

June 2015

The Auspice Diversified Program lost 1.84% in June to be off 1.78% year to date. June was a challenging month as global markets were in transition. Equity markets were lower, volatile and choppy while Commodities were mixed, shifting from up trends to down trends and vice-versa. In June the US equity market fell in tandem with other global markets taking some markets to flat or even negative on the year. Moreover, volatility picked up substantially in equities following the overall macro market volatility we have alluded to in recent months. We have further reduced exposure, specifically to Equities, and remain agile and opportunistic as we believe opportunity is forthcoming.



The difference between treading water and patience

You can't swim if you can't tread water

Most of us learned to swim. I am sure for some of us it brings up anxious memories. Getting on a bathing suit, cold pool, other kids. Especially treading water.

It seems to me that learning to tread water was the crux of the matter. Not faking it. But being able to casually tread for a long time without panic, without touching the edge (or the bottom!). You don't pass the level unless you can tread water. It is the final cut.

The same is true for investing. Some call it patience, but we prefer "treading water". Patience implies waiting and doing nothing while waiting for something to happen. However, we believe that you need to be active and still engaged, albeit at a pace that preserves energy, keeping you warm and ready to act.

Right now is an important time to be treading water. Equity market valuations are stretched on the upside, Commodities on the downside, volatility is generally low but showing sporadic burst. Signs. Hints.

And there couldn't be a more appropriate time to add a non-correlated investment that treads water. Given the unknowns in the marketplace (geo-political unrest, Greek debt, Chinese reserve currency issues, Russia, Iran etc), you need to be ready to swim toward opportunity or away from danger. We are ready for either. The Auspice Diversified Strategy is designed to do this and has had a long history of success making money when you need it most.

Sectors and Trades

Like May, June was a challenging month for trend following strategies. For it is transition periods from a trend down to up (or vice versa) that create the greatest challenge. This occurred in Equities, Energy, and in Softs this month. We remain engaged while protecting capital and wait for trends to become more clear.

In June, gains were made in 1 of 7 sectors, (Grains) as the market moved sharply higher. Losses in Equities came primarily from taking profits on existing long exposures, sharply reducing risk in the global equity markets. Energy was softer against recently added long positions in global petroleum markets (see Figure 1 on the next page). The most profitable positions on the month were long positions in Canola and recently added Wheat. The largest loss came from a sharp reversal in Rubber and general profit taking in Equity Indices (exit longs).

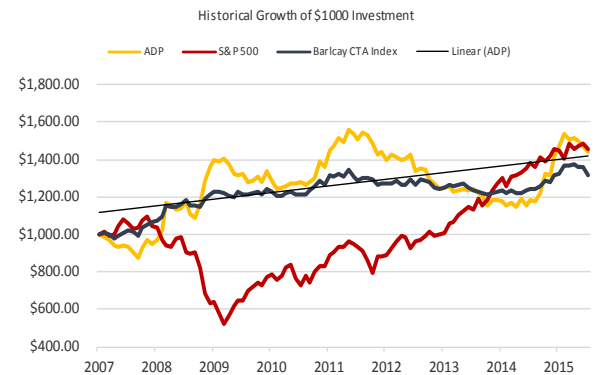


Table 1: Recent Program Performance

	Auspice Diversified	TSX 60	S&P 500	Barclay CTA Index
1 Month	-1.84%	-3.12%	-2.10%	-3.71**%
2015 YTD	-1.78%	-0.83%	0.20%	-0.98**%

Table 2: Long-term Program Performance

	Auspice Diversified	TSX 60	S&P 500	Barclay CTA Index
8 Year Annualized Return	5.62%	0.73%	4.04%	*3.17%
Cumulative Return	54.88%	-6.00%	37.23%	28.40%
Annualized Std Dev	12.10%	14.42%	16.13%	5.62%
Sharpe Ratio	0.46	0.05	0.25	0.56
MAR Ratio	0.22	0.02	0.08	0.32
Largest Drawdown	26.03%	44.27%	52.55%	9.92%
Correlation to Auspice Diversified	1.00	-0.15	-0.25	0.79

*Performance for the Barclays CTA Index is estimated using the performance for the Newedge CTA Index

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*Returns represent the performance of the Auspice Managed Futures LP Series 1.

Key Positions

Energies

Petroleum markets softened

- The bounce higher in energies from the March bottoms has stalled and reversed to some degree.
- We have exited recently added long positions in Gasoil and Heating Oil as well as WTI Crude in the early hours of July 1st.
- We only remain long the strongest market in domestic Gasoline.

Metals

Metals moved lower

- Both Industrial and Precious metals moved lower on the month.
- We have added to the short in Platinum with Palladium, Zinc, and Nickel for a modest sector exposure from the short side.

Grains

Grains reversed sharply

- We exited the remaining shorts in Corn and Soybeans, shifting to long along with Wheat and Canola.

Soft Commodities

Softs hurt by sharp reversal

- The recently added long position in Rubber reversed sharply and we have exited, contributing most of the sector loss.
- We remain short Coffee while adding a short in Sugar both of which were flat on the month.

Equity Indices

Equities were lower

- We have sharply reduced equity risk exiting long positions in S&P, Nasdaq, Hong Kong's Hang Seng and the Canadian TSX 60.
- We have exited the very profitable short in VIX as volatility spiked.
- Only remaining position is long Japan's Nikkei.

Currencies

Currencies rallied vis-à-vis the USD

- We continue to hold a profitable long term short in the Yen for a small loss.
- We added a long position in the British pound, which held up very well during the Euro/Greece woes negotiations.

Interest Rates

Interest Rate futures fell

- After shifting to short in US 30 Year Bonds last month, we have added shorts in Long (UK) Gilts, and US 10 Year Notes.
- While contributing a small loss on the month, this is an important time to watch Rates as the weakness over the last few months has been the first observed since 2013.

Figure 1: Attribution for Auspice Diversified

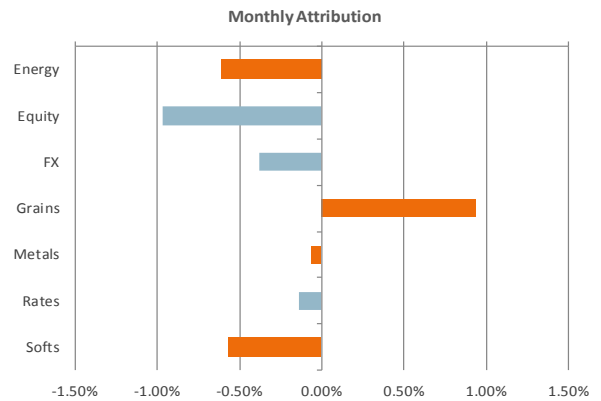


Table 3: NAVs ending June 2015

NAV	Auspice Managed Futures LP*
Series 1	1297.0504
NAV	Auspice Diversified Trust
Class A	10.1932
Class F	10.4154
Class S	9.9452
Class H	11.3276
Class X	11.9108

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