



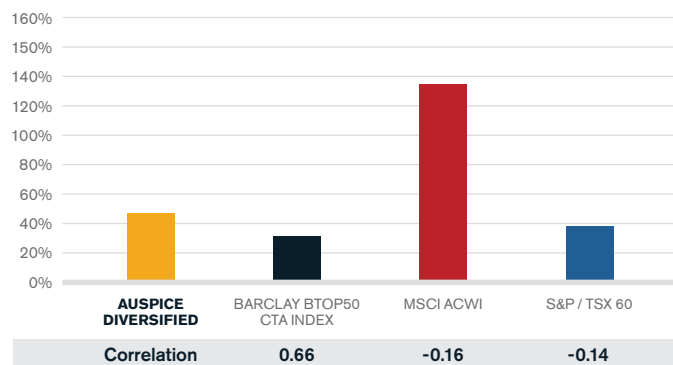
DIVERSIFIED PROGRAM

COMMENTARY +
PORTFOLIO FACTS

JANUARY 2021



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 started the year off with a solid result gaining 2.67%. Sector benchmarks struggled with the Barclay BTOP50 CTA losing 0.93% (per Table 1) while the SocGen CTA index fell a similar 0.91%. While both benchmarks were slightly positive in 2020 (4.24% and 3.16% respectively), they lagged the Auspice gains by over 14%.

Global stock markets started the year moving higher before correcting sharply in the last week despite the "Reddit rally". While some markets managed to remain positive, major diverse benchmarks ended the month on weak footing: S&P500 lost 1.11%, the global benchmark MSCI ACWI fell 0.45% while the NASDAQ maintained a 1.42% gain. The Canadian TSX/S&P60 also fell 0.79% alongside the TSX Capped Energy index pulling back 1.06%.

Commodities started the year where they ended 2020, strong momentum overall, but with a lot of disparity within markets and sub-sectors. The diverse Bloomberg Commodity Index (BCOM) gained 2.62% while the energy tilted GSCI added 4.94% yet remains down 18.47% on a year over year basis. The Auspice Broad Commodity index gained 3.09% and we are seeing solid growth in the NYSE listed Direxion Auspice COM ETF we underlie.

Bond futures were slightly lower, specifically in the long end (rates up) with the short end mostly unchanged. While this remains consistent with global central banks guidance of "lower for longer" rates, the cautionary tone remains the "reflation trade" as inflation targeting is being discussed alongside an unmistakable shift in commodities and a potential long-term breakout to the upside (see chart bottom right).

OUTLOOK

Be cautious.

The last major reflationary trade occurred in 2009 as financial market valuations had been compressed and risk appetite couldn't be much lower. This is in stark contrast to the current environment marked by the Reddit rally and record high financial market valuations.

Equity and bond markets have largely priced in the end of the pandemic, yet the timeline to "back to normal" is largely uncertain. Will we return to business and leisure travel this year? Go to a movie, concert, or ball game? Maybe, maybe not. Significant risks lie ahead for global economies and financial markets.

(CONTINUED NEXT PAGE)

Chart 1 HISTORICAL GROWTH OF \$1000 INVESTMENT

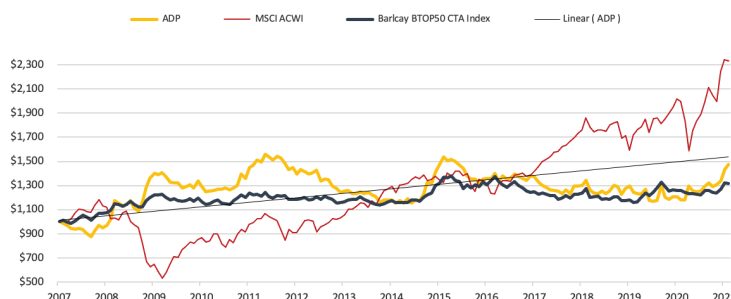
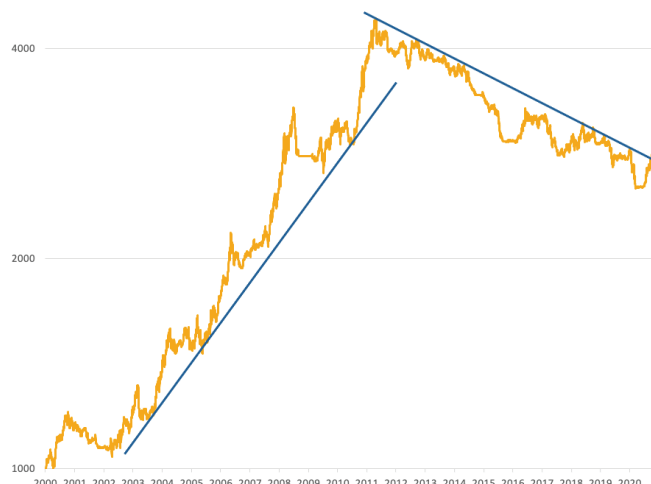


Table 1 ABSOLUTE PERFORMANCE

	Auspice Diversified	Barclay BTOP50 CTA Index	MSCI ACWI	TSX 60
1 Month	2.67%	-0.93%	-0.45%	-0.79%
2021 YTD	2.67%	-0.93%	-0.45%	-0.79%
1 yr (Feb 20)	24.21%	3.88%	17.02%	-0.62%
3 yr (Feb 18)	9.31%	2.76%	25.62%	8.70%
5 yr (Feb 16)	8.20%	-2.46%	88.86%	36.00%
10 yr (Feb 11)	0.10%	6.98%	134.79%	31.84%
13 yr (Feb 08)	43.41%	19.48%	127.74%	32.88%
Annualized (Jan 07)				
Return	2.76%	1.93%	6.21%	2.32%
Std Deviation	11.69%	6.62%	16.65%	13.47%
Sharpe Ratio	0.32	0.32	0.49	0.26
MAR Ratio	0.11	0.12	0.11	0.05
Worst Drawdown	-26.04%	-16.11%	-54.92%	-44.27%

AUSPICE BROAD COMMODITY INDEX SINCE 2000



OUTLOOK (CONTINUED)

One thing we do know is that we will continue to eat and continue to buy goods. Commodity demand has been outpacing supply for some years now and commodity indexes are just beginning to reflect this. Whereas equity market sentiment is arguably exuberant, commodities are still largely ignored by retail and institutional investors alike. Here at Auspice, we are always preaching the benefits of diversification—now more than ever we can't stress how important this is going forward.

ATTRIBUTIONS AND TRADES

It was another quiet month on a relative basis as positions were generally held. Commodity and financial positions largely benefitted from trending behaviour and thus maintained directional exposures.

The strongest markets were Grains and this was complimented by Soft Commodities including Cotton and Sugar. Metals had a small contribution as gains from short Gold, long Copper and Silver but were offset by exiting a position in Nickel. Energies had a decent month as petroleum markets trended higher.

Chart 2 illustrates that while the equity markets ended generally lower, our neutral result was a win given the net long exposure. Gains from the Hang Seng and Nikkei offset weakness in the S&P500, TSX60 and DJ Euro Stoxx 50.

Other financial markets were mixed as gains from softening interest rate futures did not quite offset the loss in Currencies as a recent bounce in the US Dollar vis-à-vis global currency weakness was counter to the long-term downtrend that started after Q1 2020.

Return Drivers: Trend-following strategies made strong gains while the non-correlated short-term (non-trend) strategies pulled back (see Chart 3).

POSITION HIGHLIGHTS

GAINS

- Corn rallied again over 13% while Canola added over 6%.
- Cotton lead Softs adding 8.3%.
- WTI Crude Oil and Heating Oil lifted petroleum energies.

LOSSES

- Natural Gas moved up against net short exposure.
- VIX short was exited for a gain as equity futures corrected.
- Both the Yen and Euro corrected (lower) given US Dollar strength, positions reduced.

Chart 2 SECTOR PNL MONTHLY ATTRIBUTION

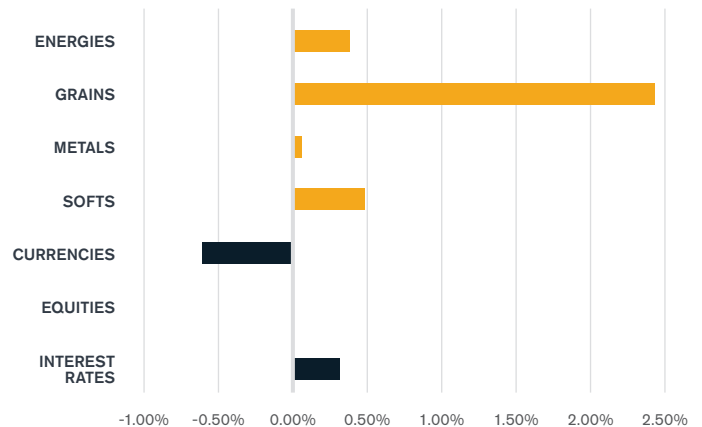
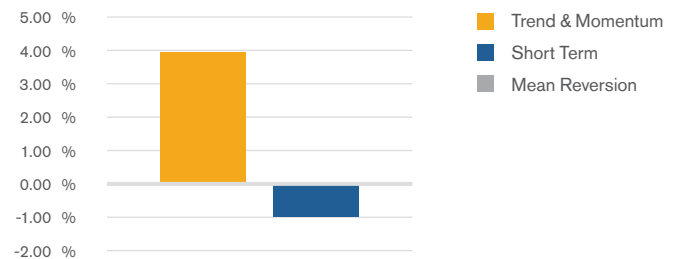


Chart 3 STRATEGY (RETURN DRIVER) ATTRIBUTION



EXPOSURE AND RISK ALLOCATION

Commodity to Financial exposure was higher at 80:20 from last month at 71:29, per Chart 4. This remains a slightly higher commodity tilt than typical. In commodities, risk was added in Energies, Grains and Softs. Metals were largely unchanged. In financials, Currencies and Equity Index exposure were reduced while Rates gained.

Portfolio exposure, as measured by the Margin to Equity ratio, was slightly lower moving from 10.9% to 10.6%, remaining near the top of the typical band and above the historical average level of 6.8% (see Chart 6 next page).

Chart 4 COMMODITIES VS. FINANCIAL EXPOSURE

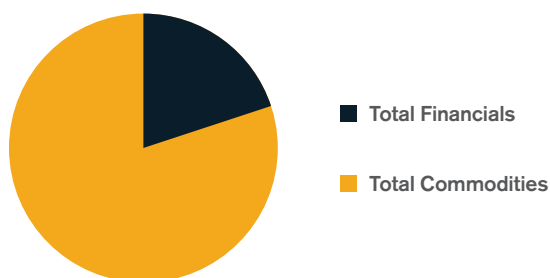
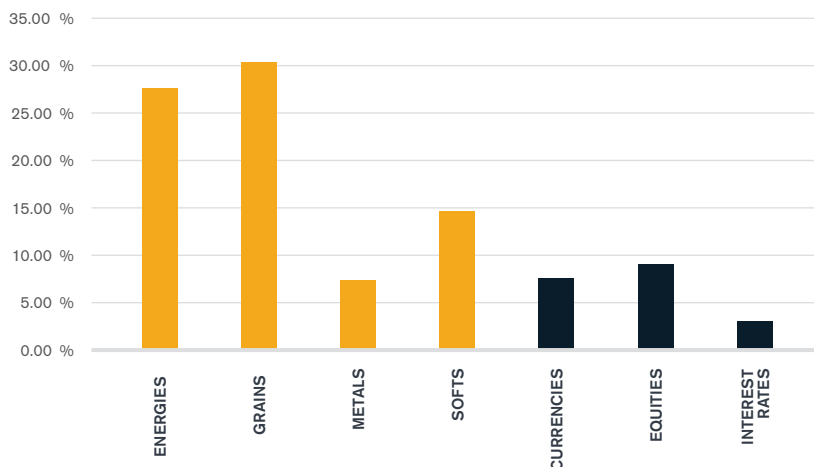


Chart 5 CURRENT SECTOR RISK



CURRENT RISK BY SECTOR

ENERGIES 27.44%

Largest Holdings	Position	% of Risk
RBOB Gasoline	Long	6.68%
Heating Oil	Long	6.17%
WTI Crude Oil	Long	4.00%

GRAINS 30.32%

Largest Holdings	Position	% of Risk
Soybeans	Long	11.05%
Corn	Long	9.31%
Wheat	Long	4.68%

METALS 7.57%

Largest Holdings	Position	% of Risk
Copper	Long	3.69%
Platinum	Long	1.65%
Gold	Short	1.29%

SOFTS 14.71%

Largest Holdings	Position	% of Risk
Sugar	Long	1.42%
Cotton	Long	7.29%

CURRENCIES 7.88%

Largest Holdings	Position	% of Risk
British Pound	Long	3.33%
Aussie Dollar	Long	2.02%
Canadian Dollar	Long	1.64%

EQUITIES 8.94%

Largest Holdings	Position	% of Risk
Nikkei (Japan)	Long	3.03%
NASDAQ Index	Long	2.39%
Hang Seng	Long	1.20%

INTEREST RATES 3.15%

Largest Holdings	Position	% of Risk
Treasury Bond/30yr (USA)	Short	1.79%
Treasury Note/10yr (USA)	Short	1.15%
Treasury Note/5yr (USA)	Short	0.20%

* 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 -0.16 to the MSCI ACWI (see front page), and a modest 0.56 correlation (and positive skew) 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)

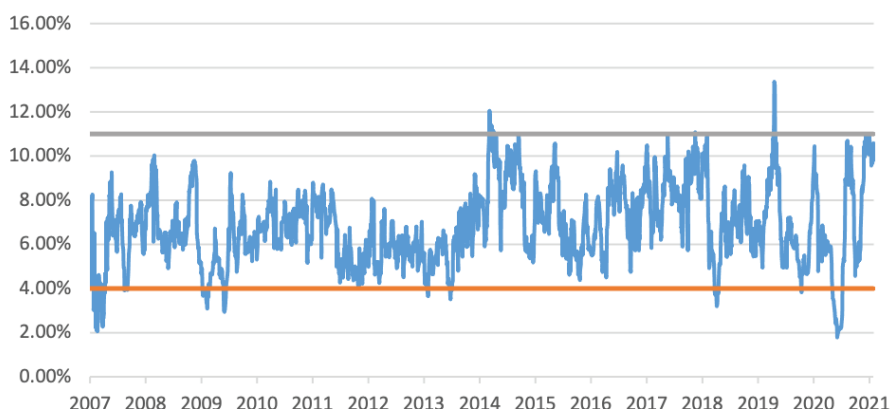


Table 3 NAVS AND RETURNS

Auspice Diversified Trust			
NAV		MTD	YTD
Class A	10.1658	3.10%	3.10%
Class F	10.7043	2.52%	2.52%
Class S	9.9215	3.10%	3.10%
Class I	13.5210	3.28%	3.28%
Class X*	12.3524	2.67%	2.67%

Program Statistics (from Jan 2007)		Trade Statistics	
Annualized Return	2.76%	Avg Monthly Gain	2.90%
Annualized Std Dev	11.69%	Avg Monthly Loss	-2.12%
Largest Drawdown	-26.04%	Daily Std Dev	0.69%
Sharpe Ratio ¹	0.32	Daily VAR (sim w/99% conf)	-3.73%
MAR Index ²	0.11	Round Turns per \$million	800
Sortino	0.57	Margin to Equity ratio	6.8
Upside/Downside Deviation	0.15 / 0.05	Average Hold Period (Days)	65
Correlation to MSCI ACWI	-0.16	% Profitable	39%
Correlation to TSX60	-0.14	\$Win / \$Loss	1.52
Correlation to BCOM ER	0.03	Skew	0.96

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	\$280MM
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
2021	2.67%												2.67%
2020	-2.06%	-0.19%	9.72%	-3.16%	-0.47%	0.28%	3.36%	2.08%	-2.15%	0.99%	2.69%	6.73%	18.46%
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 (1.0% 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.

COMPARABLE INDICES

*Returns for **Auspice Diversified Program ("ADP")** represent the performance for Auspice Diversified Trust, Class X (1.0% 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 **MSCI ACWI (Net) Index**, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets.

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.

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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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