

## Auspice Capital Advisors Ltd. Conflicts of Interest Disclosure Statement

| Potential Conflict of Interest:   | Addressed By: | How We Address:   |
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| <b>Conflicts arising from proprietary products &amp; recommending securities of related and connected issuers<sup>1</sup></b> | Disclosure    | <p>It is an inherent conflict of interest for a firm to trade in proprietary products. Auspice utilizes two internal investment funds; however, as an exempt market dealer, Auspice does not recommend any products to clients. To ensure clients are made aware of Auspice's proprietary products, Auspice's funds are named after the firm and disclosure is provided to investors at the time of subscription in the subscription agreement and offering memorandum. Separately managed accounts may hold Auspice Funds if the investment is in accordance with the suitability with the investment policy statement, management agreement or advisory agreement. Prior client consent is required prior to the purchase of the respective Fund within the separately managed account.</p> <p>Ongoing performance of Auspice Funds is disclosed monthly on the Firm's website.</p> <p>Auspice may also from time to time advise or trade in securities of one of its related or connected issuers. Auspice must make certain disclosures to potential investors with respect to securities issued by Auspice, of which a comprehensive list is contained in Auspice's subscription agreements.</p> |
| <b>Large unitholders</b>  | Disclosure    | <p>Large unitholders in Auspice's investment funds could be impacted by large inflows or outflows. Since Auspice's investment funds are widely held, Auspice provides disclosure to unit holders regarding large redemption risks at the time of subscription and in the Relationship Disclosure Information ('RDI').</p>   |
| <b>Conflicts related to familial connections/ family members who hold senior positions with other issuers</b>                 | Avoidance     | <p>Material conflicts of interest arise if an individual acts as a director of a non-affiliated firm or acts as a director of a reporting issuer, including familial relationships. No family member of an Auspice employee is permitted to serve on the board of directors of any publicly traded entities, and senior positions in connected and related issuers would be disclosed in the RDI and the written consent of the client is obtained before the purchase.</p>   |

<sup>1</sup> Auspice Capital Advisors Ltd., Auspice Capital Management GP Limited, Auspice Diversified Trust, Auspice One Fund Trust, Direxion Auspice Broad Commodity Strategy ETF, CI Auspice Broad Commodity ETF, Walter Global Asset Management

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| <b>Individuals who serve on the board of directors</b>                       | Avoidance              | <p>Material conflicts of interest arise if an individual acts as a director of a non-affiliated firm or acts as a director of a reporting issuer.</p> <p>No Auspice employees serve on the board of directors of any publicly traded entities, as Auspice prohibits this practice.</p>  |
| <b>Trade and pricing errors</b>  | Avoidance and control  | <p>Auspice may have a potential conflict of interest when determining when and how to deal with a pricing error or other type of account error, due to the time, processing cost and reimbursement of clients involved. Auspice avoids and manages this conflict through firm policy that for trade or pricing errors we are responsible for, we correct those errors in favour of our clients.</p>   |
| <b>Valuation of portfolio and funds</b>                                      | Avoidance and control  | <p>As Auspice charges its clients fees for its advisory services based on a percentage of the market value of each client's account, Auspice may have a conflict of interest in those instances where Auspice is responsible for valuing portfolio securities. Valuation of client investment portfolios are derived from market sources that are independent from Auspice and publicly available.</p>  |
| <b>Marketing with misleading or inaccurate performance</b>                   | Control and disclosure | <p>Auspice has an interest in showing positive performance to attract more clients which could potentially conflict with Auspice's fiduciary responsibility to its clients and prospective clients to provide accurate performance reporting. Auspice ensures that promotional and marketing materials are factually accurate and free from material omissions. In addition, Auspice's CCO reviews any marketing material and signs off prior to any dissemination.</p> |
| <b>Full control or authority over financial affairs of clients</b>           | Avoidance              | <p>Having full control or authority over the financial affairs of a client in an inherent conflict of interest, where the conflict should be avoided unless a firm can clearly demonstrate that the appointment is in the client's best interests. Auspice prohibits the practice of having full control or authority over the financial affairs of any clients.</p>  |
| <b>Outside activities</b>  | Control                | <p>Conflicts of interest may arise when individuals who work at, or are registered with, Auspice are involved in certain outside activities. It is expected that all Auspice employees devote their full time and attention during regular business hours to their professional duties at Auspice. All outside activities, paid or unpaid, must be pre-approved by the CCO and are supervised on an ongoing (quarterly) basis.</p>                                      |
| <b>Purchasing assets from a client outside the normal course of business</b> | Avoidance              | <p>The purchase of an asset from a client outside of the normal course of business may create a material conflict of interest that should be avoided unless a firm can clearly demonstrate that the purchase is in the client's best interests. It is Auspice's policy that directors, officers and employees of the firm are prohibited from purchasing or selling securities or assets of any type</p>  |

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|   |                        | (including property) from clients outside the normal course of a registrant's business.   |
| <b>Employees/access persons could benefit from trading with knowledge of portfolio transactions for clients</b> | Avoidance and control  | When Auspice employees invest in the same securities as clients of Auspice, there is a perceived or potential conflict of interest that such Auspice employees may benefit from opportunities at the expense of Auspice's clients. Auspice employees are subject to personal trading policies which prohibit employees from personal trading in the same markets that the Firm does.  |
| <b>Addressing conflicts of interests between clients</b>  | Control and disclosure | When executing trades in a client's segregated managed accounts, simultaneously placing a number of separate, competing orders may adversely affect the price of a security. Per Auspice's internal Fairness in Allocation Policy, Auspice allocates trades across client accounts and does not cross trade any securities between accounts. Additionally, to fairly allocate investment opportunities among clients, Auspice attempt to allocate such purchases or sales on a pro-rata basis in proportion to the proposed transactions, taking into consideration a minimum-security transaction size necessary to justify the efforts and costs of the allocation. |
| <b>Conflicts in fee-based accounts</b>  | Disclosure             | There is a potential for a conflict of interest if a client is in a fee-based account if that account holds securities with embedded compensation. All fees and charges are disclosed in the subscription agreement, management agreement, fee schedule or offering documents at time of account opening. Annual fees and operating charges paid each calendar year are reported via annual reports to Auspice clients/investors.   |
| <b>Conflicts of interest at the supervisory level</b>   | Control and avoidance  | If a firm's compliance or supervisory staff's compensation is tied to sales or revenue generation of the firm overall, there is an inherent conflict of interest to put their interests ahead of clients' interests. Auspice's policy is that compliance and/or supervisory staff's compensation is not tied to sales or revenue generation of Auspice and dealing and/or advising representatives do not take on compliance roles in the firm.   |
| <b>Conflicts related to referral arrangements</b>   | Avoidance              | Paid referral arrangements are inherent conflicts of interest which are almost always material, whereas registered firms must document their oversight of all such arrangements. Auspice does not currently have any referral arrangements; however, Auspice has developed policies and procedures for controlling this material conflict of interest if the firm decides to engage in referral arrangements in the future, which is disclosed to investors.  |
| <b>Allocating expenses amongst fund/in a fund</b>   | Control                | Conflicts of interest could arise for the attribution of expenses to a fund versus the manager, or the favouring of one fund over another fund. Auspice allocates allowable expenses to the respective fund and allocates costs proportionately   |

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|                                |                        | to each fund. In order to manage this conflict of interest in the best interests of our clients, Auspice engages independent third-party accounting firms to review and audit its expense allocations.  |
| <b>Gifts and entertainment</b> | Control and disclosure | <p>The giving or receiving of gifts or covering entertainment costs to or from brokers and service providers could create a conflict of interest through the appearance of purchasing influence.</p> <p>To manage this conflict of interest, we have adopted a gifts and entertainment policy, which has set prescribed limits on amounts, categories and frequency in order, with oversight, to be effectively controlling the conflict created in the giving or receiving gifts, so the conflict of interest can be managed in the best interests of our clients and unitholders.</p> |

**May 2023**

