



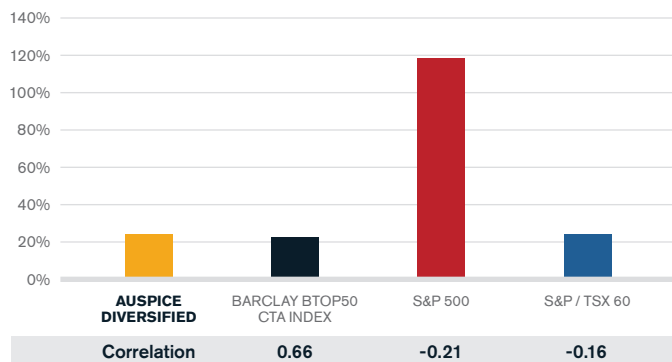
DIVERSIFIED PROGRAM

COMMENTARY +
PORTFOLIO FACTS

JUNE 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 added 0.28% in June to be up 3.65% for the year. The gain, while small, continues to outperform benchmarks as the Barclay BTOP50 CTA was off an estimated 0.44% and the SocGen CTA index fell an estimated 1.44% for the month (per Table 1). The spread of Auspice outperformance for the first half of 2020 is 7.70% and importantly positive versus negative (to the S&P500) and CTA benchmarks. For a history of this crisis alpha performance back to 2007, please check out the website or reach out.

Stock markets have ignored risks, including a surge of COVID cases in the US, and performed exceptionally: the S&P500 added 1.84% in June to be down 4.04% for the year while the Nasdaq added 5.99% for a 12.11% year-to-date gain and an all-time high. The Canadian TSX/S&P60 also added 1.86% while the TSX Energy sub-index remains weak softening 2.39% to be off 48.03% in 2020.

Commodities were extraordinarily volatile with many markets changing by 5-10% and have continued to strengthen as global economic activity gains strength. However, the gains were not universal even within sub-sectors: for example, as oil gained near 10%, natural gas traded to a 25-year low. The energy weighted GSCI added 5.08% while the more diverse Bloomberg Commodity index added a more modest 2.27%.

Bond futures sold off early in the month but gained back as central banks including the US Fed indicated interest rates will remain low for years to come. As in May, the US dollar continued to lose ground as “commodity currencies” such as the Canadian and Aussie Dollars made gains.

OUTLOOK

The economic implication linked to COVID-19 is unprecedented, with the US expecting a 6.5% contraction in 2020. The UK highlighted the economy shrunk 20% in April alone. However, with the re-opening of economies, subsequent retail sales have exceeded expectations and markets have rebounded. This highlights why we trade the way we do as the market direction has dictated long equity positions despite the risks. But to be clear, these exposures are very modest and our market risk exposure is near an all time low.

Yet, the risk is significant. As trade and political tensions continue to rise between the US and China, corporate earnings have been faltering, bankruptcies rising, and a so-called “second wave” appears to be a reality in many major economies specifically the US. While the aggressive central bank stimulus

Chart 1 HISTORICAL GROWTH OF \$1000 INVESTMENT

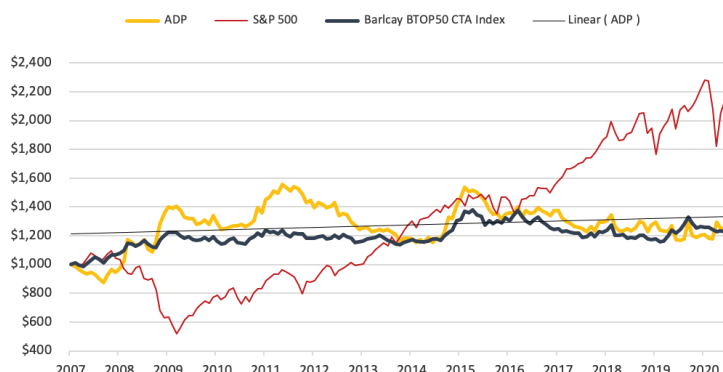
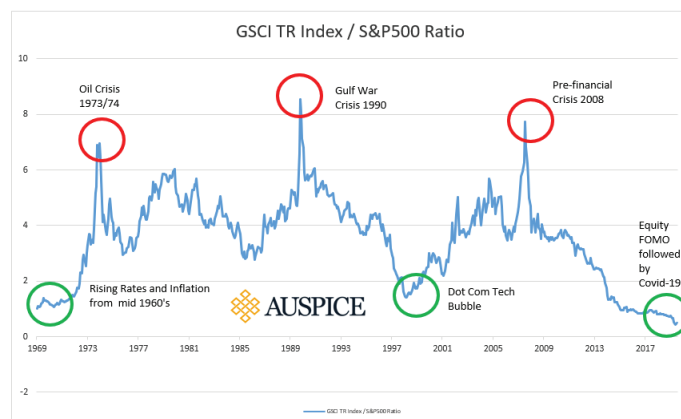


Table 1 ABSOLUTE PERFORMANCE

	Auspice Diversified	Barclay BTOP50 CTA Index	S&P 500	TSX 60
1 Month	0.28%	-0.44%	1.84%	1.86%
2020 YTD	3.65%	-2.72%	-4.04%	-7.95%
1 yr (Jul 19)	6.78%	-1.47%	5.39%	-4.63%
3 yr (Jul 17)	-0.09%	3.10%	27.93%	4.66%
5 yr (Jul 15)	-13.36%	-4.01%	50.27%	10.19%
10 yr (Jul 10)	-2.23%	6.58%	200.79%	41.11%
13 yr (Jul 07)	34.14%	16.48%	106.23%	16.82%
Annualized (Jan 07)				
Return	1.67%	1.51%	5.97%	1.71%
Std Deviation	11.71%	6.56%	15.37%	13.37%
Sharpe Ratio	0.22	0.26	0.49	0.22
MAR Ratio	0.06	0.10	0.11	0.04
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)

has no doubt helped support the economy and markets, it is concerning what follows should and when this support stops. Markets appear to be focusing on the immediate news and not looking ahead.

ATTRIBUTIONS AND TRADES

We have continued to reduce risk and now have near all-time low exposures. This has occurred by further reducing commodity shorts that showed significant reversal characteristics from existing (largely short) trends.

Markets such as Heating and Gas Oil, Soybeans and Corn, were reduced or exited.

Strength in Copper, gaining near 12%, caused not only a short reduction but a reversal to net long.

While attributions were negative in Grains, Metals and Soft commodities, the Energy sector had a strong month alongside a gain in the outperforming NASDAQ equity market.

Currencies had a small sector loss as Global currencies generally strengthened vis-à-vis the US Dollar. Gains were led by the Canadian and Aussie dollars where Aussie shifted to a long exposure.

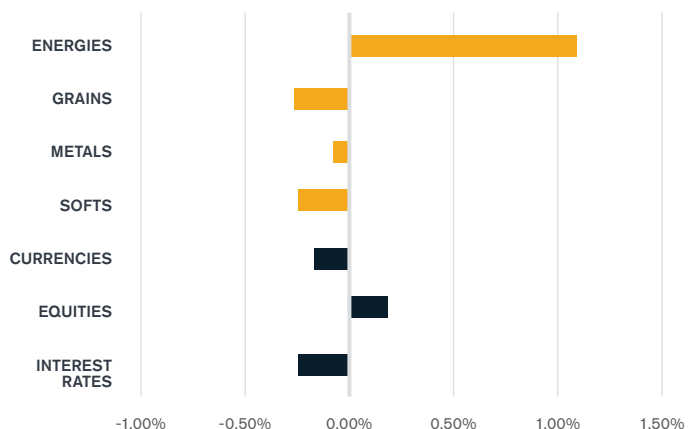
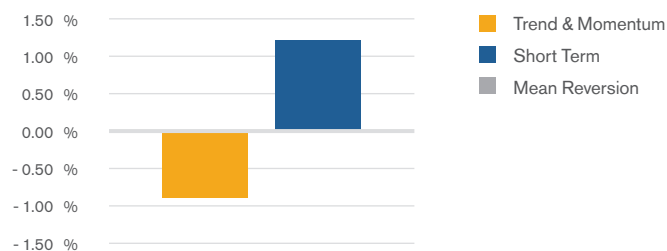
Return Drivers: Given the reversals in commodities, trend-following strategies had a negative month while the non-correlated short-term strategies made strong gains capturing these reversals in June (see Chart 3).

POSITION HIGHLIGHTS**GAINS**

- Short Natural Gas as new lows hit.
- Long NASDAQ equity index futures.
- Short Wheat.

LOSSES

- Soybeans and Corn led the losses in Grains.
- Sugar rallied against shorts held.
- Aussie dollar rallied and positions reversed.

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 has shifted to reduce the commodity tilt to 75:25 from 91:9 last month per Chart 4. This represents a more normal commodity tilt.

Portfolio exposure as a whole, as measured by the Margin to Equity ratio, was again reduced to 2.2% which is now far below the historical average level of 6.8% (see Chart 6 next page). This indicates we have continued to reduce risk given the volatility in the (mostly commodity) sectors where we have exposures.

Within commodities, Energy, Grains and Soft Commodity risk was reduced with a slight increase in Metals. Within Financials, Equity exposure was added alongside additional Currency risk.

Chart 4 COMMODITIES VS. FINANCIAL EXPOSURE

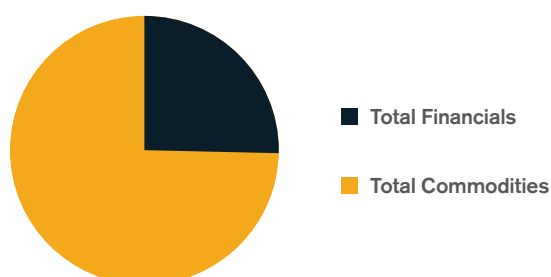
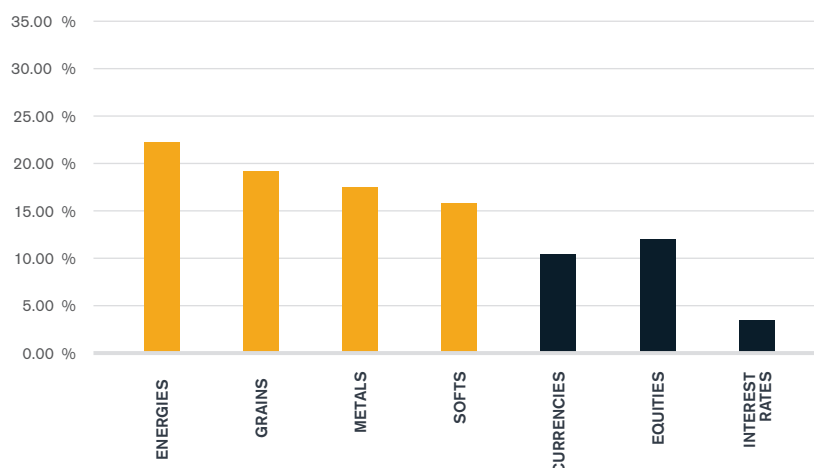


Chart 5 CURRENT SECTOR RISK



CURRENT RISK BY SECTOR

ENERGIES 22.34%

Largest Holdings	Position	% of Risk
Natural Gas	Short	7.07%
Gasoline	Short	5.74%
Heating Oil	Short	5.03%

GRAINS 19.33%

Largest Holdings	Position	% of Risk
Wheat	Short	11.01%
Corn	Short	5.34%
Soybeans	Short	1.72%

METALS 17.19%

Largest Holdings	Position	% of Risk
Copper	Long	10.01%
Gold	Long	6.49%
Silver	Short	0.70%

SOFTS 15.77%

Largest Holdings	Position	% of Risk
Sugar	Short	7.45%
Coffee	Short	4.90%
Cotton	Short	3.42%

CURRENCIES 10.11%

Largest Holdings	Position	% of Risk
Aussie Dollar	Long	8.10%
British Pound	Short	1.02%
US Dollar Index	Long	0.56%

EQUITIES 11.82%

Largest Holdings	Position	% of Risk
NASDAQ Index	Long	11.82%

INTEREST RATES 3.44%

Largest Holdings	Position	% of Risk
Treasury Note/10yr (USA)	Long	1.80%
Treasury Note/5yr (USA)	Long	1.16%
German Euro-Schatz 2yr	Short	0.48%

* 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 -0.21 to the S&P (see front page), and a modest 0.43 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)

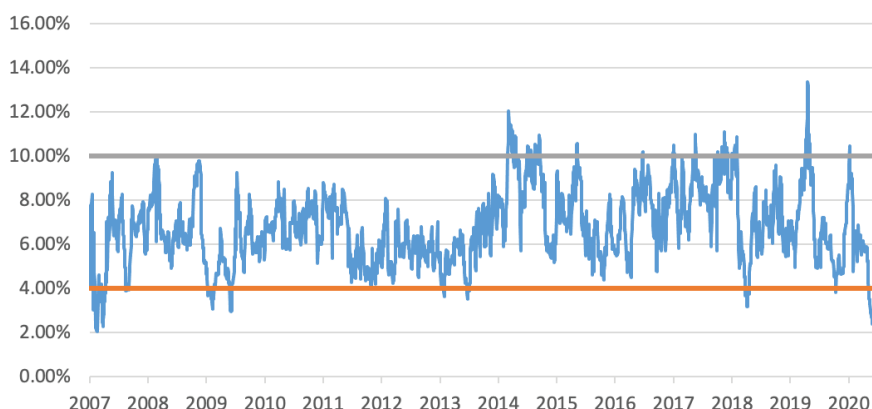


Table 3 NAVS AND RETURNS

Auspice Diversified Trust			
NAV		MTD	YTD
Class A	8.5429	0.19%	3.11%
Class F	9.1965	0.28%	3.65%
Class S	8.3370	0.19%	3.11%
Class I	11.2268	0.36%	4.20%
Class X*	10.5266	0.28%	3.65%

Program Statistics (from Jan 2007)		Trade Statistics	
Annualized Return	1.67%	Avg Monthly Gain	2.88%
Annualized Std Dev	11.71%	Avg Monthly Loss	-2.12%
Largest Drawdown	-26.04%	Daily Std Dev	0.68%
Sharpe Ratio ¹	0.22	Daily VAR (sim w/99% conf)	-0.37%
MAR Index ²	0.06	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)	67
Correlation to S&P 500	-0.21	% Profitable	40%
Correlation to TSX60	-0.16	\$Win / \$Loss	1.5
Correlation to BCOM ER	-0.01	Skew	1.03

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%	-0.47%	0.28%							3.65%
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.

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.

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