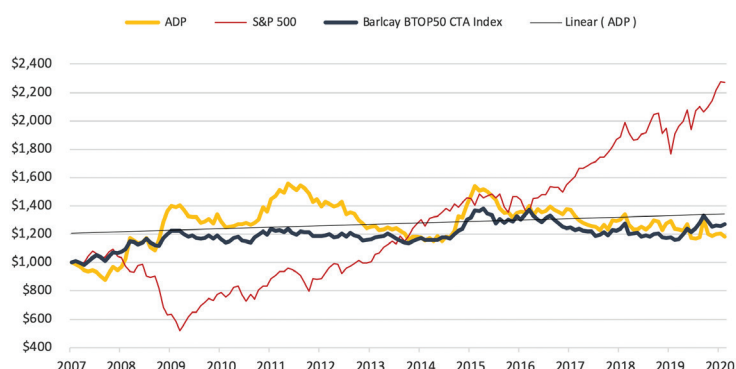
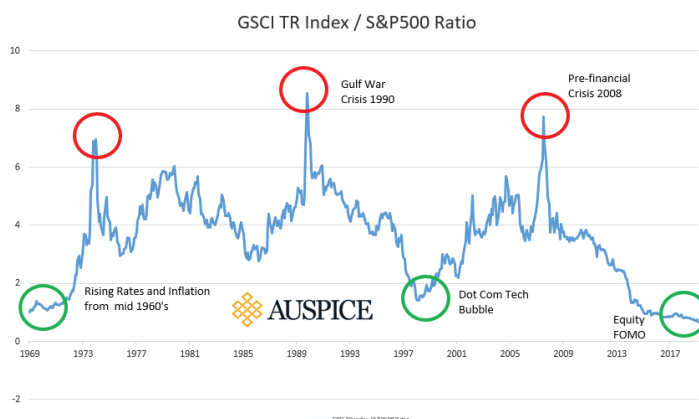


Table 1 ABSOLUTE PERFORMANCE

	Auspice Diversified	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	-2.06%	0.28%	-0.16%	1.78%
2020 YTD	-2.06%	0.28%	-0.16%	1.78%
1 yr (Feb 19)	-4.68%	9.48%	19.28%	11.16%
3 yr (Feb 17)	-10.77%	3.25%	41.54%	13.61%
5 yr (Feb 15)	-23.13%	-7.37%	61.68%	20.49%
10 yr (Feb 10)	-5.09%	11.25%	200.36%	59.28%
12 yr (Feb 08)	15.52%	15.83%	133.98%	33.71%
Annualized (Jan 07)				
Return	1.29%	1.84%	6.48%	2.55%
Std Deviation	11.56%	6.64%	14.56%	12.48%
Sharpe Ratio	0.20	0.31	0.56	0.31
MAR Ratio	0.05	0.11	0.12	0.06
Worst Drawdown	-26.04%	-16.11%	-52.56%	-44.27%

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



Source: Dr. Torsten Dornin, Incrementum AG

ATTRIBUTIONS AND TRADES

After a strong contribution by equity markets recently, Asian markets fell sharply causing us to exit exposures. Nikkei lost 3% while Hang Seng dropped 7%. While other markets were stronger and made gains, the sector was negative overall. Something to think about.

The normally quiet currency sector was the most challenging as sharp reversals in many markets led to most of the portfolio loss. Shifts in Aussie Dollar and the Yen were most disruptive.

Offsetting these reversals and sell-offs were upside trend extensions in a number of markets including Sugar gaining a whopping 9%, Palladium and Gold rallying. Additional weakness in Grains added value outside of Wheat.

While Energies were challenging to trade from a trend-following perspective, and reversals were costly, jumping on the new downtrends quickly provided an offset.

Return Drivers: Trend-following strategies were challenged while the non-correlated short-term strategies had a strong month taking advantage of reversals (see Chart 3).

POSITION HIGHLIGHTS

GAINS

- Long Sugar led commodity gains
- Long Palladium led precious metals.
- Short Soybeans and Soybean Meal futures added value.

LOSSES

- Copper led commodity losses on a sharp reversal.
- Aussie dollar weakness caused a position reversal.
- WTI Crude Oil was entered and reversed for a loss.

Chart 2 SECTOR PNL MONTHLY ATTRIBUTION

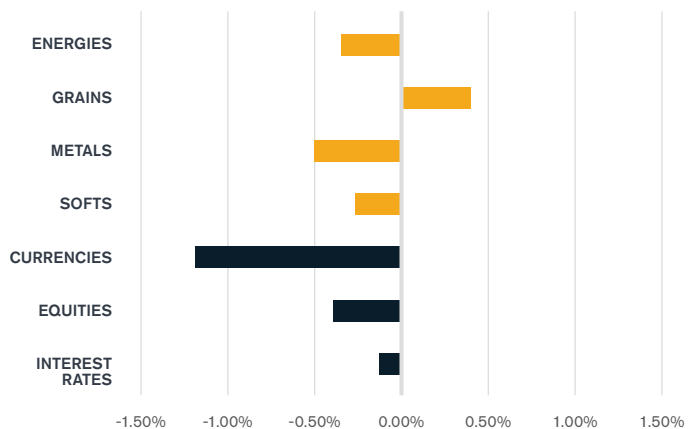
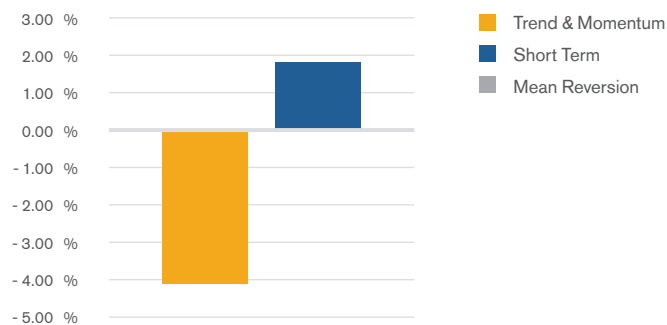


Chart 3 STRATEGY (RETURN DRIVER) ATTRIBUTION



* Strategy Attribution excludes all fees.

EXPOSURE AND RISK ALLOCATION

Commodity to Financial exposure had the commodity markets make a small gain to 74:26 from 71:29 last month per Chart 4.

Within commodities, the most notable changes were increasing Energies and Metals while trimming Soft Commodities. Within Financials, Equities led the reduction complimented by adding to Currencies.

Portfolio exposure, as measured by the Margin to Equity ratio, softened to 7.6% from 8.7% which is in line with the historical average level of 6.8% (see Chart 6 next page).

Chart 4 COMMODITIES VS. FINANCIAL EXPOSURE

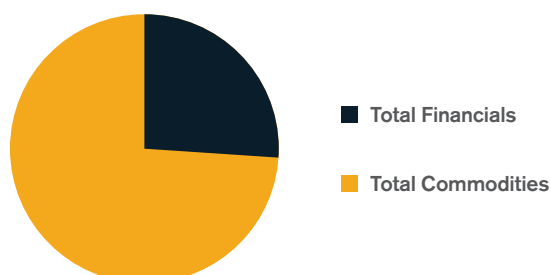
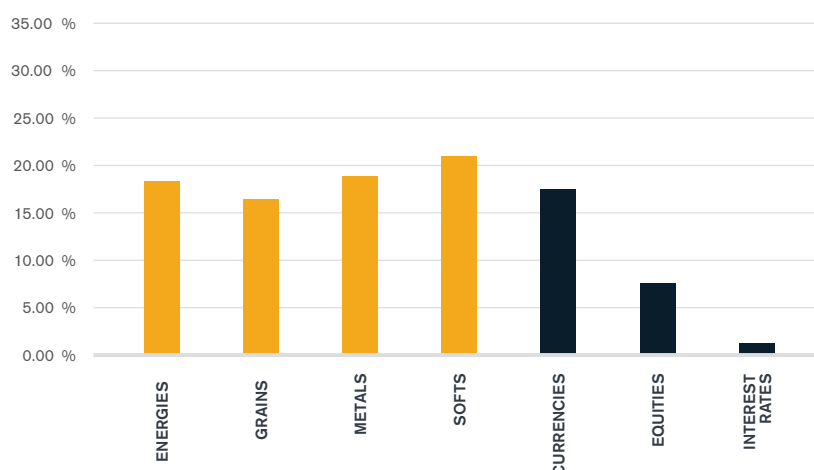


Chart 5 CURRENT SECTOR RISK



CURRENT RISK BY SECTOR

ENERGIES 17.93%

Largest Holdings	Position	% of Risk
Heating Oil	Short	7.70%
Natural Gas	Short	4.37%
Gas Oil	Short	3.14%

GRAINS 16.56%

Largest Holdings	Position	% of Risk
Wheat	Long	6.65%
Soybeans	Short	4.75%
Soybean Meal	Short	3.33%

METALS 18.50%

Largest Holdings	Position	% of Risk
Copper	Short	6.94%
Gold	Long	6.10%
Palladium	Long	4.09%

SOFTS 21.06%

Largest Holdings	Position	% of Risk
Sugar	Long	16.24%
Cotton	Long	4.82%

CURRENCIES 17.48%

Largest Holdings	Position	% of Risk
Aussie Dollar	Short	8.27%
British Pound	Long	4.55%
Swiss Franc	Long	2.78%

EQUITIES 7.44%

Largest Holdings	Position	% of Risk
NASDAQ 100	Long	2.69%
S&P/TSX 60	Long	2.42%
S&P500	Long	2.33%

INTEREST RATES 1.03%

Largest Holdings	Position	% of Risk
Treasury Note/10yr (USA)	Long	0.65%
Treasury Note/5yr (USA)	Long	0.37%

* 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 0.51 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)

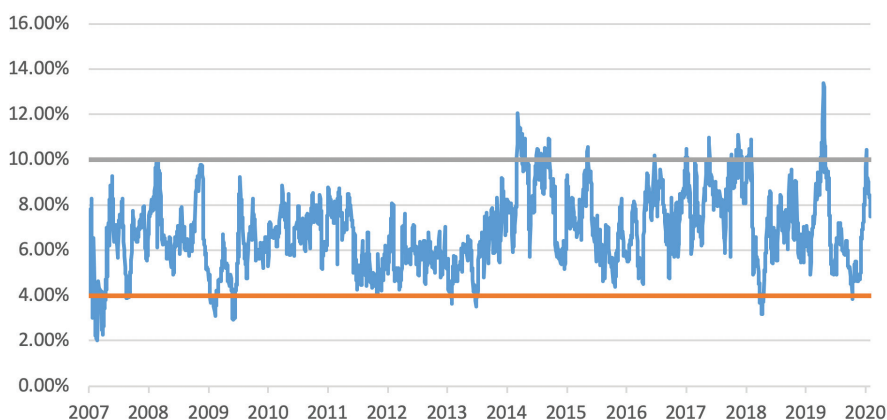


Table 3 NAVS

Auspice Diversified Trust			
NAV		MTD	YTD
Class A	8.1072	-2.15%	-2.15%
Class F	8.6893	-2.06%	-2.06%
Class S	7.9114	-2.15%	-2.15%
Class I	10.5619	-1.97%	-1.97%
Class X*	9.9461	-2.06%	-2.06%

Program Statistics (from Jan 2007)		Trade Statistics	
Annualized Return	1.29%	Avg Monthly Gain	2.83%
Annualized Std Dev	11.56%	Avg Monthly Loss	-2.15%
Largest Drawdown	-26.04%	Daily Std Dev	0.67%
Sharpe Ratio ¹	0.20	Daily VAR (sim w/99% conf)	-0.85%
MAR Index ²	0.05	Round Turns per \$million	800
Sortino	0.33	Margin to Equity ratio	6.8
Upside/Downside Deviation	0.15 / 0.05	Average Hold Period (Days)	66
Correlation to S&P 500	-0.15	% Profitable	40%
Correlation to TSX60	-0.09	\$Win / \$Loss	1.5
Correlation to BCOM ER	0.03	Skew	0.99

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	\$194MM
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%												-2.06%
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.

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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.

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