

Auspice Corrects Perception of “Pure Play” in Canadian Crude

CALGARY, Feb. 9, 2016 – To date, there has been a considerable amount of confusion with respects to the true meaning of a pure play in Canadian crude oil. Despite the claims of Canadian producers and a general willingness to quote global benchmarks as performance indicators, only one pure play in Canadian crude exists globally – the Canadian Crude Index ETF ([TSX: CCX](#)).

A pure play in Canadian crude reflects the attributes of the underlined commodity without the added distraction and investment risk of the stock market. Typically, this is achieved through publicly-traded commodity futures or ETFs that solely contain exposures to the commodity in question.

While producers may lay claim to being exclusively tied to crude oil in Canada, their performance hinges upon a myriad of factors that are not underpinned by the actual commodity. Companies that are publicly-listed on a stock exchange have a high market correlation (beta), and their valuations can be based on factors that are unrelated to oil, such as production costs, the overall structure of the organization, and debt or equity financing.

Further confusion is generated by a general willingness to interchange global benchmarks with the performance of Canadian crude. While often quoted as the universal price of oil by media and Canadian producers, West Texas Intermediate (“WTI”) is an inaccurate indicator of the crude produced in Canada from both a structural and physical standpoint. The benchmark is unable to accurately track the price, volatility, risk and opportunity of the Canadian commodity, and represents a grade of oil that substantially differs from North America’s marginal barrel – Canadian heavy sour crude.

“In order for Canadian crude to thrive on a global scale, we need participation that goes beyond the physical wholesale market.” said Tim Pickering, Founder and CIO of Auspice Capital Advisors (Auspice). “We need a true pure play – one that encourages liquidity and grants access to global participants who wish to solely be exposed to the price of Canadian crude.”

The CCX tracks the price of the Canadian Crude Index (CCI™) which allows investors to identify opportunities and speculate outright on the price of Canadian crude oil. Priced in U.S. dollars, the CCI™ employs a rolling three-month exposure in order to improve liquidity, lower transaction costs and reduce the effects of contango. Each trading day, the index value is determined by its third-party calculation and publication agent, the NYSE Global Index Group, based on daily returns of prices published by ICE Futures Europe.

The CCX capitalizes on the current market’s performance by replicating the returns that an investor would expect to receive from holding and rolling the contracts enclosed within the benchmark index. It is the only pure play in Canadian crude.

Commissions, trailing commissions, management fees and expenses all may be associated with an investment in the ETF. The ETF is not guaranteed. Its value changes frequently and past performance may not be repeated. Please read the prospectus before investing.

About Auspice Capital Advisors, Ltd.

Auspice is a Calgary-based Canadian fund manager of non-correlated alternatives which since 2006 has partnered with global institutional and retail clients. Led by a respected PM team with institutional pedigree from an Energy major and Canadian bank, Auspice employs a disciplined, rules-based approach to investment management and manages a suite of award-winning and innovative investment products available in a variety of delivery mechanisms (funds, ETFs, indices, managed accounts).

Auspice is registered as a portfolio manager (IFM, CTM, EMD) in Canada and a CTA with the NFA. Auspice is the manager and trustee of the ETF, and is responsible for providing or arranging for the administrative and third party services required.

For more information, please visit www.auspicecapital.com.

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