

Financial Statements of

**AUSPICE DIVERSIFIED TRUST**

And Independent Auditor's Report thereon

Year ended December 31, 2023

(expressed in Canadian dollars)

## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Auspice Diversified Trust (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income (loss), statement of changes in net assets attributable to holders of redeemable units and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The financial statements of the Fund for the period ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on March 16, 2023.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance of the Fund. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance of the Fund prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst & Young LLP*

Toronto, Canada  
April 1, 2024

# AUSPICE DIVERSIFIED TRUST

## Statements of Financial Position

December 31,

(expressed in Canadian dollars)

	2023	2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 7)	78,424,393	57,847,012
Investments at fair value through profit or loss	100,020,000	–
Due from broker (note 7)	12,755,081	5,204,808
Dividends receivable	451,200	–
Derivative assets	3,754,333	2,149,582
Subscriptions receivable	4,663	654,800
Short term investment (note 6)	–	51,401,977
Interest receivable	–	35,778
	<hr/>	<hr/>
Total assets	195,409,670	117,293,957
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Derivative liabilities	1,628,067	1,735,707
Accounts payable and accrued liabilities	243,276	80,699
Redemptions payable	42,433	103,854
Management fees payable (note 9)	87,701	95,580
	<hr/>	<hr/>
Total liabilities	2,001,477	2,015,840
<b>Net assets attributable to holders of redeemable units</b>	<hr/> <b>193,408,193</b>	<hr/> <b>115,278,117</b>
<b>Net assets attributable to holders of redeemable units per class</b>		
Series A	907,205	46,649
Series A - JUL-2022	–	470,233
Series A - AUG-2022	–	96,960
Series F	1,488,811	2,674,269
Series F - SEP-2022	–	97,535
Series F - DEC-2022	–	63,002
Series I	614,499	643,605
Series X	190,397,678	100,046,322
Series X - MAY-2022	–	6,168,839
Series X - AUG-2022	–	768,197
Series X - SEP-2022	–	836,782
Series X - OCT-2022	–	1,626,342
Series X - NOV-2022	–	660,286
Series X - DEC-2022	–	424,296
Series X - JAN-2023	–	654,800
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	193,408,193	115,278,117

The accompanying notes are an integral part of these financial statements.

# AUSPICE DIVERSIFIED TRUST

## Statements of Financial Position (continued)

December 31,

(expressed in Canadian dollars)

	2023	2022
<b>Number of redeemable units outstanding (note 8)</b>		
Series A	81,597	3,953
Series A - JUL-2022	–	39,844
Series A - AUG-2022	–	8,214
Series F	124,989	213,784
Series F - SEP-2022	–	7,797
Series F - DEC-2022	–	5,036
Series I	37,487	37,787
Series X	13,638,416	6,822,948
Series X - MAY-2022	–	422,259
Series X - AUG-2022	–	52,396
Series X - SEP-2022	–	57,070
Series X - OCT-2022	–	110,929
Series X - NOV-2022	–	45,034
Series X - DEC-2022	–	28,937
Series X - JAN-2023	–	44,656
<b>Net assets attributable to holders of redeemable units per unit (note 11)</b>		
Series A	11.12	11.80
Series A - JUL-2022	–	11.80
Series A - AUG-2022	–	11.80
Series F	11.91	12.51
Series F - SEP-2022	–	12.51
Series F - DEC-2022	–	12.51
Series I	16.39	17.03
Series X	13.96	14.66
Series X - MAY-2022	–	14.61
Series X - AUG-2022	–	14.66
Series X - SEP-2022	–	14.66
Series X - OCT-2022	–	14.66
Series X - NOV-2022	–	14.66
Series X - DEC-2022	–	14.66
Series X - JAN-2023	–	14.66

See accompanying notes to financial statements.

Approved on behalf of the Trust:

  
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Auspice Capital Advisors Ltd. Manager

# AUSPICE DIVERSIFIED TRUST

## Statements of Comprehensive Income (Loss)

Years ended December 31,

(expressed in Canadian dollars)

	2023	2022
<b>Income</b>		
Net change in unrealized appreciation in value of investments	1,651,786	740,313
Net realized (loss) gain on sale of investments, including foreign exchange adjustments	(16,474,509)	6,812,077
Interest income	3,635,920	2,241,275
Dividend income	3,717,180	–
Total income (loss)	<u>(7,469,623)</u>	<u>9,793,665</u>
<b>Expenses</b>		
Performance and management fees (note 9)	1,579,898	2,806,839
Operating costs	502,479	146,231
Bank charges	297,383	234,186
Professional fees	54,908	43,838
Audit fee	40,003	41,341
Legal fees	20,055	–
Income taxes	–	2,634
Total expenses	<u>2,494,726</u>	<u>3,275,069</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<u>(9,964,349)</u>	<u>6,518,596</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class (note 11)</b>		
Series A	(77,838)	21,500
Series A - JUL-2022	(8,179)	(29,767)
Series A - AUG-2022	(1,687)	(3,040)
Series F	(91,186)	558,117
Series F - OCT-2021	–	71,815
Series F - NOV-2021	–	293,910
Series F - DEC-2021	–	3,479
Series F - JAN-2022	–	209,760
Series F - MAR-2022	–	15,193
Series F - APR-2022	–	2,758
Series F - JUN-2022	–	144
Series F - SEP-2022	(1,540)	(2,465)
Series F - DEC-2022	(980)	2
Series I	(24,154)	80,853
Series X	(9,540,037)	1,706,400
Series X - AUG-2021	–	2,190,409
Series X - SEP-2021	–	160,232
Series X - OCT-2021	–	426,237
Series X - NOV-2021	–	375,601
Series X - DEC-2021	–	378,349
Series X - JAN-2022	–	61,264
Series X - FEB-2022	–	372,988
Series X - MAR-2022	–	56,967

The accompanying notes are an integral part of these financial statements.

# AUSPICE DIVERSIFIED TRUST

## Statements of Comprehensive Income (Loss) (continued)

Years ended December 31,

(expressed in Canadian dollars)

	2023	2022
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class (note 11)</b>		
Series X - APR-2022	–	110,934
Series X - MAY-2022	(97,333)	(470,328)
Series X - JUN-2022	–	81,061
Series X - AUG-2022	(12,115)	(20,903)
Series X - SEP-2022	(13,202)	(21,198)
Series X - OCT-2022	(25,682)	(81,958)
Series X - NOV-2022	(10,413)	(29,714)
Series X - DEC-2022	(6,666)	(4)
Series X - JAN-2023	(10,291)	–
Series X - FEB-2023	(43,046)	–
	<u>(9,964,349)</u>	<u>6,518,596</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit (note 11)</b>		
Series A	(1.17)	3.18
Series A - JUL-2022	(0.21)	(0.75)
Series A - AUG-2022	(0.21)	(0.37)
Series F	(0.70)	1.89
Series F - OCT-2021	–	1.85
Series F - NOV-2021	–	1.92
Series F - DEC-2021	–	1.76
Series F - JAN-2022	–	1.75
Series F - MAR-2022	–	1.13
Series F - APR-2022	–	0.25
Series F - JUN-2022	–	0.06
Series F - SEP-2022	(0.20)	(0.32)
Series F - DEC-2022	(0.19)	–
Series I	(0.64)	2.14
Series X	(0.92)	0.34
Series X - AUG-2021	–	2.29
Series X - SEP-2021	–	2.30
Series X - OCT-2021	–	2.32
Series X - NOV-2021	–	2.35
Series X - DEC-2021	–	2.24
Series X - JAN-2022	–	2.18
Series X - FEB-2022	–	1.96
Series X - MAR-2022	–	1.45
Series X - APR-2022	–	0.33
Series X - MAY-2022	(0.23)	(1.10)
Series X - JUN-2022	–	0.09
Series X - AUG-2022	(0.23)	(0.40)
Series X - SEP-2022	(0.23)	(0.37)
Series X - OCT-2022	(0.23)	(0.74)
Series X - NOV-2022	(0.23)	(0.66)
Series X - DEC-2022	(0.23)	–
Series X - JAN-2023	(0.23)	–
Series X - FEB-2023	(0.55)	–

The accompanying notes are an integral part of these financial statements.

# AUSPICE DIVERSIFIED TRUST

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31,

(expressed in Canadian dollars)

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued	Redemption of redeemable units	Redesignation of redeemable units	Decrease in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
<b>December 31, 2023</b>						
Series A	46,649	971,872	(590,806)	557,328	(77,838)	907,205
Series A - JUL-2022	470,233	–	–	(462,054)	(8,179)	–
Series A - AUG-2022	96,960	–	–	(95,273)	(1,687)	–
Series F	2,674,269	1,413,368	(2,665,657)	158,017	(91,186)	1,488,811
Series F - SEP-2022	97,535	–	–	(95,995)	(1,540)	–
Series F - DEC-2022	63,002	–	–	(62,022)	(980)	–
Series I	643,605	–	(4,952)	–	(24,154)	614,499
Series X	100,046,322	99,223,227	(13,098,309)	13,766,475	(9,540,037)	190,397,678
Series X - MAY-2022	6,168,839	–	(22,876)	(6,048,630)	(97,333)	–
Series X - AUG-2022	768,197	–	(31,447)	(724,635)	(12,115)	–
Series X - SEP-2022	836,782	–	–	(823,580)	(13,202)	–
Series X - OCT-2022	1,626,342	–	–	(1,600,660)	(25,682)	–
Series X - NOV-2022	660,286	–	–	(649,873)	(10,413)	–
Series X - DEC-2022	424,296	–	–	(417,630)	(6,666)	–
Series X - JAN-2023	654,800	–	–	(644,509)	(10,291)	–
Series X - FEB-2023	–	1,182,345	–	(1,139,299)	(43,046)	–
Series X - MAR-2023	–	1,717,660	–	(1,717,660)	–	–
	<u>115,278,117</u>	<u>104,508,472</u>	<u>(16,414,047)</u>	<u>–</u>	<u>(9,964,349)</u>	<u>193,408,193</u>

The accompanying notes are an integral part of these financial statements.



# AUSPICE DIVERSIFIED TRUST

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)

Years ended December 31,

(expressed in Canadian dollars)

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued	Redemption of redeemable units	Redesignation of redeemable units	Increase (decrease) in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
<b>December 31, 2022</b>						
Series A - INITIAL_SERIES	165,583	–	(140,434)	–	21,500	46,649
Series A - JUL-2022	–	500,000	–	–	(29,767)	470,233
Series A - AUG-2022	–	100,000	–	–	(3,040)	96,960
Series F - INITIAL_SERIES	4,311,377	–	(2,401,366)	206,141	558,117	2,674,269
Series F - OCT-2021	439,771	–	(511,586)	–	71,815	–
Series F - NOV-2021	1,734,263	–	(2,028,173)	–	293,910	–
Series F - DEC-2021	22,406	–	(25,885)	–	3,479	–
Series F - JAN-2022	1,364,500	–	(1,574,260)	–	209,760	–
Series F - MAR-2022	–	162,500	(144,888)	(32,805)	15,193	–
Series F - APR-2022	–	140,434	–	(143,192)	2,758	–
Series F - JUN-2022	–	30,000	–	(30,144)	144	–
Series F - SEP-2022	–	100,000	–	–	(2,465)	97,535
Series F - DEC-2022	–	63,000	–	–	2	63,002
Series I	562,752	–	–	–	80,853	643,605
Series X - INITIAL_SERIES	43,440,950	–	(2,729,678)	57,628,650	1,706,400	100,046,322
Series X - AUG-2021	12,660,986	–	(306,633)	(14,544,762)	2,190,409	–
Series X - SEP-2021	917,049	–	(27,955)	(1,049,326)	160,232	–
Series X - OCT-2021	2,431,744	–	(77,197)	(2,780,784)	426,237	–
Series X - NOV-2021	2,109,139	–	(63,571)	(2,421,169)	375,601	–
Series X - DEC-2021	2,231,856	–	(2,481)	(2,607,724)	378,349	–
Series X - JAN-2022	373,000	–	(13,898)	(420,366)	61,264	–
Series X - FEB-2022	–	2,585,056	(31,429)	(2,926,615)	372,988	–
Series X - MAR-2022	–	550,700	–	(607,667)	56,967	–
Series X - APR-2022	–	5,099,300	(8,130)	(5,202,104)	110,934	–
Series X - MAY-2022	–	6,742,250	(103,083)	–	(470,328)	6,168,839

The accompanying notes are an integral part of these financial statements.

## AUSPICE DIVERSIFIED TRUST

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)

Years ended December 31,

(expressed in Canadian dollars)

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued	Redemption of redeemable units	Redesignation of redeemable units	Increase (decrease) in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
<b>December 31, 2022 (continued)</b>						
Series X - JUN-2022	–	14,693,265	–	(14,774,326)	81,061	–
Series X - JUL-2022	–	10,293,807	–	(10,293,807)	–	–
Series X - AUG-2022	–	789,100	–	–	(20,903)	768,197
Series X - SEP-2022	–	858,480	(500)	–	(21,198)	836,782
Series X - OCT-2022	–	1,708,300	–	–	(81,958)	1,626,342
Series X - NOV-2022	–	690,000	–	–	(29,714)	660,286
Series X - DEC-2022	–	424,300	–	–	(4)	424,296
Series X - JAN-2023	–	654,800	–	–	–	654,800
	<u>72,765,376</u>	<u>46,185,292</u>	<u>(10,191,147)</u>	<u>–</u>	<u>6,518,596</u>	<u>115,278,117</u>

The accompanying notes are an integral part of these financial statements.

# AUSPICE DIVERSIFIED TRUST

## Statements of Cash Flows Years ended December 31, (expressed in Canadian dollars)

	2023	2022
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
(Decrease) increase in net assets attributable to holders of redeemable units	(9,964,349)	6,518,596
Adjustments for non-cash items		
Net change in unrealized appreciation in value of investments	(1,651,786)	(740,313)
Net realized loss (gain) on sale of investments, including foreign exchange adjustments	16,474,509	(6,812,077)
Change in non-cash balances		
Increase in due from broker	(7,550,273)	(4,081,367)
Increase in dividends receivable	(451,200)	–
Decrease (increase) in interest receivable	35,778	(22,870)
Increase in accounts payable and accrued liabilities	162,577	38,168
(Decrease) increase in management fees payable	(7,879)	35,542
Proceeds from sale of investments	–	6,812,077
Purchase of investments	(65,153,137)	(50,151,977)
Net cash used in operating activities	<u>(68,105,760)</u>	<u>(48,404,221)</u>
<b>Financing Activities</b>		
Proceeds from issuances of redeemable units	105,158,609	40,571,400
Amounts paid on redemption of redeemable units	(16,475,468)	(3,442,374)
Net cash provided by financing activities	<u>88,683,141</u>	<u>37,129,026</u>
Decrease in cash and cash equivalents during the year	20,577,381	(11,275,195)
Cash and cash equivalents, beginning of year	<u>57,847,012</u>	<u>69,122,207</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>78,424,393</b></u>	<u><b>57,847,012</b></u>
<b>Supplemental information*</b>		
Interest received	3,671,697	2,218,407
Dividends received, net of withholding taxes	3,265,980	–

\*Included as a part of cash flows from operating activities

# AUSPICE DIVERSIFIED TRUST

## Schedule of Investment Portfolio

As at December 31, 2023

(expressed in Canadian dollars)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	<b>Canadian equity</b>			
2,000,000	Purpose High Interest Savings ETF	100,084,794	100,020,000	51.71
	<b>Net investments owned</b>	<b><u>100,084,794</u></b>	100,020,000	51.71
	Unrealized gain, futures contracts (Schedule 1)		2,126,266	1.10
	<b>Other assets, net of liabilities</b>		<u>91,261,927</u>	<u>47.19</u>
	<b>Net Assets Attributable to Holders of Redeemable Units</b>		<b><u>193,408,193</u></b>	<b><u>100.00</u></b>

# AUSPICE DIVERSIFIED TRUST

## Schedule of Investment Portfolio (continued)

As at December 31, 2023

(expressed in Canadian dollars)

### Schedule 1 - Futures Contracts

Quantity	Exchange	Contract	Settlement date	Cost of contract	MV of contract	Currency	Exchange rate	Derivative Asset (Liability)
<b>Futures Contracts Long</b>								
10	CBT	30 YR TREASURY BONDS	March 2024	124.0500	124.9375	USD	1.3226	11,738
26	CBT	5 YEAR TREAS. NOTE	March 2024	108.3720	108.7734	USD	1.3226	13,805
218	CME	AUSTRALIAN DOLLAR	March 2024	0.6876	0.6831	USD	1.3226	(130,276)
23	CME	BRITISH POUND 62500	March 2024	1.2751	1.2751	USD	1.3226	(17)
54	CME	CANADIAN DOLLAR	March 2024	0.7585	0.7563	USD	1.3226	(15,759)
79	COMX	COPPER(HIGH GRADE)	March 2024	3.9723	3.8905	USD	1.3226	(213,583)
33	CME	E-MINI NASDAQ 10	March 2024	16,472.5606	17,023.5000	USD	1.3226	480,924
68	CME	E-MINI S&P 500	March 2024	4,747.1250	4,820.0000	USD	1.3226	327,707
395	EURX	EURO-SCHATZ	March 2024	106.1950	106.5450	EUR	1.4626	202,204
334	EURX	EURO STOXX 50 FUTURE	March 2024	4,580.5404	4,543.0000	EUR	1.4626	(183,388)
79	COMX	GOLD	February 2024	2,062.3013	2,071.8000	USD	1.3226	99,248
91	IFLL	LONG (10Y) GIL	March 2024	98.4100	102.6500	GBP	1.6837	649,639
95	IFUS	NEW YORK COFFEE C	March 2024	1.7796	1.8830	USD	1.3226	487,370
53	CME	NIKKEI 225 STOCK	March 2024	32,895.0000	33,310.0000	USD	1.3226	145,453
19	NYME	NO2 HEATING OIL	April 2024	2.4962	2.4510	USD	1.3226	(47,661)
105	NYME	PLATINUM	April 2024	1,024.5143	1,009.2000	USD	1.3226	(106,337)
57	ME	S&P CANADA 60 INDEX FU	March 2024	1,257.3368	1,270.4000	CAD	1.0000	148,920
235	SGX	SICOM TSR 20	March 2024	1.5600	1.5420	USD	1.3226	(27,973)
23	COMX	SILVER	March 2024	24.5139	24.0860	USD	1.3226	(65,085)
43	CBT	SOYBEANS	November 2024	12.6247	12.4575	USD	1.3226	(47,547)
118	CME	SWISS FRANC	March 2024	1.2004	1.1980	USD	1.3226	(46,250)
19	CBT	TREASURY NOTES 10Y	March 2024	112.7048	112.8906	USD	1.3226	4,670
196	SGX	TSI IRON ORE CFR CHI 62%	March 2024	138.0163	138.7400	USD	1.3226	18,760
<b>Short</b>								
-233	CBT	CORN	March 2024	4.8993	4.7125	USD	1.3226	287,831
-74	CBT	CORN	May 2024	5.0259	4.8400	USD	1.3226	90,978
-60	CBT	WHEAT	March 2024	5.7661	6.2800	USD	1.3226	(203,895)
-49	CFE	VOLATILITY INDEX	January 2024	15.0300	14.0512	USD	1.3226	63,433
-17	CME	EURO FX	March 2024	1.0820	1.1075	USD	1.3226	(71,644)
-18	CME	JAPANESE YEN	March 2024	0.7022	0.7176	USD	1.3226	(45,937)
-41	COMX	COPPER(HIGH GRADE)	May 2024	3.8601	3.9085	USD	1.3226	(65,667)
-141	HKFE	MINI-HANG SENG INDEX	January 2024	16,546.0355	17,132.0000	HKD	0.1693	(139,877)
-109	IFUS	CANOLA (20)	March 2024	675.9679	653.4000	CAD	1.0000	49,198
-213	IFUS	N.Y. SUGAR NO.11 (SB)	March 2024	0.2235	0.2058	USD	1.3226	558,795
-188	IFUS	NEW YORK COTTON	March 2024	0.8046	0.8100	USD	1.3226	(67,340)
-22	IFUS	MINI MSCI EAFE IND	March 2024	100.9595	101.0290	USD	1.3226	(2,021)
-2	LME	NICKEL	March 2024	17,190.0000	16,593.0000	USD	1.3226	9,475
-25	NDEX	ECX EUA MONTHLY	December 2024	79.9956	80.3700	EUR	1.4626	(13,690)
-45	NYME	HENRY HUB NAT. GAS (NG)	February 2024	2.4950	2.5140	USD	1.3226	(11,308)
-48	NYME	HENRY HUB NAT. GAS (NG)	January 2024	3.7491	3.8000	USD	1.3226	(32,338)
-26	NYME	LIGHT CRUDE OIL	March 2024	72.3642	71.8400	USD	1.3226	18,027
-22	NYME	NY HARBOR RBOB GAS	February 2024	2.1768	2.1063	USD	1.3226	86,157
-21	NYME	NY HARBOR RBOB GAS	April 2024	2.2358	2.3134	USD	1.3226	(90,473)
<b>Derivatives asset</b>								<b>3,754,333</b>
<b>Derivatives liability</b>								<b>(1,628,067)</b>
								<b>2,126,266</b>

# AUSPICE DIVERSIFIED TRUST

## Notes to Financial Statements

For the years ended December 31, 2023 and 2022

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### 1. Trust organization and nature of operations:

Auspice Diversified Trust (the “Trust”) is an investment trust which was created under the laws of the province of Alberta pursuant to a Trust Agreement to amended and restated trust agreement dated January 31, 2023, (the “Trust Agreement”). The Trust commenced operations October 1, 2009. The address of the Trust registered office is Suite 510, 1000 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 5L5.

RBC Investor Services Trust, a trust company incorporated under the laws of Canada is the custodian and trustee (“Trustee”). The Trustee is responsible to manage the business and affairs of the Trust. Auspice Capital Advisors Ltd., a corporation incorporated under the laws of the Province of Alberta, is the manager of the Trust (the “Manager”). The Trustee has delegated responsibility for all aspects of the management of the Trust to the Manager. The Trust’s bank is the Scotiabank.

The investment objective of the Trust is to generate returns on investments in, trading in, or exposure to commodity and financial interests. Using a discipline rules-based investment process, the Trust captures dominant trends long and short, agnostic to the 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 performance and crisis alpha in times of significant equity correction.

The success of the Trust depends on the continued services of the Manager and will be influenced by a number of risk factors associated with investments in equities, options, and other investment instruments and the use of leverage, including derivative hedge risk, market liquidity, short sales, portfolio turnover, foreign currency exposure, and interest rate fluctuations.

As of March 1, 2023, the Trust transitioned from an offering memorandum fund to a public alternative mutual fund.

### 2. Basis of presentation:

#### (a) Statement of compliance:

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The policies applied in these financial statements are based on IFRS. These financial statements were approved by the Manager of the Trust on April 1, 2024.

#### (b) Basis of measurement:

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss.

#### (c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the functional currency of the Trust. The Trust presents its statement of financial position in order of liquidity.

# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 2

For the years ended December 31, 2023 and 2022

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### 3. Material accounting policy information:

(a) Financial instruments:

The Trust's financial instruments include, where applicable, cash and cash equivalents, short term investments, derivative assets, investments, due from broker, interest, dividends, other receivables, receivable from investments and subscription receivable, derivative liabilities, account payable and accrued liabilities, and performance and management fees payable, redemption payables. Financial instruments are recognized on the date that the Trust becomes a party to the contractual provisions of the instrument, namely the trade date of the financial instrument.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Trust has transferred substantially all the risk and rewards of ownership.

(b) Classification and measurement:

The Trust classifies and measures financial instruments in accordance with IFRS 9, Financial Instruments. Under IFRS 9, financial assets are measured at amortized cost or at fair value through profit or loss ("FVTPL") depending on the contractual cash flows characteristics and the business model for managing the financial assets.

The Trust's investment positions and derivatives are classified as FVTPL, and subsequently measured at fair value. All other assets and liabilities are subsequently measured at amortized cost in accordance with IFRS 9, Financial Instruments.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus any principal repayments, plus/minus the cumulative amortization between initial amount and maturity amount adjusted for impairment.

The Trust's obligation concerning net assets attributable to holders of redeemable units is recorded at the redemption amount which approximates fair value. The accounting policies used to measure the fair value of investments and derivatives financial instruments are identical to those used in measuring the net asset value for transactions with holders of redeemable units, except when the closing price for financial assets and liabilities is not within the bid-ask spread.

# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 3

For the years ended December 31, 2023 and 2022

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### 3. Material accounting policy information (continued):

(c) Investment entity:

The Trust has determined that it is an investment entity as defined by IFRS 10, Consolidated Financial Statements and the Amendments to IFRS 10, as the following conditions exist:

- (i) The Trust has obtained funds from one or more investors for the purpose of providing those investors with investment management services;
- (ii) The Trust has committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and
- (iii) The Trust measures and evaluates the performance of substantially all of its investments on a fair value basis.

(d) Valuation of investments:

The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Trust's Simplified Prospectus, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. The Trust uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstance where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

(e) Offsetting financial instruments:

Financial assets and financial liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Trust enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.



# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 4

For the years ended December 31, 2023 and 2022

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### 3. Material accounting policy information (continued):

(f) Recognition/derecognition:

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the Trust becomes a party to the contractual provisions. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized as an expense in the statements of comprehensive income (loss). Financial assets and financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition or issue.

(g) Commissions and other portfolio transaction costs:

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. The Trust does not engage in any transactions involving soft dollar commissions.

(h) Cost of investments:

The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other portfolio transaction costs.

(i) Investment transactions and income:

Investment transactions are accounted for on a trade date basis. Interest income is accrued daily. Realized gain (loss) on sale of investments and unrealized appreciation (depreciation) in investments are determined on an average cost basis.

(j) Translation of foreign currency:

The functional and presentation currency of the Trust is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at 4:30 pm Eastern Standard Time on each business day ("Valuation Date"). Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

(k) Net Assets attributable to holders of redeemable units per unit:

The Net Assets attributable to holders of redeemable units per unit is calculated by dividing the Net Assets attributable to holders of redeemable units of a particular class of units by the total number of units of that particular class outstanding at the end of the year.

# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 5

For the years ended December 31, 2023 and 2022

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### 3. Material accounting policy information (continued):

- (l) Increase (decrease) in net assets attributable to holders of redeemable units per unit:

Increase (decrease) in net assets attributable to holders of redeemable units per unit is based on the increase (decrease) in net assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the year.

- (m) Cash and cash equivalents:

Cash and cash equivalents is comprised of cash on deposit and cash equivalents. Cash equivalents are investments with original maturities of three months or less.

- (n) Short term investments:

Investments with maturities greater than three months, but within the next fiscal year are classified as short-term investments and are carried at FVTPL.

- (o) Foreign exchange forward contracts:

The Trust may enter into foreign exchange forward contracts for hedging purposes or to establish an exposure to a particular currency.

- (p) Dividend income:

Dividend income is recognized on the date when the Trust's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive loss.

- (q) Expenses:

The Manager has the power to incur and make payment out of the Trust property any charges or expenses which, in the opinion of the Manager, are necessary or incidental to, or proper for, carrying out any of its business, including without limitation all fees and expenses relating to the management and administration of the Trust. The Trust is responsible for any income or excise taxes and brokerage commissions on portfolio transactions.

# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 6

For the years ended December 31, 2023 and 2022

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### 3. Material accounting policy information (continued):

(r) Income taxes:

The Trust qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) (the "Tax Act"), and accordingly, is not subject to tax on its net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its unitholders as at the end of the tax year. However, such part of the Trust's net income and net realized capital gains that is not paid or payable, is subject to income tax. Income tax on net realized capital gains not paid or payable is generally recoverable by virtue of refunding provisions contained in tax legislation, as redemptions occur. It is the intention of the Trust to distribute all of its income and sufficient net realized capital gains so that the Trust will not be subject to income tax.

Non-capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains.

(s) Subscriptions receivable and Redemptions payable:

Subscriptions receivable relates to the issuance of units of the Trust to unitholders in advance of cash received. Redemptions payable consist of amounts owed to unitholders as a result of units redeemed during the year. There were no outstanding redemptions payable as of December 31, 2023, or 2022.

### 4. Critical accounting estimates and judgments:

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Trust has made in preparing the financial statements:

(a) Classification and measurement of investments and application of the fair value option:

In classifying and measuring financial instruments held by the Trust, the Investment Manager is required to make significant judgments about whether or not the business of the Trust is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Trust's investments are classified as FVTPL under IFRS 9 Financial instruments ("IFRS 9").

# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 7

For the years ended December 31, 2023 and 2022

## 4. Critical accounting estimates and judgments (continued):

(b) Classification of units issued:

In determining whether the units issued by the Trust should be classified as liabilities or equity, management has assessed whether the units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the units are puttable, and whether the criteria in IAS 32 Financial instruments have been satisfied. The units have been determined to be classified as financial liabilities.

## 5. Fair value of assets and liabilities:

Fair Value Measurement:

The Trust is required to classify its financial instruments using a fair value hierarchy that reflects the significance of the inputs used to measure fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The Trust recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change occurred.

The following table illustrates the classification of the Trust's financial instruments within the fair value hierarchy as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Equity	\$ 100,020,000	\$ –	\$ –	\$ 100,020,000
Derivative assets	3,754,333	–	–	3,754,333
	\$ 103,774,333	\$ –	\$ –	\$ 103,774,333
<b>Liabilities</b>				
Derivative liabilities	\$ 1,628,067	\$ –	\$ –	\$ 1,628,067
	\$ 1,628,067	\$ –	\$ –	\$ 1,628,067

As of December 31, 2023 and 2022, the Trust's investments are classified as Level 1 as the investments are actively traded and are quoted daily on the applicable exchanges.

There have been no transfers of instruments between levels during the years ended December 31, 2023 and 2022.

# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 8

For the years ended December 31, 2023 and 2022

## 6. Short-term investments:

Included in short-term investments are Government of Canada Treasury bills (T-bills) and GICs with the Royal Bank of Canada with a total fair value of \$nil (cost - \$nil) as of December 31, 2023 (2022: \$51,396,977 (cost - \$51,236,050)).

## 7. Cash and cash equivalents/due from broker:

Cash and cash equivalents consist of cash with the Scotiabank, RBC Investors Services Trust and RBC Dominion Securities. On December 31, 2023, the Trust did not hold GICs. On December 31, 2022, the Trust held GICs with an original term of 3 months and effective rate of return of 4.7% to 4.95% per annum.

Due from broker is an account holding cash balances and short-term, highly liquid investments.

The amounts due from brokers are as follows:

	2023	2022
RBC Dominion Securities	12,755,081	5,204,808
	\$ 12,755,081	\$ 5,204,808

The due from broker represent financial assets pledged as collateral/margin money to brokers against open futures contracts. The Trust uses RBC Dominion Securities to transact these futures contracts. The financial assets pledged as collateral are presented within due from broker on the Statements of Financial Position and are not set off against derivative assets and liabilities.

## 8. Redeemable units of the Trust:

The Trust is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of series, each of which represents an equal, undivided, beneficial interest in the Net Assets of the Trust. The Trust has currently authorized the following series' of units: A, F, I, and X. Each unit of each series entitles the holder to vote, with one vote for each \$1 of net assets attributed to such unit and to participate equally with respect to any and all distributions made by the Trust. Redeemable units of a series may be consolidated and/or redesignated by the Manager. If a subscription is accepted, the units will be deemed issued effective the business day following the relevant Valuation Date.

# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 9

For the years ended December 31, 2023 and 2022

## 8. Redeemable units of the Trust (continued):

Redeemable units of the Trust may be redeemed on any Valuation Date (each, a “Redemption Date”), by giving written notice to the Manager prior to 10:00 am (EST). The redemption proceeds of units being redeemed will be equal to the series net asset value per unit of the Units being redeemed less all applicable fees and deductions. Redemption proceeds will be paid in cash within three business days of the Redemption Date.

The unit activity during the year ended December 31, 2023 is as follows:

	Redeemable Units, beginning of year	Redeemable Units Issued	Redemptions of Redeemable Units	Redesignation of Redeemable Units	Redeemable Units, end of year
<b>December 31, 2023</b>					
Series A	3,953	81,885	(52,311)	48,070	81,597
Series A - JUL-2022	39,844	–	–	(39,844)	–
Series A - AUG-2022	8,214	–	–	(8,214)	–
Series F	213,784	111,861	(213,489)	12,833	124,989
Series F - SEP-2022	7,797	–	–	(7,797)	–
Series F - DEC-2022	5,036	–	–	(5,036)	–
Series I	37,787	–	(300)	–	37,487
Series X	6,822,948	6,768,556	(906,783)	953,695	13,638,416
Series X - MAY-2022	422,259	–	(1,591)	(420,668)	–
Series X - AUG-2022	52,396	–	(2,179)	(50,217)	–
Series X - SEP-2022	57,070	–	–	(57,070)	–
Series X - OCT-2022	110,929	–	–	(110,929)	–
Series X - NOV-2022	45,034	–	–	(45,034)	–
Series X - DEC-2022	28,937	–	–	(28,937)	–
Series X - JAN-2023	44,656	–	–	(44,656)	–
Series X - FEB-2023	–	78,939	–	(78,939)	–
Series X - MAR-2023	–	119,008	–	(119,008)	–

# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 10

For the years ended December 31, 2023 and 2022

## 8. Redeemable units of the Trust (continued):

The unit activity during the year ended December 31, 2022 is as follows:

	Redeemable Units, beginning of year	Redeemable Units Issued	Redemptions of Redeemable Units	Redesignation of Redeemable Units	Redeemable Units, end of year
<b>December 31, 2022</b>					
Series A - INITIAL_SEF	15,340	–	(11,387)	–	3,953
Series A - JUL-2022	–	39,844	–	–	39,844
Series A - AUG-2022	–	8,214	–	–	8,214
Series F - INITIAL_SEF	379,683	–	(181,477)	15,578	213,784
Series F - OCT-2021	38,735	–	(38,735)	–	–
Series F - NOV-2021	153,122	–	(153,122)	–	–
Series F - DEC-2021	1,973	–	(1,973)	–	–
Series F - JAN-2022	120,165	–	(120,165)	–	–
Series F - MAR-2022	–	13,443	(10,961)	(2,482)	–
Series F - APR-2022	–	10,820	–	(10,820)	–
Series F - JUN-2022	–	2,278	–	(2,278)	–
Series F - SEP-2022	–	7,797	–	–	7,797
Series F - DEC-2022	–	5,036	–	–	5,036
Series I	37,787	–	–	–	37,787
Series X - INITIAL_SEF	3,294,045	–	(186,582)	3,715,485	6,822,948
Series X - AUG-2021	959,862	–	(19,883)	(939,979)	–
Series X - SEP-2021	69,529	–	(1,804)	(67,725)	–
Series X - OCT-2021	184,383	–	(4,999)	(179,384)	–
Series X - NOV-2021	160,210	–	(4,115)	(156,095)	–
Series X - DEC-2021	169,236	–	(159)	(169,077)	–
Series X - JAN-2022	28,284	–	(910)	(27,374)	–
Series X - FEB-2022	–	191,802	(2,099)	(189,703)	–
Series X - MAR-2022	–	39,168	–	(39,168)	–
Series X - APR-2022	–	335,991	(527)	(335,464)	–
Series X - MAY-2022	–	429,057	(6,798)	–	422,259
Series X - JUN-2022	–	952,537	–	(952,537)	–
Series X - JUL-2022	–	663,671	–	(663,671)	–
Series X - AUG-2022	–	52,396	–	–	52,396
Series X - SEP-2022	–	57,103	(33)	–	57,070
Series X - OCT-2022	–	110,929	–	–	110,929
Series X - NOV-2022	–	45,034	–	–	45,034
Series X - DEC-2022	–	28,937	–	–	28,937
Series X - JAN-2023	–	44,656	–	–	44,656

# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 11

For the years ended December 31, 2023 and 2022

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## 8. Redeemable units of the Trust (continued):

### Capital disclosure:

The capital of the Trust is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Trust's Net Asset Value per unit upon redemption. The Trust has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statements of changes in net assets attributable to holders of redeemable Units. In accordance with its investment objectives and strategies, and the financial risk management outlined in note 9, the Trust endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

## 9. Related party transactions:

### (a) Management fees:

The Trust pays the Manager an annual management fee which is calculated on each business day ("Valuation Date") and paid monthly together with applicable taxes of the specified percentage of the series net assets attribution to holder of redeemable units. The percentages used to calculate the management fees are as follows:

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Series A Units	2.0% per annum
Series F Units	1.0% per annum
Series X Units	1.0% per annum

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No management fees are payable by the Trust to the Manager on the Series I Units.

### (b) Performance fees:

The Manager will also receive a performance fee from the Trust which is calculated and accrued on each Valuation Date and paid on the last Valuation Date in June and December in each year (each, a "Performance Valuation Date") and on redemption of a Series A, F or X units. For Series A and F, performance fees will be calculated at a rate of 20% of the positive amount by which the net asset attributable to holders of redeemable units before performance fees of each series exceeds the respective High-Water Mark of each such series plus applicable taxes. Series X performance will be calculated at a rate of 15% of the positive amount by which the series' net asset attributable to holders of redeemable units before performance fees exceeds the High-Water Mark and Hurdle Rate.



# AUSPICE DIVERSIFIED TRUST

Notes to Financial Statements, page 12

For the years ended December 31, 2023 and 2022

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## 9. Related party transactions (continued):

### (b) Performance fees (continued):

The High Water Mark of a series is calculated as the amount generally equal to the net asset attributable to holders of redeemable units of the series on the last Performance Valuation Date on which a performance fee was paid on such series, plus the aggregate subscription price of all units of such series issued since that Performance Valuation Date, minus, either the subscription price or the net asset attributable to holders of redeemable units of such units redeemed since that Performance Valuation Date. No performance fees are payable with respect to Series I units.

The Hurdle Rate is the minimum return the Series must earn before a performance fee is payable to the Manager. The Hurdle Rate is determined each day by multiplying the applicable percentage of the 90-day Government of Canada Treasury bill rate. The rate is available on the Bank of Canada's website.

For the year ended December 31, 2023, the Trust has incurred management fees of \$1,579,898 (2022 - \$1,099,421) of which \$87,701 (2022 - \$95,580) is payable as of December 31, 2023.

Independent Review Committee:

The Manager has established an Independent Review Committee ("IRC") as required under National Instrument 81-107. The IRC reviews conflict of interest matters related to the operations of the Trust. The IRC is comprised of three individuals who are independent of the Manager, the Trust and entities related to the Manager. For the year ended December 31, 2023, the IRC fees were \$7,500 (2022 - \$nil).

## 10. Financial risk management:

Management of financial instrument risks:

In the normal course of business, the Trust is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The value of investments within the Trust's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and overall market. The level of risk depends on the Trust's investment objective and the type of securities comprising its investments.

### (a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Trust.

The main concentration of credit risk is in the credit worthiness of the futures broker and the banks.

The maximum credit risk exposure is the amount of cash, the Trust's margin account with the broker, and short-term investments. The Trust mitigates overall credit risk by using several brokers and minimizing margin outstanding using Schedule 1 banks.

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For the years ended December 31, 2023 and 2022

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## 10. Financial risk management (continued):

### (b) Liquidity risk:

Liquidity risk is defined as the risk that the Trust may not be able to settle or meet its obligations on time or at a reasonable price.

The Trust's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Trust primarily invests in securities that are traded in active markets and can be readily disposed of. In addition, the Trust generally retains sufficient cash and cash equivalent positions to maintain liquidity.

### (c) Other price risk:

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Trust's investment objective and strategy. Except for written options and securities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from written options and securities sold short can be unlimited. The Trust's overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Trust are susceptible to market price risk arising from uncertainties about future prices of the instruments.

A 1% increase or decrease in a broad futures index at December 31, 2023 would have impacted the Trust's net assets attributable to holders of redeemable units by approximately \$3,213,782 (2022 - \$686,589).

### (d) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Trust invests in futures contracts that expose the Trust to interest-bearing financial instruments. The Trust is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates. The relative exposure amounts are detailed in the statements of financial position. The price risk sensitivity associated with interest rates on futures contracts is disclosed in other price risk above.

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For the years ended December 31, 2023 and 2022

## 10. Financial instruments (continued):

### (e) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Trust. The Trust may enter into foreign exchange currency futures contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currencies. The relative exposure amounts on futures contracts are detailed in the statement of investment portfolio. The price risk sensitivity associated with currency on futures contracts is disclosed in other price risk above.

At December 31, 2023 and 2022, the Trust also has the following exposures to foreign currencies, shown below in Canadian ("CAD") dollars:

Currency	Exposure			Impact if CAD strengthened or weakened by 1% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
<b>December 31, 2023</b>						
U.S. Dollar	319,389	–	319,389	3,194	–	3,194
Euro	(652,293)	–	(652,293)	(6,523)	–	(6,523)
U.K. Pound Sterling	(411,622)	–	(411,622)	(4,116)	–	(4,116)
Japanese Yen	15,931	–	15,931	159	–	159
Hong Kong Dollar	(296,621)	–	(296,621)	(2,966)	–	(2,966)
China Yuan Renminbi	292,200	–	292,200	2,922	–	2,922
	(733,016)	–	(733,016)	(7,330)	–	(7,330)
% of Net Assets Attributable to Holders of Redeemable Units						
	(0.38)	–	(0.38)	0.00	–	0.00

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For the years ended December 31, 2023 and 2022

## 10. Financial instruments (continued):

### (e) Currency risk (continued):

Currency	Exposure			Impact if CAD strengthened or weakened by 1% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
<b>December 31, 2022</b>						
U.S. Dollar	14,611,867	–	14,611,867	146,119	–	146,119
Euro	(29,172)	–	(29,172)	(292)	–	(292)
U.K. Pound Sterling	(4,823)	–	(4,823)	(48)	–	(48)
Japanese Yen	17,499	–	17,499	175	–	175
Hong Kong Dollar	270,686	–	270,686	2,707	–	2,707
China Yuan Renminbi	490,825	–	490,825	4,908	–	4,908
	<u>15,356,882</u>	<u>–</u>	<u>15,356,882</u>	<u>153,569</u>	<u>–</u>	<u>153,569</u>
% of Net Assets Attributable to Holders of Redeemable Units						
	13.32	–	13.32	0.13	–	0.13

### (f) Concentration risk:

Concentration risk arises as a result of the concentration of exposures within the same category. The table below summarizes the Trust's concentration risk as a percentage of net assets attributable to holders of redeemable units:

Categories as of December 31, 2023	Percentage of Total Net Asset value
Purpose High Interest Savings ETF	51.7%
Cash and cash equivalents	40.5%
Other assets (liabilities)	6.6%
Equity Futures	0.7%
Agriculture Futures	0.6%
Bonds Futures	0.4%
Energy Futures	0.0%
Metals Futures	(0.2%)
Currency Futures	(0.3%)
<b>Total</b>	<b>100.0%</b>

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For the years ended December 31, 2023 and 2022

## 11. Increase (decrease) in net assets attributable to holders of redeemable units per unit:

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the years ended December 31, 2023 and 2022 is calculated as follows:

	Increase (decrease) in net assets attributable to holders of redeemable units per class	Weighted Average of Redeemable Units Outstanding During the Year	Increase (decrease) in net assets attributable to holders of redeemable units per unit
<b>December 31, 2023</b>			
Series A	\$ (77,838)	66,738	\$ (1.17)
Series A - JUL-2022	(8,179)	39,844	(0.21)
Series A - AUG-2022	(1,687)	8,214	(0.21)
Series F	(91,186)	129,860	(0.70)
Series F - SEP-2022	(1,540)	7,797	(0.20)
Series F - DEC-2022	(980)	5,036	(0.19)
Series I	(24,154)	37,854	(0.64)
Series X	(9,540,037)	10,374,732	(0.92)
Series X - MAY-2022	(97,333)	422,259	(0.23)
Series X - AUG-2022	(12,115)	52,396	(0.23)
Series X - SEP-2022	(13,202)	57,070	(0.23)
Series X - OCT-2022	(25,682)	110,929	(0.23)
Series X - NOV-2022	(10,413)	45,034	(0.23)
Series X - DEC-2022	(6,666)	28,937	(0.23)
Series X - JAN-2023	(10,291)	44,656	(0.23)
Series X - FEB-2023	(43,046)	78,939	(0.55)

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For the years ended December 31, 2023 and 2022

## 11. Increase (decrease) in net assets attributable to holders of redeemable units per unit (continued):

	Increase (decrease) in net assets attributable to holders of redeemable units per class	Weighted Average of Redeemable Units Outstanding During the Year	Increase (decrease) in net assets attributable to holders of redeemable units per unit
<b>December 31, 2022</b>			
Series A - INITIAL_SERIES \$	21,500	6,761 \$	3.18
Series A - JUL-2022	(29,767)	39,844	(0.75)
Series A - AUG-2022	(3,040)	8,214	(0.37)
Series F - INITIAL_SERIES	558,117	296,038	1.89
Series F - OCT-2021	71,815	38,735	1.85
Series F - NOV-2021	293,910	153,122	1.92
Series F - DEC-2021	3,479	1,973	1.76
Series F - JAN-2022	209,760	120,165	1.75
Series F - MAR-2022	15,193	13,443	1.13
Series F - APR-2022	2,758	10,820	0.25
Series F - JUN-2022	144	2,278	0.06
Series F - SEP-2022	(2,465)	7,797	(0.32)
Series F - DEC-2022	2	5,036	-
Series I	80,853	37,787	2.14
Series X - INITIAL_SERIES	1,706,400	5,064,988	0.34
Series X - AUG-2021	2,190,409	954,999	2.29
Series X - SEP-2021	160,232	69,529	2.30
Series X - OCT-2021	426,237	183,540	2.32
Series X - NOV-2021	375,601	159,736	2.35
Series X - DEC-2021	378,349	169,182	2.24
Series X - JAN-2022	61,264	28,133	2.18
Series X - FEB-2022	372,988	190,733	1.96
Series X - MAR-2022	56,967	39,168	1.45
Series X - APR-2022	110,934	335,817	0.33
Series X - MAY-2022	(470,328)	425,877	(1.10)
Series X - JUN-2022	81,061	952,537	0.09
Series X - AUG-2022	(20,903)	52,396	(0.40)
Series X - SEP-2022	(21,198)	57,078	(0.37)
Series X - OCT-2022	(81,958)	110,929	(0.74)
Series X - NOV-2022	(29,714)	45,034	(0.66)
Series X - DEC-2022	(4)	28,937	-

## 12. Subsequent events:

There have been no significant events between the Statement of Financial Position date and the date of authorization of the financial statements which in the opinion of management requires additional disclosure in the financial statements.