



DIVERSIFIED TRUST

COMMENTARY +
FUND PROFILE

OCTOBER 2023

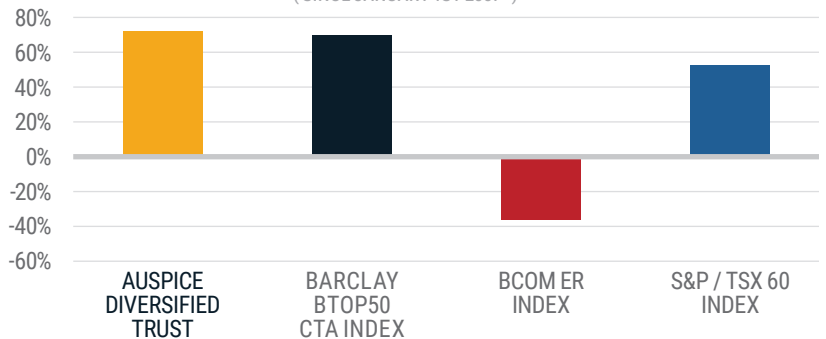
All performance data, portfolio information and pricing contained herein is as of October 31st, 2023.

AUSPICE Capital Advisors

SUITE 510 - 1000 7TH AVE SW
CALGARY, ALBERTA CANADA T2P 5L5



CUMULATIVE PERFORMANCE (SINCE JANUARY 1ST 2007*)



Correlation	0.66	0.08	-0.10

Source: Bloomberg and Auspice Investment Operations. *The returns for Auspice Diversified Trust ("ADT") are net of fees. Returns represent the performance for Auspice Diversified Trust, Series X. Prior to December 2019, the returns were from Auspice Managed Futures LP, Series 1. Past performance is not indicative of future results. You cannot invest directly in an index. *Correlation is a statistical measure that calculates the degree to which two portfolio or securities move in relation to one and the other, and can range between -1.0 and +1.0. A 0 correlation would indicate 0 similarity, a 1.0 correlation would indicate 100% correlation.

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Prior to February 28, 2023, this Fund was offered via offering memorandum only and this Fund was not a reporting issuer during such prior period. The expenses of the Fund would have been higher during such prior period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer. Auspice obtained exemptive relief on behalf of the Fund to permit the disclosure of the prior performance data for the Fund for the time period prior to it becoming a reporting issuer.

SUMMARY

Source of data is Bloomberg unless otherwise indicated.

Last month (September) as equities sold off sharply, Auspice strategies found other opportunities and provided a strong offset. Indeed, throughout our 17-year history, from the Global Financial Crisis in 2008 (Auspice +45%), to the 60/40 crisis in 2022 (Auspice +18% H1 2022), Auspice has consistently delivered at times of crisis. However, on a month-by-month basis, this is unfortunately not always the case. The Auspice strategies are non-correlated and historically negatively correlated at times of persistent equity weakness (see [last month's blog here](#)), but it is not a -1.0 equity correlation. This month, we corrected as well.

Auspice Diversified Trust (ADT) corrected 3.4% as stock markets sold off alongside bonds. The result underperformed benchmarks for the month as the BTOP50 index lost 1% per Table 1 and SG CTA softened 1.5%. The long-only commodity benchmark Bloomberg Commodity Index added to its losses to be off 7.3% in 2023 while the trend-following and tactical Auspice Broad Commodity Index lost 2% to be down 1.4% while tracking ETFs remain positive on the year.

Global equity benchmarks weakened for a third month in a row. The tech heavy Nasdaq fell 2.8% while the S&P500 and Canadian TSX60 fell 2.2% and 3.4% respectively. The global benchmark MSCI ACWI was off 3% alongside Asian benchmark Hang Seng dropping 3.9% to be down 13.9% on the year.

As illustrated in Chart 1, despite recent consolidation, the Auspice Diversified Trust has provided a positive result and negative correlation to equities (MSCI ACWI index) recently and in the "Crisis Alpha" sections. The result has exceeded CTA manager benchmarks as depicted by the BTOP50 and commodity benchmarks per the BCOM and is a valuable return stream and portfolio diversifier long-term.

Inflation (US CPI) remains elevated and came in at the same level, 3.7% year-over-year, as in August, per Chart 2. For a second time in a row the US Federal Reserve held rates steady on November 1st, but again signalled "possibility of additional monetary tightening amid mounting evidence..."¹. The Bank of Canada again held its policy rate steady at 5.0% alongside the European Central. Bonds continued to fall during the month, raising rates, although the inversion flattened somewhat with long-term rates rising more than short-term. The US dollar continued to rally gaining 0.6% vis-à-vis global currencies with the Canadian and Aussie dollars softening 2.3% and 1.6% alongside the Yen dropping 1.9%.

OUTLOOK

Canada entered a technical recession in October² with Europe likely to follow as GDP across the 20 countries that use the Euro having dropped 0.1% in Q3³.

Meanwhile, inflation across North America and Europe remains well above 2% targets despite rising rates. This alongside the breakout of a second global conflict.

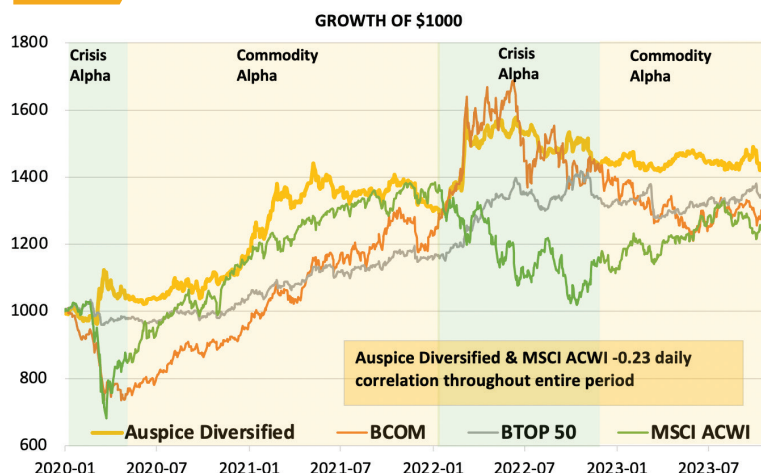
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¹ <https://www.ft.com/content/5b01c471-6289-41a0-9044-97b6df48b507>

² <https://www.bloomberg.com/news/articles/2023-10-31/canada-economy-on-track-to-enter-technical-recession>

³ <https://www.cnn.com/2023/10/31/business/europe-economy-q3-gdp-recession-risk/index.html>

CHART 1 COMMODITY & CRISIS ALPHA



Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. You cannot invest directly in an index.

TABLE 1 AUSPICE DIVERSIFIED TRUST PERFORMANCE

	Auspice Diversified Trust	Barclay BTOP50 CTA Index	BCOM ER INDEX	TSX 60 INDEX
1 Month	-3.36%	-1.01%	-0.21%	-3.39%
2023 YTD	-1.00%	1.47%	-7.26%	-3.08%
1 yr (Nov 22)	-5.26%	-3.10%	-7.71%	-3.75%
3 yr (Nov 20)	32.24%	37.19%	45.62%	21.96%
5 yr (Nov 18)	40.66%	44.05%	25.76%	26.57%
10 yr (Nov 13)	46.00%	47.26%	-16.46%	47.62%
15 yr (Nov 08)	35.00%	44.22%	-20.73%	91.61%
Ann. Return (Jan 07)	3.29% ¹ / 4.31% ²	3.18%	-2.72%	2.54%
Std Deviation	11.57%	6.94%	16.57%	13.42%
Sharpe Ratio	0.36	0.49	-0.08	0.28
MAR Ratio	0.13	0.20	-0.04	0.06
Worst Drawdown	-26.04%	-16.11%	-73.87%	-44.27%

Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. You cannot invest directly in an index. 1/3/5/10/15 year is cumulative performance.

1. The returns for Auspice Diversified Trust ("ADT") are net of fees. Returns represent the performance for Auspice Managed Futures LP Series 1 (2% mgmt, 20% performance) including and ending November 2019. From this point, returns represent the performance for Auspice Diversified Trust Series X (1% mgmt, 15% performance) which started in July 1st, 2014.

2. "Auspice Diversified 1 and 15" is provided for indicative purposes to illustrate full cycle net returns with the current lower fee structure (Series X). Auspice Diversified 1 and 15 is based on the realized gross returns of Auspice Managed Futures LP Series 1 (2% mgmt, 20% performance) through November 30th 2019, adjusted with the current lower (1 and 15) fee structure (Series X). December 1st, 2019 forward Auspice Diversified 1 and 15 represents the realized net returns from Auspice Diversified Series X.

OUTLOOK (CONTINUED)

While not stagflationary - we believe employment will remain high - the last major period of elevated inflation, declining growth, and war was the 1970s. Commodities, as represented by the GSCI TR, annualized 21.3% over this decade vs 1.6% for the S&P 500.

Deglobalization and protectionism are also creating a structural shift that we believe could further drive commodity demand and wage pressures regardless of more regional recession risks.

While October offered little reprieve for commodity and CTA strategies, we see a potential big runway in 2024 based on: 1) commodity cycle, 2) equity volatility and 3) a structural inflation shift.

See the Auspice October Blog for more.

ATTRIBUTIONS AND TRADES

Per chart 3, commodity sectors caused the negative portfolio result after leading gains last month. Choppy volatility led to sector corrections and various position changes, both long and short, within some sectors. While petroleum energies pulling back led results and positioning is unchanged, other sectors made adjustments. Metals were a volatile sector with long exposures exited and shorts adjusted (see below "By Sector"). Grains added both new long and short exposures while Soft Commodities (tilted long) led reduction in exposure. There was a significant shift in the equity sector as we added short exposure as well as covering the short VIX exposure.

BY SECTOR

Energies: Petroleum energies pulled back and led the negative result. Positions held.

Equities: Neutral result as repositioning added to short exposures in the Canadian TSX, S&P500 and Nasdaq.

Metals: Reduced Gold shorts while adding to Copper, Palladium and Platinum. Exited long Zinc while holding Iron Ore which outperformed.

Rates: Sector gains led by weakness in long-end of curve while risk was reduced due to volatility.

Grains: Small negative attribution: new positions long Soybean Meal and short Canola.

Currencies: Led the positive attributions from gains led by shorts vis-à-vis the US Dollar.

Softs: Negative attribution from long Cotton correcting while short Coffee was covered.

RETURN DRIVERS:

Losses were driven by trend-following strategies while the Auspice non-correlated short-term (non-trend) strategies were neutral. See Chart 4.

POSITION HIGHLIGHTS

GAINS

- Currency shorts including Canadian and Aussie dollars and the Yen.
- Bonds shorts led by US 30-years.
- Iron Ore rallied 3.7%.

LOSSES

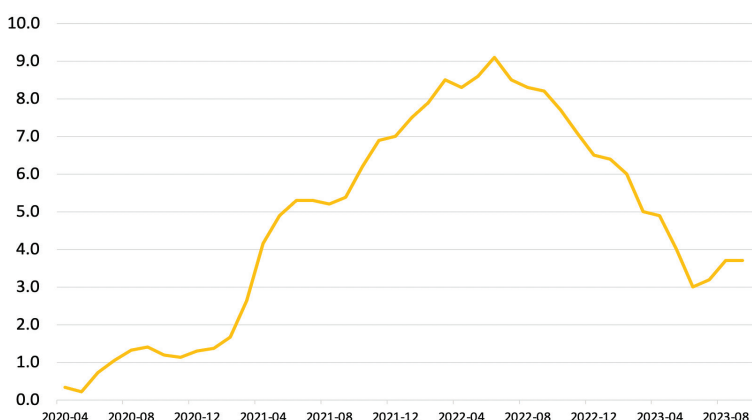
- Crude Oil fell over 9%.
- Gold rallied against shorts almost 7%.
- Zinc fell 9%.

TABLE 2 AUSPICE DIVERSIFIED TRUST PERFORMANCE

Auspice Diversified Trust Series	Annualized Return				NAVPU CAD \$
	1yr	3yr	5yr	10yr	
Series X	-5.26%	9.75%	7.06%	n/a	14.5159
Series A	-6.25%	9.27%	6.32%	3.28%	11.5805
Series F	-5.25%	8.90%	6.55%	3.64%	12.3851
Series I	-4.23%	13.14%	9.48%	5.91%	17.0140

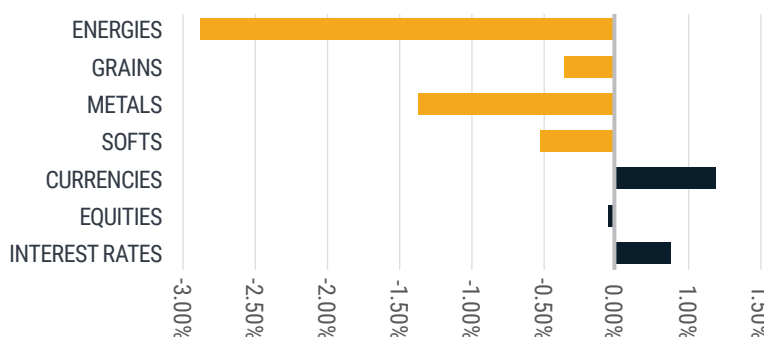
Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. The returns for Auspice Diversified Trust ("ADT") are net of fees. Inception dates: Series X, July 1st, 2014; Series A, October 1st, 2009; Series F, October 1st, 2009; Series I, January 1st, 2013.

CHART 2 CONSUMER PRICE INDEX (CPI) YOY% CHANGE



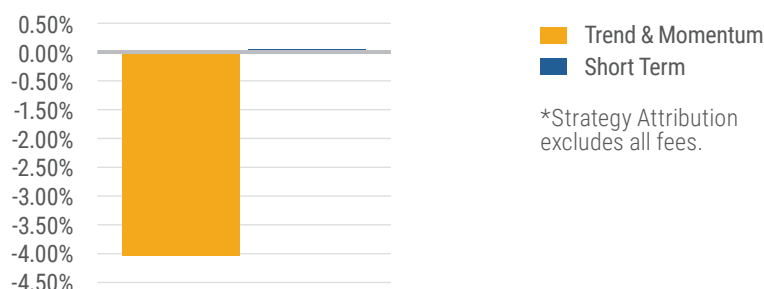
Source: Bloomberg and Auspice Investment Operations. See definitions at end for more.

CHART 3 SECTOR PROFIT/LOSS AND MONTHLY ATTRIBUTION



Source: Auspice Investment Operations.

CHART 4 STRATEGY (RETURN DRIVER) ATTRIBUTION



*Strategy Attribution excludes all fees.

Source: Auspice Investment Operations.

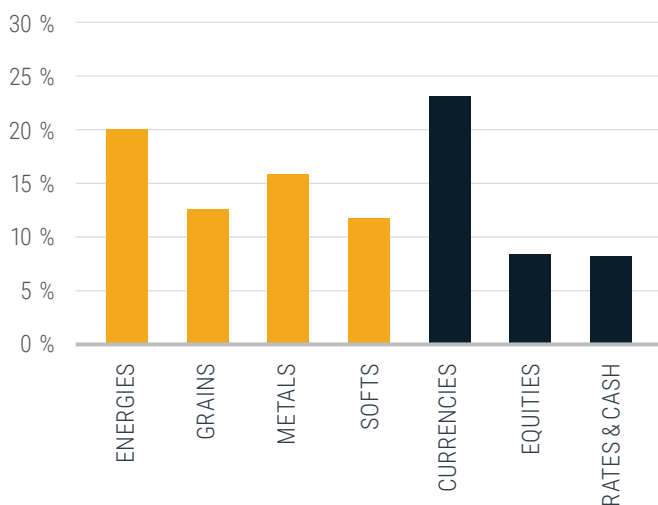
EXPOSURE AND RISK ALLOCATION

Commodity to Financial exposure remains commodities focused yet was reduced below average at 60:40 from 71:29 last month per Chart 5.

In Commodities, risk was reduced in Energies, Metals and Softs while increased in Grains. Financial exposure was increased across the board in Equities, Currencies and Rates. See Chart 6.

Overall portfolio exposure, as measured by the Margin to Equity ratio, has decreased slightly to 7.4% from 7.7% last month and remains just above the historical average level of 6.6% (see Chart 7 next page).

CHART 6 CURRENT SECTOR RISK



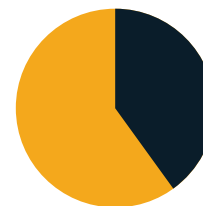
Source: Auspice Investment Operations.

*Sector and individual market risk is expressed relative to the overall portfolio VAR/risk. Risk based on 1-day VaR.

CHART 5 COMMODITIES VS. FINANCIAL EXPOSURE

■ Total Financials
■ Total Commodities

Source: Auspice Investment Operations.



CURRENT RISK BY SECTOR

Largest Holdings	Aggregate Position	% of Risk
ENERGIES		20.0%
WTI Crude Oil	Long	6.8%
Brent Crude	Long	5.1%
Natural Gas (HH)	Long	3.0%
GRAINS		12.5%
Soybean Meal	Long	6.0%
Wheat	Short	3.5%
Soybeans	Long	1.2%
METALS		15.7%
Copper	Short	3.9%
Silver	Short	3.8%
Gold	Short	2.6%
SOFTS		11.7%
Sugar	Long	8.1%
Cotton	Long	2.5%
Rubber	Long	1.2%
CURRENCIES		23.1%
Swiss Franc	Short	4.3%
Canadian Dollar	Short	4.0%
Euro	Short	3.9%
EQUITIES		8.6%
Nasdaq	Short	2.1%
DJ Euro STOXX 50	Short	1.9%
Hang Seng (Hong Kong)	Short	1.7%
RATES & CASH		8.4%
Treasury Notes/10yr (USA)	Short	2.1%
Treasury Bonds/30yr (USA)	Short	1.9%
Long Gilt (UK)	Short	1.7%

Source: Auspice Investment Operations.

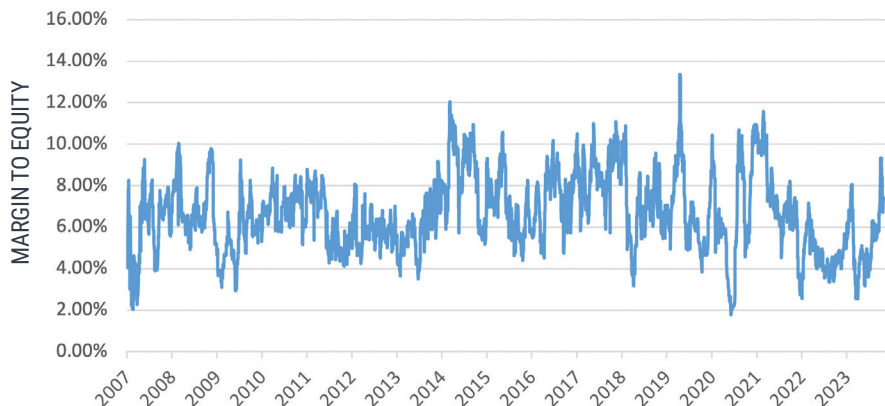
INVESTMENT OBJECTIVE

The Fund seeks to generate returns on investment in, trading in or exposure to commodity and financial interests. Using a disciplined rules-based investment process, the fund captures dominant trends long and short, agnostic to market direction and popular consensus. Risk management and capital allocation is systematic to preserve capital as the strategy's core objective along with

providing returns that are non-correlated to traditional equity, fixed income and most alternative strategies. A core goal is to provide performance and crisis alpha in times of significant equity correction.

FUND DETAILS

CHART 7 PORTFOLIO EXPOSURE (MARGIN TO EQUITY)



Source: Auspice Investment Operations.

Fund Details (Jan 2007)		Trade Statistics	
Annualized Return	3.29% ¹ / 4.31% ²	Avg Monthly Gain	2.89%
Annualized Std Dev	11.57%	Avg Monthly Loss	-2.11%
Largest Drawdown	26.04%	Daily Std Dev	0.69%
Sharpe Ratio ³	0.36	Daily VAR (sim w/99% conf)	-1.39%
MAR Index ⁴	0.13	Round Turns per \$million	800
Sortino	0.64	Margin to Equity ratio	6.6
Upside/Downside Deviation	0.14 / 0.05	Average Hold Period (Days)	68
Correlation to MSCI ACWI	-0.16	% Profitable	40%
Correlation to TSX60	-0.10	\$Win / \$Loss	1.62
Correlation to BCOM ER	0.08	Skew	0.94

Source: Auspice Investment Operations.
Past performance is not indicative of future results.

Auspice Diversified Trust	Fundserv Code	Management Fee	Performance Fee	Minimum
Series X	ACA778X	1%	15%	\$1mm
Series A	ACA718A	2%	20%	\$1,000
Series F	ACA728F	1%	20%	\$1,000
Series I	ACA738I	Negotiated	Negotiated	\$25mm

Source: Auspice Investment Operations.
Past performance is not indicative of future results.

KEY ATTRIBUTES

- Higher allocation to commodities relative to our peers,
- Negative correlation to equity, no correlation to commodity,
- Low margin to equity (average <7.0%) makes it scalable and cash efficient
- Portfolio Management team with experience trading in volatile environments.
- Positive skew: Auspice Diversified Trust has outperformed at critical times of crisis, recovery, and volatility expansion.

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3. Assumes Risk free rate of 0%.

4. MAR is the annualized return divided by the largest drawdown.

Program Details	
Other Structures and Platforms	Managed Account, US Delaware LLC, Innocap
Auspice Diversified Trust Liquidity	Daily
Firm Assets	\$932M

Source: Auspice Investment Operations.
Past performance is not indicative of future results.

MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2023	2.15%	-3.64%	0.34%	2.92%	0.87%	-2.21%	-0.36%	-0.80%	3.37%	-3.36%			-1.00%
2022	2.20%	4.32%	7.95%	3.54%	-1.84%	0.55%	-2.90%	-0.17%	2.43%	-0.51%	-4.30%	0.00%	11.19%
2021	2.67%	9.55%	-0.89%	4.61%	0.61%	-1.50%	-1.77%	0.98%	0.49%	1.32%	-4.28%	-1.89%	9.62%
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%

Source: Auspice Investment Operations.
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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in share and/or unit value and reinvestment of all dividends and/or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

RISK RATING

Auspice Capital Advisors Ltd. has rated the volatility of this fund as **medium**.

This rating is based on how much the Fund's returns have changed from year to year. It does not tell you how volatile the Fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.

LOW	LOW TO MEDIUM	MEDIUM	MEDIUM TO HIGH	HIGH
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For more information about the risk rating and specific risks that can affect the Fund's returns, refer to the risk section of the Fund's simplified prospectus.

BENCHMARK DESCRIPTIONS

The BTOP50 seeks to replicate the overall composition of the managed futures industry with regard to trading style and overall market exposure. The largest investable trading advisor programs, as measured by assets under management, are selected for inclusion in the BTOP50. For 2022 there are 20 CTA funds in the Barclay BTOP50 Index. The BTOP 50 is the most comparable index for Auspice Diversified Trust, however there are significant differences, such as the average exposure to commodity futures (versus financial futures), and average trade length. Reference to the BTOP50 benchmark does not imply that Auspice Diversified Trust will achieve similar performance.

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. Second to the BTOP50, the SG CTA is the most comparable index for Auspice Diversified Trust, however there are significant differences, such as the average exposure to commodity futures (versus financial futures), and average trade length. Reference to the SG CTA benchmark does not imply that Auspice Diversified Trust will achieve similar performance.

The Bloomberg Commodity Index Excess Return (BCOM ER) Index is a broadly diversified commodity price index that tracks prices of futures contracts on physical commodities on the commodity markets. Like Auspice Diversified Trust, the index is designed to minimize concentration in any one sector. No one commodity can compose more than 15% of the BCOM ER index, no one commodity and its derived commodities can compose more than 25% of the index, and no sector can represent more than 33% of the index. There are significant differences however, most importantly, that the BCOM ER index is passive, and 100% commodities, whereas Auspice Diversified Trust is active, and also trades financial futures. Reference to the BCOM ER benchmark does not imply that Auspice Diversified Trust will achieve similar performance.

The S&P Goldman Sachs Commodity Excess Return Index ("GSCI"), 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. Like Auspice Diversified, it provides exposure to a number of commodities. There are significant differences however. Importantly, the GSCI index is passive, concentrated in energy, and 100% commodities. Auspice Diversified Trust is active long and short, diversified equally across seven sectors, and also trades financial futures. Reference to the GSCI benchmark does not imply that Auspice Diversified Trust will achieve similar performance.

The S&P/TSX 60 ("TSX 60") Index is a stock market index of 60 large companies listed on the Toronto Stock Exchange. Maintained by the Canadian S&P Index Committee, a unit of Standard & Poor's, it exposes the investor to 60 stocks in nine industry sectors. There is a low degree of similarity between the TSX 60 and Auspice Diversified Trust. As the main benchmark for equity performance in Canada its inclusion is typically used to illustrate how Auspice Diversified Trust is notably different from equities, an important consideration for portfolio managers and investors alike.

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). There is a low degree of similarity between the S&P 500 and Auspice Diversified Trust. As the main benchmark for equity performance in the US its inclusion is typically used to illustrate how Auspice Diversified Trust is notably different from US equities, an important consideration for portfolio managers and investors alike.

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. There is a low degree of similarity between the MSCI ACWI and Auspice Diversified Trust. As the main benchmark for global equity performance its inclusion is typically used to illustrate how Auspice Diversified Trust is notably different from global equities, an important consideration for portfolio managers and investors alike.

The Nasdaq Composite Index is the market capitalization-weighted index of over 3,000 common equities listed on the Nasdaq stock exchange. There is a low degree of similarity between the Nasdaq and Auspice Diversified Trust. As the main benchmark for technology stock performance its inclusion is typically used to illustrate how Auspice Diversified Trust is notably different from technology stocks, an important consideration for portfolio managers and investors alike.

The Hang Seng Index is a freefloat-adjusted market-capitalization-weighted equity market index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of the overall market performance in Hong Kong. Price Return data is used (not including dividends), which is not the same basis as the fund's return, which includes distributions. There is a low degree of similarity between the Hang Seng and Auspice Diversified Trust. As the main benchmark for equity performance in Hong Kong its inclusion is typically used to illustrate how Auspice Diversified Trust is notably different from equities, an important consideration for portfolio managers and investors alike.

The FTSE China A50 Index is a stock market index by the FTSE Group. The components were chosen from the Shanghai Stock Exchange and Shenzhen Stock Exchange, which issue A-shares. B-shares (shares for foreigners) are not included. Price Return data is used (not including dividends), which is not the same basis as the fund's return, which includes distributions. There is a low degree of similarity between the FTSE China A50 and Auspice Diversified Trust. As the main benchmark for equity performance in China its inclusion is typically used to illustrate how Auspice Diversified Trust is notably different from Chinese equities, an important consideration for portfolio managers and investors alike.

GLOSSARY

1. Commodity Trading Advisors (CTAs) are professional investment managers, similar to portfolio managers in mutual funds, who seek to profit from movements in the global financial, commodity and currency markets by investing in exchange traded futures, options, and OTC forward contracts.
2. CPI - The Consumer Price Index (CPI) is a measure of the average change overtime in the prices paid by urban consumers for a market basket of consumer goods and services. It is often referenced as a measure of inflation.
3. Value at risk (VaR) is a measure of the risk of loss for investments. It estimates how much a set of investments might lose (with a given probability), given normal market conditions, in a set time period such as a day.
4. The Margin to Equity ratio represents the amount of trading capital that is being held as margin at any particular time. For example, if a CTA fund with \$100 million AUM executes trades requiring \$25 million in margin, the margin-to-equity ratio is 25%.
5. Standard deviation is a measure of how much an investment's returns can vary from its average return. It is a measure of volatility and, in turn, risk.
6. The Sharpe ratio measures the performance of an investment such as a security or portfolio compared to a risk-free asset, after adjusting for its risk. It is defined as the difference between the returns of the investment and the risk-free return, divided by the standard deviation of the investment returns.
7. The MAR Ratio is the annualized return divided by the largest drawdown.
8. Skew is the degree to which returns are asymmetric around the mean. Why does skew matter? If portfolio returns are right, or positively, skewed, it implies numerous small negative returns and a few large positive returns. If portfolio returns are left, or negatively, skewed, it implies numerous small positive returns and few large negative returns.
9. Worst Drawdown measures the maximum fall in the value of the investment, as given by the difference between the value of the lowest trough and that of the highest peak before the trough.
10. Alpha is a measure of the active return on an investment, the performance of that investment compared with a suitable market index. An alpha of 1% means the investment's return on investment over a selected period of time was 1% better than the market during that same period.
11. Crisis alpha means that an investment strategy generates positive return in periods of high financial stress. For example, if a manager is short the market when it crashes, that manager will generate positive returns when other investors lose money.
12. The DBIQ Diversified Agriculture Index Excess Return is a rules-based index composed of futures contracts on some of the most liquid and widely traded agricultural commodities.
13. The UN Food and Agriculture World Food Price Index (FAO Food Price Index) is a food price index by the Food and Agriculture Organization (FAO) of the United Nations. It records the development of world market prices of 55 agricultural commodities and foodstuffs.

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QUALIFIED INVESTORS

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