AUSPICE FUNDS

Simplified Prospectus

Auspice Diversified Trust, an alternative mutual fund	Series A units Series F units Series I units Series X units
Auspice One Fund Trust, an alternative mutual fund	Series A units Series I units Series T units

April 18, 2024

*The Auspice Diversified Trust and the Auspice One Fund Trust (collectively, the **Funds**) and units of the Funds are offered under this document in all of the provinces of Canada. The units are intended primarily for purchase by residents of Canada. The units offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registrations. No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.*

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INTRODUCTION

To make this document easier to read, we use the following terms throughout:

- **We**, **us**, **our, Manager, Portfolio Manager** and **Auspice** refer to Auspice Capital Advisors Ltd. in its capacity as manager and portfolio manager of the Funds.
- **Trustee** refers to RBC Investor Services Trust in its capacity as trustee to the Funds.
- **You** refers to an individual investor and everyone who invests or may invest in the Funds.
- **Business Day** refers to any day except Saturdays, Sundays or a statutory holiday in Calgary, Alberta.
- **Commodity Interests** means futures, options, ETFs and forward contracts for commodities, financial instruments and currencies, any right pertaining thereto and any options thereon, and physical commodities including, but not limited to, currencies.
- **Dealer** refers to both the dealer and the registered representative in your province who advises you on your investments.
- **Funds** refers to, the Auspice Diversified Trust and Auspice One Fund Trust offered to the public under this Simplified Prospectus; and individually a **Fund**. The Funds are subject to National Instrument 81-101 *Mutual Funds Simplified Prospectus Disclosure* (**NI 81-101**) and National Instrument 81-102 *Investment Funds* (**NI 81-102**).
- **NAV** means the net asset value of a Series of Units of the Funds or the net asset value of the Funds, as the case may be.
- **Portfolio Manager** means Auspice in respect of it acting as portfolio manager of the Funds.
- **Registered Plans** refer to registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans, tax-free savings accounts, and first home savings accounts.
- **Simplified Prospectus** refers to this simplified prospectus.
- **Series** refers to a series of Units of the Funds.
- **Tax Act** means the *Income Tax Act* (Canada) as amended from time to time.
- **Trust Agreement** of the Funds means the amended and restated trust agreement dated as of January 31, 2023 between Auspice, as the manager of the Funds, and RBC Investor Services Trust, as the trustee of the Funds, as amended.
- **Units** means collectively, the Series A Units, Series F Units, Series I Units, Series T Units and Series X Units of the Funds as applicable; and individually a **Unit**.
- **Unitholders** means the holders of a Series of Units; and individually, a **Unitholder**.

- **VaR** or **value-at-risk** means an estimate of the potential losses on an instrument or portfolio, expressed as a percentage of the value of the portfolio's assets (or net assets when computing a Fund's value-at-risk), over a specified time horizon and at a given confidence level. **Absolute VaR** is an approach of VaR generally used when there is no reference portfolio or benchmark.

This document contains selected important information about the Funds listed on the front cover to help you make an informed investment decision and to help you understand your rights. The Funds are also considered to be "alternative mutual funds", as defined in NI 81-102. This permits the Funds to use strategies generally prohibited to conventional mutual funds and as described herein. This document contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds.

This document is divided into two parts. The first part, from pages 1 through 34, contains general information applicable to the Funds. The second part, from pages 35 through 61, contains specific information about the Funds.

You will find more information about the Funds in the following documents:

- the most recently filed Fund Facts document;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after those annual management reports of fund performance.

These documents are or will be incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. These documents are available at your request, and at no cost, by calling us at 1-888-792-9291 or by emailing us at **info@auspicecapital.com** or by contacting your Dealer.

These documents and other information about the Funds are, or will be, available at no charge on the Funds' designated website at www.auspicecapital.com.

RESPONSIBILITY FOR MUTUAL FUNDS ADMINISTRATION

Manager

Auspice is the Manager and Portfolio Manager of the Funds pursuant to the terms of the Trust Agreement. Auspice is a corporation established under the laws of the Province of Alberta, with its office located at Suite 510, 1000 – 7th Avenue SW, Calgary, Alberta T2P 5L5. The phone number for the Manager is 1-888-792-9291, the e-mail address is **info@auspicecapital.com** and the website is www.auspicecapital.com.

As the Manager, we are responsible for the day-to-day administration of the Funds, and as the Portfolio Manager, we provide all portfolio advisory services to the Funds. In return for the services provided to the Funds, Auspice receives a management fee and is reimbursed for reasonable expenses of the Funds pursuant to the terms of the Trust Agreement. Auspice may also receive performance fees from the Funds in certain circumstances, as more specifically described in this Simplified Prospectus. See "*Fees and Expenses*" for more details on the management fee and reimbursed expenses.

The Manager has the right to resign as manager of the Funds by giving notice in writing to the Unitholders in accordance with the Trust Agreement. A successor manager may be appointed by the Manager to fill such vacancy. If, for any reason, Auspice resigns or ceases to be manager and a new manager is not appointed, the Funds will terminate in accordance with the terms of the Trust Agreement and the property of the Funds will be distributed in accordance with the terms of the Trust Agreement.

The name and municipality of residence, position held with Auspice and occupation during the past five years of each of the directors and executive officers of Auspice are as follows:

Name and Municipality of Residence	***Current Position and Office(s) with Auspice***
Tim Pickering Calgary, Alberta	Ultimate Designated Person, President (Chief Executive Officer), Chief Investment Officer and Director
Ken Corner Calgary, Alberta	Chief Operating Officer and Director
Arthur Chan Calgary, Alberta	Director of Finance (Chief Financial Officer)
Sylvain Brosseau Montreal, Québec	Director
Josh Wilson Montreal, Québec	Chief Compliance Officer

Each director and executive officer is responsible for managing and supervising the business and affairs of Auspice. The Funds do not have any directors or officers.

Trustee

The Funds are organized as open ended unit trusts. When you invest in the Funds, you are buying a unit of a trust. The Trustee, RBC Investor Services Trust is a trust company located in Toronto, Ontario and continued under the federal Tr*ust and Loan Companies Act*. The Trustee is the legal owner of the assets of the Funds and hold those assets on your behalf.

As Trustee, RBC Investor Services Trust is also responsible for carrying out various administrative and business functions on behalf of the Funds, and is required to exercise the powers and discharge the duties of this office honestly and in good faith and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Trustee is authorized to delegate any of such powers to the Manager as set out herein.

The Trust Agreement contains the following key terms:

- Otherwise as provided in accordance with the Trust Agreement, all expenses of the Funds will be paid by the Funds;

- the Funds have agreed to indemnify Auspice and other parties subject to certain limitations and restrictions;

- the Manager may at any time terminate and dissolve the Funds, 60 days following the mailing of a notice of termination to Unitholders of the Funds;
- Auspice, as manager of the Funds, will be paid a management fee as described herein; and
- Following the effective date of termination of a Fund, the Manager will carry on no further activities with respect to the Fund save for the winding-up of the Fund.

In return for the services provided to the Funds, the Trustee receives a fee that will be payable from each Fund in accordance with the terms of the Trust Agreement.

RBC Investor Services Trust has the right to resign as trustee of the Funds by giving written notice to Unitholders and the Manager in accordance with the terms of the Trust Agreement. A successor trustee may be appointed by the Manager to fill such vacancy. If, for any reason, RBC Investor Services Trust resigns or ceases to be trustee of the Funds and a new trustee is not appointed by the Manager, the Funds will terminate in accordance with the terms of the Trust Agreement and the property of the Funds will be distributed in accordance with the terms of the Trust Agreement.

Portfolio Advisers

Auspice

Auspice provides portfolio management services to the Funds pursuant to the Trust Agreement. Auspice also has the power to retain other portfolio managers and firms to act as portfolio advisors and sub-advisors of the Funds.

Investment decisions for the Funds are made completely and solely by the Portfolio Manager and as described herein. The Portfolio Manager also has the discretion to make investment decisions and arrange for the acquisition and disposition of portfolio investments of the Funds.

The following employees of Auspice primarily make the investment decisions on behalf of the Funds, and are principally responsible for the day-to-day management of a material portion of the investment portfolio of the Funds:

Name	**Title at Auspice**
Tim Pickering	Portfolio Manager
Ken Corner	Portfolio Manager

Brokerage Arrangements

Decisions as to the purchase and sale of portfolio securities, and decisions as to the execution of portfolio transactions, including selection of the applicable market, dealer and the negotiation, where applicable, of commissions, are made on behalf of the Funds by Auspice.

The Manager has complete discretion regarding which dealers execute portfolio transactions on behalf of the Funds and when transactions will be executed. The Manager always attempts to obtain the most favourable execution of transactions, and will use dealers that it believes allow it to accomplish this objective in an efficient manner. The factors the Manager will consider in choosing which dealer to use include the size of the order, the difficulty of executing the order, the operational capabilities and facilities of the dealer involved and their experience in processing that type of transaction.

Auspice may in its discretion allocate brokerage transactions of the Funds involving client brokerage commissions in return for "permitted" research goods and services which directly add value to an investment or trading decision, which are for the benefit of the Funds, and which provide the Funds with reasonable benefits considering the use of the services provided by the dealer and the amount of brokerage commissions paid. Any such allocations shall be pursuant to arrangements whereby Auspice will allocate a specific number of trades to a particular dealer in return for order execution services and specified permitted research goods and services. Auspice has no outstanding contractual obligation to allocate the Funds' brokerage transactions to any specific brokerage firm.

"Permitted" research goods and services and order execution goods and services, as defined in National Instrument 23-102 *Use of Client Brokerage Commissions*, include: (i) advice as to the value of the securities and the advisability of effecting transactions in securities; (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends; and (iii) electronic tools, such as databases or software, that support (i) and (ii).

In certain circumstances, order execution and research goods and services may be provided to Auspice in a bundled form and may include items that are not considered "permitted" research goods and services. In such cases, Auspice will ensure the costs of such mixed-use services are unbundled and it will directly pay for those non-permitted goods and services.

Auspice may receive research goods and services in the nature of electronic tools, such as databases or software, from dealers in return for directing brokerage transactions involving client brokerage commissions.

Please call us, 1-888-792-9291 or send us an email at info@auspicecapital.com for a list of dealers to which brokerage transactions involving client brokerage commissions were directed by Auspice in exchange for any good or services.

Auspice is not affiliated with any dealer.

Custodian

RBC Investor Services Trust is also the custodian of the assets of the Funds pursuant to the Trust Agreement. RBC Investor Services Trust is responsible for holding the assets of the Funds, except for any assets of the Funds which may be held by a financial institution on behalf of the Funds in accordance with the terms of the Trust Agreement and/or NI 81-102.

Auditor

The auditors of the Funds are Ernst & Young LLP located at its principal office in Toronto, Ontario.

The auditor of the Funds may not be changed unless the independent review committee of the Funds has approved the change and a written notice describing the change, including reasons for such resignation or termination, is sent to the Trustee and Unitholders at least 60 days before the effective date of the change.

Administrator, Registrar and Valuation Agent

SGGG Fund Services Inc. (**SGGG**) is the administrator, registrar, transfer agent and valuation agent of the Funds pursuant to an administration agreement effective February 1, 2020 (the **Administration Agreement**). The administrator and valuation agent is responsible for calculating the daily Series NAV of each Series of the Funds and preparing reporting documents for Unitholders. As the registrar and transfer agent, SGGG will also maintain a registry of Unitholders and will ensure all subscriptions and redemptions are properly processed.

The Administration Agreement includes the following key terms:

- The administrator is paid by way of remuneration for its services at such rates as may be agreed upon from time to time between Auspice and the administrator;
- The Manager and the administrator have agreed to indemnify each other subject to certain limitations and restrictions;
- Either party may terminate the agreement on three months prior written notice to the other party; and
- Under certain circumstances, the Administration Agreement may be terminated immediately by either the Manager or SGGG.

The registrar maintains the registers of the Funds in Calgary, Alberta. The Manager continues to be responsible for the services provided by the administrator and valuation agent.

Independent Review Committee and Fund Governance

General

Fund governance refers to the policies, practices and guidelines of the Funds that relate to:

- Business practices
- Sales practices
- Internal conflicts of interest

The Manager has adopted appropriate policies, procedures and guidelines to ensure the proper management of the Funds. These include guidelines and policies and procedures required by National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) relating to conflicts of interest, including policies on personal conflicts of interest, prohibited related party transactions, best execution practices, soft dollar arrangements, brokerage arrangements, trade allocation practices, cross trading, record keeping and personal investing. In addition, the Manager has adopted sales, marketing, advertising and accounting policies relating to the Funds. The controls in place monitor and manage the business and sales practices, risk and internal conflicts of interest relating to the Funds while ensuring compliance with regulatory and corporate requirements. The reporting systems in place ensure that these policies and guidelines are communicated to the persons responsible for these matters and monitor their effectiveness.

Manager and Portfolio Manager

Auspice is the manager and portfolio manager of the Funds. As such, it exercises its powers and discharge its duties honestly, in good faith and in the best interests of the Funds and in connection therewith shall exercise the degree of care, diligence and skill that a reasonable person would exercise in the circumstances.

The duties of Auspice as manager and portfolio manager are set out in the Trust Agreement. Among its other responsibilities, Auspice is responsible for arranging for administrative services of the Funds, as set out above, and the offering of Units, and monitoring the ongoing compliance of the Funds with tax and securities legislation.

The board of directors of the Manager is responsible for the compliance by the Manager with the terms of the Trust Agreement and the requirements of relevant legislation applicable to the Funds.

The board of directors of the Manager has also established policies and procedures designed to recognize the Manager's obligation to act in the best interest of the Funds and the Unitholders and to place their interests ahead of its own. These policies include such topics as a code of ethics and conduct, personal and insider trading codes, privacy codes and conflict of interest policies addressing allocation of investments, allocation of costs, inter-fund trades, trades in related issuers, best-execution/soft dollars, correction of NAV errors and trades in underwritten securities by dealer-managed mutual funds. The board of directors of the Manager receives reports regarding compliance with such policies and procedures at least annually, including the consequences for employees resulting from non-compliance, and revises the policies and procedures from time to time as appropriate.

Each officer and employee of the Manager is required to certify annually that such person has read the Manager's compliance manual which is designed to provide its officers and employees with an awareness of the requirements of the laws governing the Funds, the offering of Units, and dealers and other market participants providing services to the Funds and to provide a procedural means to ensure the Manager's operations meet these requirements. These procedures establish an appropriate system of internal controls and include designation of employees responsible for meeting the various aspects of the Funds' and the Manager's regulatory requirements, including reporting and filing obligations.

The Manager markets the Funds to dealers. In doing so, the Manager requires employees involved in the marketing function to become knowledgeable regarding regulatory limitations and requires marketing material to be reviewed by compliance officers and where appropriate outside legal advisors. The review is designed to ensure that full and fair disclosure of the material facts are made to potential investors.

The Manager has adopted written policies and practice guidelines applicable to the Funds to manage the risks associated with the use of derivative instruments and short selling. Such policies and practice guidelines require that:

- the use of derivative instruments and short selling, if any, be consistent with the Funds' investment objective and policies;
- the risks associated with the use of derivatives and short selling, if any, be adequately described in the "*Derivatives Risk*" section and other public disclosure documents;
- authorized persons of the Manager approve the parameters, including trading limits, under which derivatives trading and short selling, if any, is to be permitted for the Funds and that such parameters comply with applicable securities legislation; and
- the operational, monitoring and reporting procedures in place ensure that all derivatives transactions and short selling, if any, are completely and accurately recorded, in accordance with their approved use, and within the limits and regulatory restrictions prescribed for the Funds.

These policies and practice guidelines are reviewed as necessary by a Senior Officers' Committee at the Manager. In addition, the Manager's Compliance Department has oversight over all use of derivative instruments by the Funds which may from time to time report to the board of directors of the Manager as deemed appropriate.

As well, the Manager tests the Funds to ensure that there is an adequate cash cover in any underlying interest. The Manager also monitor the Funds' gain and loss position on a regular basis.

Independent Review Committee

All publicly offered investment funds are required pursuant to NI 81-107 to establish an independent review committee (an **IRC**) to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions.

Certain reorganizations of a Fund or transfers by a Fund of its assets to another issuer will not require the approval of Unitholders provided certain factors are met. Such factors include, obtaining the approval of the IRC, as well as delivering a written notice to Unitholders describing such activities at least 60 days before the effective date of the reorganization or transfer. In addition, as noted above, the auditors of the Fund may not be changed unless the IRC has approved the change in accordance with NI 81-107, and a written notice describing the change is sent to Unitholders at least 60 days before the effective date of the change.

The IRC is required to be comprised of a minimum of three independent members and, pursuant to NI 81-107, is required to conduct regular assessments and provide reports to the Manager and the Funds' Unitholders in respect of its functions. The current members of the IRC are Mike Neylan, Kevin Beatson and Warren Law. Warren Law serves as the Chair of the IRC.

The IRC conducts regular assessments and prepares, at least annually, a report of its activities for Unitholders and makes such reports available on the Funds' designated website at http://www.auspicecapital.com/. The report may also be obtained by Unitholders, upon request and at no cost, by contacting the Manager at 1-888-792-9291 or by email at info@auspicecapital.com.

Conflict of Interest

The Manager may face certain conflicts of interest in relation to the Funds and/or other securities (e.g., exchange traded funds). The Manager and its affiliates may from time to time conduct business with affiliated funds or other accounts, may deal with the Funds and/or other securities offered by the Manager, may have dealings with others doing business with the Funds and/or other securities offered by the Manager, or be engaged in competitive activities and may earn fees from or receive or provide other consideration from or to any of the foregoing. In particular, the Manager may provide services similar to those provided to the Funds and/or other securities offered by the Manager, with respect to affiliated funds or other accounts investing directly or indirectly in the Funds and/or such other securities.

The Manager may act as portfolio manager or manager for other accounts other than those described herein that utilize investment strategies similar to those of the Funds. There is no limit on the number of other accounts that may be managed or advised by the Manager. Certain investment opportunities may have capacity constraints. As a result, the Funds and/or other securities managed by the Manager allocation of such investment opportunities may be limited by those capacity constraints. In such cases, participation in such opportunities will be allocated on a fair and equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the respective investment programs and portfolio positions of the Funds and/or such other securities, and any affiliated funds and other accounts for which participation is appropriate. Such considerations may result in allocations of certain investments among the Funds and/or such other securities, such affiliated funds and such other accounts on an unequal basis for a particular trade, although the Manager will try to ensure that such allocations are equitable over time.

The Manager receives fees from the Funds and other securities offered by the Manager. As a result, the Funds are connected issuers of each other and of the Manager. In executing its duties on behalf of the Funds, the Manager will do so in good faith and with a view to the best interests of the Funds and its Unitholders.

Policies and Practices

Conflicts of Interest with Related Issuers and Connected Issuers

The Manager may engage in activities as a portfolio manager in respect of securities of related or connected issuers but will do so only in compliance with applicable securities laws.

The Manager will be acting as an advisor in Alberta and as an exempt market dealer in Alberta, British Columbia and Ontario. As a result, potential conflicts of interest could arise in connection with the Manager acting in both capacities. As an exempt market dealer, the Manager intends only to sell Units in the Funds and other funds organized by the Manager and will not be remunerated by the Funds or any other funds for acting in that capacity. Accordingly, there is no opportunity for a potential conflict to arise as there would be if, for example, the Manager also sold or sought investors for, securities of unrelated issuers. The Manager's relationship with the Funds and such other funds will be fully disclosed to all potential investors.

The definitions of the terms "related issuer" and "connected issuer" can be found in National Instrument 33-105 *Underwriting Conflicts* of the Canadian Securities Administrators. Currently, the only connected issuers of the Manager are the Funds, which are all managed by the Manager.

Fairness Policy

The Manager may, from time to time, act as portfolio manager to separately managed accounts, in addition to the Funds and other securities managed by the Manager, from time to time. In the course of managing a number of accounts, there arise occasions when the Manager may follow a policy regarding allocation and execution:

- The Manager will select the type of order to be used in executing client trades. The Manager may place individual orders for each account with a client's Futures Commission Merchant (**FCM**) or a bulk order for all accounts through the same FCM. Bulk orders will be allocated among accounts in a non-biased manner. Clients will be notified of the specific method used for allocating any bulk orders to their accounts.

- Where orders are entered simultaneously for execution at the same price, or where a block trade is entered and partially filled, fills are allocated proportionately and equally among Auspice's clients, including the Funds.

It is understood that regulatory, tax or individual client restrictions may result in a situation that investment strategies may be implemented differently. Therefore, under certain circumstances, allocation on different basis is permitted if it is believed that such allocation is fair and reasonable.

Personal Trading

The Manager has adopted a policy intended to restrict and monitor all futures based personal trading by the employees of the Manager in order to ensure that there is no conflict between such personal trading and the interests of the investment funds managed by the Manager and the Manager's other clients.

Referral Arrangements

The Manager may enter into referral arrangements whereby it pays a fee for the referral of a client to the Manager or to the Funds. No such payments will be made unless the referred investors are advised of the arrangement and all applicable securities laws are complied with.

Soft Dollar Arrangements

Soft dollar arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Manager in exchange for brokerage business from the Manager's managed accounts and investment funds. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, the Manager will nonetheless enter into such arrangements when it is of the view that such brokers provide best execution and/or the value of the research and other services exceeds any incremental commission costs.

The Manager intends to enter into soft dollar arrangements in accordance with industry standards when it is of the view that such arrangements are for the benefit of its clients, however not all soft dollar arrangements will benefit all clients at all times.

Representatives of the Manager may from time to time speak at conferences and programs for investors interested in investing in hedge funds which are sponsored by prime brokers. These conferences and programs may be a means by which the Manager can be introduced to potential investors in the Funds. Prime brokers generally are not compensated by the Funds, the Manager or potential investors for providing such "capital introduction" opportunities. In addition, prime brokers may provide financing and other services to the Funds or the Manager. The provision of these opportunities, introductions to potential investors and any additional services by a prime broker may influence the Manager in deciding whether to use the services of such prime broker in connection with the activities of the Funds.

In selecting brokers or dealers to execute transactions and negotiating their commission rates, the Funds are expected to consider one or more of such factors as price, execution capabilities, reputation, reliability, financial resources, the quality of research products and services and the value and expected contribution of such services to the performance of the Funds. It is not possible to place a dollar value on information and services received from brokers and dealers, as they only supplement the research efforts of the Funds. If the Funds determine in good faith that the amount of the commissions charged by a broker or dealer is reasonable in relation to the value of the research products or services provided by such broker or dealer, the Funds may pay commissions to such broker or dealer in an amount greater than the amount another broker or dealer might charge.

Use of Derivatives by the Funds

Derivative transactions by Auspice on behalf of the Funds may be initiated, in accordance with written policies and procedures of Auspice, only by authorized investment personnel approved by senior management who ensure that these individuals have the necessary proficiency and experience to use derivatives. As in the case of other portfolio transactions, all derivative transactions must be recorded on a timely basis and promptly reflected in the Funds' portfolio management records. Derivative positions are monitored daily to ensure compliance with all regulatory requirements, including cash cover requirements.

As noted, Auspice is responsible for managing the risks associated with the use of derivatives. Auspice has written guidelines that set out the objectives and goals for derivatives trading, which are established and reviewed annually by Auspice. In addition, Auspice has written control policies and procedures in place that set out the risk management procedures applicable to derivatives trading. These policies and procedures set out specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies ensuring that these functions are performed by individuals independent of those who trade.

Limits and controls on derivatives trading are part of Auspice's risk management regime. All derivatives transactions are reviewed by trained personnel that ensures that the derivative positions of the Funds are within the existing control policies and procedures. The risk management procedures also cover the testing of a Fund's portfolio under stress conditions.

The risks of using these strategies are described under "*Derivatives Risk*".

<u>Short Selling</u>

When a Fund engages in short selling, it will sell securities short and provide a security interest over the fund assets with dealers as security in connection with such transactions. Each Fund will engage in short selling in a manner consistent with its investment objectives and as permitted by NI 81-102 for "alternative mutual funds". With respect to the Funds, the aggregate market value of all securities of the issuer of the securities sold short by the Funds cannot exceed 10% of the total net assets of the Funds and the total market value of all securities sold short cannot exceed 50% of the total net assets of the Funds.

Auspice and the Trustee have in place policies and procedures relating to short selling by the Funds. Any agreements, policies and procedures that are applicable to a Fund relating to short selling (including trading limits and controls in addition to those specified above) will be prepared and reviewed by the Manager. The decision to effect any particular short sale will be made by the Portfolio Manager and reviewed and monitored as part of the Manager's ongoing compliance procedures and risk control measures. The risk management procedures also cover the testing of a Fund's portfolio under stress conditions.

The risks of using these strategies are described under "*Short Selling Risk*".

<u>Securities Lending, repurchase or reverse repurchase transactions</u>

A Fund may enter into securities lending, repurchase and reverse repurchase transactions in the future to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities. Of note, in accordance with NI 81-102, the collateral held by a Fund must be equal to at least 102% of the market value of the security sold, loaned or cash paid. The collateral is also adjusted to ensure that this value is maintained. If on any day the market value of the collateral posted by a borrower is less than the percentage of the market value of the relevant borrowed securities required by NI 81-102, at a minimum, the securities lending agent at that time will be required to request that the borrower provide additional collateral to the Fund to make up the shortfall.

Additional details on how the Funds may engage in securities lending in the future can be found under "*What does the Fund invest in?*" and the risks of using these strategies are described under *"Repurchase and reverse repurchase transactions and securities lending risk"*.

Leverage

Each Fund may use leverage through the use of cash borrowings, short sales and derivatives. If used, each Fund has obtained exemptive relief such that the aggregate amount of cash borrowing and the market value of the securities sold short can exceed 50% of a Fund's NAV, and the aggregate amount of cash borrowing, the market value of the securities sold short and the notional amount of derivatives used for non-hedging purposes can exceed 300% of the Fund's NAV. See "*Exemptions and Approvals*" for more details.

Proxy Voting Guidelines

The Manager is responsible for all securities voting in respect of securities held by the Funds and exercising responsibility with the best economic interests of the Funds and the Unitholders. The Manager has established proxy voting policies, procedures and guidelines (the **Proxy Voting Policy**) for securities held by the Funds to which voting rights are attached. The Proxy Voting Policy is intended to provide for the exercise of such voting rights in accordance with the best interests of the Funds and the Unitholders.

The Proxy Voting Policy sets out the guidelines and procedures that the Manager will follow to determine whether and how to vote on any matter for which the Funds receive proxy materials. Issuers' proxies most frequently contain proposals to elect corporate directors, to appoint external auditors and set their compensation, to adopt or amend management compensation plans, and to amend the capitalization of the company.

Although the Proxy Voting Policy allows for the creation of a standing policy for voting on certain routine matters, other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value.

The Funds may limit voting on foreign holdings in instances where the issues presented are unlikely to have a material impact on shareholder value, since the costs of voting (e.g., custodian fees, vote agency fees) in foreign markets may be substantially higher than for Canadian holdings.

If the potential for conflict of interest arises in connection with proxy voting and if deemed advisable to maintain impartiality, the Proxy Voting Policy provides that the Manager may choose to seek out and follow the voting recommendation of an independent proxy search and voting service.

The Proxy Voting Policy is available on request, at no cost, by calling the Manager at 1-888-792-9291 or by email at info@auspicecapital.com.

The Funds' proxy voting records for the most recent period ended June 30th will be available free of charge to any investor of the Funds upon request at any time after August 31st of that year. The Funds' proxy voting records will also be available on the website of the Manager at www.auspicecapital.com.

Remuneration of Directors and Officers

In the most recent financial year-end of the Funds, no salaries or other compensations or reimbursements were paid (or are payable) by the Funds to the directors or officers of the Manager. The initial compensation and reimbursement policy for costs and expenses of the IRC was established by the Manager. As at the date hereof, the Chair of the IRC receives an annual retainer of $15,000 and the other IRC members receive an annual retainer of $20,000, plus reimbursement of any expenses, and all such fees and expenses of the IRC will be paid for by the Funds.

Material Contracts

The following are the material contracts of the Funds:

- Trust Agreement
- Administration Agreement

Copies of the material contracts may be inspected by prospective or existing Unitholders during regular business hours at the offices of Auspice and are available on Auspice's website at www.auspicecapital.com.

Legal Proceedings

Neither of the Funds or the Manager or the directors of officers of the Manager are involved in any material legal or administrative proceedings, or any sanctions imposed by a court or a securities regulator.

Designated Website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Funds this document pertains to can be found at www.auspicecapital.com.

VALUATION FOR PORTFOLIO SECURITIES

For the purposes of calculating the NAV of the Funds, the value of any security or property held by a Fund or any of its liabilities will be determined in the following way:

- listed securities will be valued at their last sale price on the date of determination – if no sales occurred on that date, such securities shall be valued at the mean of the "bid" and "asked" prices at the close of trading on that date;
- any other securities and financial instruments shall be valued based, to the extent possible, on quotes provided by brokers and other third party pricing sources – other investments for which a third party quote is not available may be carried on the books of the Funds at cost or at any other value based on relevant sources deemed reliable by the Manager, in its discretion;
- all property of the Funds valued in a foreign currency and all liabilities and obligations of the Funds payable by the Funds in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Manager or its delegate;
- liabilities of the Funds will generally be valued in accordance with International Financial Reporting Standards (**IFRS**);
- portfolio purchases or sales will be reflected, following confirmation of the net settlement amount of the transaction, in the calculation of the NAV of the Funds on the next Valuation Date (defined below); and
- the Series NAV per Unit established by the Manager will be conclusive and binding on all Unitholders.

If the Manager, in its sole discretion, determines that the value of the Funds' investment positions and liabilities, as determined in accordance with the foregoing policies, does not represent fair value of the investment positions, the Manager will value such investment positions and liabilities at fair value as it reasonably determines and set forth the basis of such valuation in writing in the Funds' records.

The Manager will be absolutely protected in relying on the valuations furnished to the Manager by third parties; provided that such reliance is consistent with the Manager's standard of care.

CALCULATION OF NET ASSET VALUE

As at the close of business on each Business Day and on such other days as the Manager may determine (each, a "**Valuation Date**"), the Administrator will determine the NAV of each Fund, the Series NAV and Series NAV per Unit of each Series.

The NAV of each Fund as of any date will mean the value of the Fund's investment assets and the Fund's other assets, less all liabilities, costs, and expenses accrued or payable of every kind and nature, including management fees and distributions due but not yet paid or made. In determining the Fund's liabilities, the Manager may estimate expenses of a regular or recurring nature in advance, and may accrue the same into one or more valuation periods, any such accrual to be binding and conclusive on all Unitholders, irrespective of whether such accrual subsequently proves to have been incorrect in amount (in which case any adjustments shall be made in the valuation period when such error is recognized).

The Series NAV of each Series of Units will increase or decrease proportionately with the increase and decrease in the NAV of a Fund, subject to accretions and deductions specific to each such Series, and the Series NAV per Unit of each Series will be determined by dividing the Series NAV of such Series by the number of Units of such Series then outstanding.

Upon calculating the NAV per Series of a Unit of the Funds, we will make it available, at no cost, to investors. Investors may obtain the NAV per Series of a Unit of the Funds by calling us at 1-888-792-9291 or by emailing us at info@auspicecapital.com.

PURCHASES, SWITCHES AND REDEMPTIONS

How We Price the Funds' Units

The Funds' NAV is calculated on a Valuation Day as the Manager may in its sole discretion determine.

The NAV of a Fund will be calculated in Canadian dollars. All Series of Units are denominated in Canadian dollars.

A Fund's Units are divided into Series A Units, Series F Units, Series I Units, Series X Units for Auspice Diversified Trust, and Series A Units, Series I Units and Series T Units for Auspice One Fund Trust. Each Series is divided into a series of Units of equal value. When you invest in a Fund, you are purchasing Units of a specific Series of the Fund.

A separate NAV per Unit is calculated for each Series of Units (a **Series Unit Price**). The Series Unit Price of a Series is the price used for all purchases, switches, redesignations and redemptions of Units of that Series (including purchases made on the reinvestment of distributions). The price at which Units of a Series are issued or redeemed is based on the next applicable Series Unit Price of that Series determined after the receipt of the purchase or redemption order.

Here is how we calculate the Series Unit Price of a Series of the Funds:

- We take the fair value of all the investments and other assets allocated to the Series.
- We then subtract the liabilities allocated to the Series. This gives us the NAV for the Series.
- We then divide this amount by the total number of Units of the Series that investors in the Fund are holding. That gives us the Series Unit Price for the Series.

Although the purchases and redemptions of Units of a Series are recorded on a Series basis, the assets attributable to all of the Series of a Fund are pooled to create one fund for investment purposes.

Each Series pays its proportionate share of fund costs in addition to its management fee and performance fees. The difference in fund costs, management fees and performance fees between each Series means that each Series has a different Series Unit Price.

Any purchase, switch or redesignation instruction received after 10:00 am (EST) on a Valuation Day will be processed on the next Valuation Day. Requests to redeem Units of a Series must be submitted in writing by a Unitholder to the Manager before the Valuation Day on which such Units are to be redeemed. Requests to redeem Units that are received before the Valuation Date will, unless waived by the Manager, be redeemed on the next Valuation Day.

You can get the NAV of a Fund or the Series Unit Price of a Series of a Fund, at no cost, by calling us at 1-888-792-9291, by sending an email to us at info@auspicecapital.com or by asking your Dealer.

Purchases

You may purchase any Series of Units of a Fund through a Dealer that has agreed to sell Units of a Fund. See "*Description of Units*" for a description of each Series of Units offered by the Funds. The issue price of each Series of Units is based on the Series Unit Price for that Series.

Purchases of Units can be made on each Valuation Date. The offering price of Units will be an amount equal to the Series Unit Price of the applicable Series on each Valuation Date, determined as set out in "*Calculation of Net Asset Value*", as of such date. In order to be accepted, a fully completed subscription agreement and subscription proceeds must be received by the Manager no later than 10:00 am (EST) on a Valuation Date, failing which such subscription will not be accepted until the following Valuation Date. Subscription proceeds received by the Manager prior to the effective Valuation Date will be held in a segregated account pending acceptance of the subscription. If a subscription is accepted, Units of the applicable Series will be issued effective the Business Day next following the relevant Valuation Date (a "**Subscription Date**").

All subscriptions for Units are subject to acceptance or rejection by the Manager and the right is reserved to reject any subscription. All subscriptions for Units are to be forwarded by each Dealer, without charge, the same day that they are received by that Dealer, to the Manager on behalf of the Funds. The decision to accept or reject any subscription for Units will be made promptly. In the event that a subscription for Units of a Series of a Fund is rejected, all money received with the subscription will be returned immediately to the subscriber without interest or deduction.

The minimum initial investment for Series A Units and Series F Units of the Auspice Diversified Trust is $1,000. The minimum initial investment for Series I Units of the Auspice Diversified Trust is $25,000,000 (at the discretion of and unless waived by the Manager), and the minimum initial investment for Series X Units of Auspice Diversified Trust is $1,000,000 (at the discretion of and unless waived by the Manager).

The minimum initial investment for Series A Units of the Auspice One Fund Trust is $1,000. The minimum initial investment for Series I Units of the Auspice One Fund Trust is $10,000,000 (at the discretion of and unless waived by the Manager), and the minimum initial investment for Series T Units of Auspice One Fund Trust is $1,000,000 (at the discretion of and unless waived by the Manager).

These minimum investment amounts may be adjusted or waived at the discretion of Auspice.

If a Unitholder makes a subsequent investment in Units, and does not execute a new subscription agreement with their Dealer when making such investment, the Unitholder will be deemed, pursuant to the Unitholder's previous subscription agreement, to have repeated to the Funds and the Manager the representations and warranties contained in the Unitholder's previous subscription agreement.

If an investor executes a subscription agreement for Units of a Series of a Fund, the subscriber agrees that the investment strategies of the Fund are confidential and agrees to keep all information received from the Fund confidential and will not disclose any such information to any third parties without the prior written consent of the Manager.

At Auspice's sole discretion, the Funds may suspend new subscriptions of Units.

An investor may pay a negotiated commission for Units purchased through his or her Dealer. Investments in a Fund, including any minimum investments, are net of such commissions. The Manager may pay a negotiated trailer fee to participating registered dealers in respect of certain Series of Units. Please see "*Fees and Expenses*" and "*Dealer Compensation*" for more information on the fees and expenses and Dealer compensation applicable to each Series.

Redemptions

A Unitholder shall be entitled to request that a Fund redeem all or any of such holder's Units on any Valuation Date (each, a **Redemption Date**), by giving prior written notice to the Manager, such notice to be given on or prior to 10:00 am (EST) in such form as the Manager, from time to time, may prescribe or accept (a **Redemption Notice**). A Redemption Notice shall be irrevocable (except with the consent of the Manager or following a suspension as described below in "*Suspension*") and shall contain a clear request by the Unitholder that a specified number of Units of a Series of a Fund be redeemed or stipulate the dollar amount which the Unitholder requires to be paid.

The redemption proceeds of Units of a Series of a Fund being redeemed will be equal to the Series Unit Price of the Units of the Series of the Fund being redeemed, without deduction. Redemption proceeds will be paid in cash within two Business Days of the Redemption Date. Any interest earned on the proceeds of an order to redeem before you receive the money will be credited to the Funds, not to your account. Redemption payments will be made in Canadian dollars.

Any payment, unless not honoured, will discharge the applicable Fund(s) and the Manager from all liability to the applicable Unitholder in respect of the Units redeemed. In no event will the Funds or the Manager be liable to a Unitholder for any interest or income on the redemption proceeds of any Units that have been redeemed, if such redemption proceeds cannot be delivered to the Unitholder through no fault of the Funds or the Manager. A Dealer may require a Unitholder to pay compensation if the Dealer suffers a loss because the Unitholder failed to satisfy the requirements of the Funds for a redemption of Units.

The Manager shall have the right in certain circumstances to require the redemption of all of Units owned by such Unitholder by notice in writing to the Unitholder.

The redemption of Units is a disposition for tax purposes and may result in a capital gain or capital loss, which may result in a tax liability for Units that are not held in a Registered Plan.

The Manager may receive a performance fee for redeeming Units of the Series of the Funds, otherwise, there are no other redemption fees for redeeming Units of a Series of the Funds.

Please see "*Fees and Expenses*" and "*Dealer Compensation*" for more information on the fees and expenses and Dealer compensation applicable to each Series.

Suspension

Redemptions may be suspended or deferred in whole or in part at the sole discretion of the Manager in situations where suspension of redemption would be permitted for a Fund that is subject to NI 81-102. An example of this would be if the futures exchanges on which the Manager trades failed to operate. The Manager will provide notice to a Unitholder requesting redemption of any redemption suspension or deferral listed above. The Unitholder will have three Business Days in which to withdraw the redemption request in such event.

Switches, Redesignations and Transfers

You can switch your investment between the Series within a Fund through your Dealer, provided that you qualify for the new Series of Units of the Fund. You may also redesignate all or part of your investment from one Series of Units to another Series of Units of the same Fund, if applicable. This is called a redesignation. Redesignating Units from one Series to another Series of the same Fund is generally not a disposition for tax purposes. Please see "*Income Tax Considerations for Unitholders*" for details. You may only switch or redesignate your Units if you satisfy criteria required to hold the securities into which you are switching or redesignating.

If the Manager receives your switch or redesignation order for a Series of Units before the second Business Day immediately preceding a Valuation Day, the Manager will process your order at the Series Unit Price of that Series calculated on such Valuation Day. Otherwise, the Manager will process your order at the Series Unit Price of that Series calculated on the next Valuation Day.

You may have to pay a fee to your Dealer to effect such a switch or redesignation. You negotiate the fee with your investment professional. See "*Fees and Expenses*" for details.

The value of your investment, less any fees, will be the same immediately after the switch or redesignation. You may, however, own a different number of Units because each Series may have a different Series Unit Price.

Units may not be assigned, encumbered, pledged, hypothecated or otherwise transferred except with the prior written consent of the Manager, which may be withheld in the Manager's sole and absolute discretion. The transfer or resale of Units (which does not include a redemption of Units) is also subject to restrictions under applicable securities legislation.

Short-Term Trading

The Manager has adopted policies and procedures to detect and deter inappropriate and excessive short-term trading.

Inappropriate short-term trading in Units of the Funds can have an adverse effect on the Funds. Such trading can increase brokerage and other administrative costs of the Funds and interfere with our long-term investment decisions.

In order to protect the interest of the majority of Unitholders in the Funds and to discourage inappropriate short-term trading in the Funds, investors may be subject to a short-term trading fee. If an investor redeems Units of a Fund within 90 days of purchasing such Units, the Fund may deduct and retain, for the benefit of the remaining Unitholders in the Fund, two percent (2%) of the NAV of the Units of the particular Series of the Fund being redeemed. In addition, the Manager may reject future purchase orders from that Unitholder.

The Manager also considers excessive short-term trading as a combination of purchases and redemptions (including switches) that occurs with such frequency within a 30-day period that we believe is detrimental to a Fund's investors.

Inappropriate short-term trading may harm a Fund's investors who do not engage in these activities by diluting the NAV of the Fund's Units as a result of the market timing activities of other investors. Inappropriate and excessive short-term trading may cause the Funds to carry an abnormally high cash balance and/or high portfolio turnover rate, both of which may reduce a Fund's returns.

The Manager may take such additional action as we consider appropriate to prevent further similar activity by you. These actions may include the delivery of a warning to you, placing you or your account(s) on a watch list to monitor your trading activity and the subsequent rejection of further purchases by you if you continue to attempt such trading activity and/or closure of your account.

In determining whether a short-term trade is inappropriate or excessive, we will consider relevant factors, including the following:

- *bona fide* changes in investor circumstances or intentions;
- unanticipated financial emergencies;
- the nature of the Fund;
- past trading patterns;
- unusual market circumstances; and
- an assessment of harm to the Fund or to us.

The short-term trading fee will not apply in certain circumstances, such as:

- redemptions of Units by another fund managed by Auspice;
- redemptions of Units purchased by the reinvestment of distributions;

- for systematic withdrawal plans;
- redesignation of Units from one Series to another Series of a Fund;
- redemptions initiated by Auspice or where redemption notice requirements have been established by Auspice;
- redemptions of Units to pay management fees, administration fees, operating expenses and fund costs; or
- in the absolute discretion of Auspice.

FEES AND EXPENSES

The following sections list the fees and expenses that you may have to pay if you invest in the Funds. You may have to pay some of these fees and expenses directly. A Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in such Fund. Your financial advisor will assist you in choosing the appropriate purchase option for you. Some of these fees and expenses are subject to Goods and Services Tax (**GST**) and may be subject to Harmonized Sales Tax (**HST**), including management fees, performance fees and fund costs. Interest and sales charges, if any, are not currently subject to GST or HST.

The Funds are required to pay GST or HST on management fees payable to the Manager in respect of each Series, performance fees payable to the Manager in respect of each Series and on fund costs attributed to each Series, based on the residence for tax purposes of the Unitholders of the particular Series. GST is currently charged at a rate of 5% and HST is currently charged at a rate of 13% or 15% depending on the province or territory.

Generally, (i) any changes to the basis of calculation of a fee or expense that is charged to a Fund or directly to its Unitholders by the Fund or the Manager in connection with holding of Units of the Fund or (ii) the introduction of a new fee or expense that could, in either case, result in an increase in those charges is subject to Unitholder approval except that, subject to applicable securities law requirements:

(a) no Unitholder approval will be required if the applicable Fund is at arm's length to the person or company charging the fee or expense to the Fund and if written notice is sent to all Unitholders at least 60 days before the effective date of the change that could result in an increase in charges to the Fund; and

(b) no Unitholder approval will be required for Units that are purchased on a no load basis, if written notice is sent to all Unitholders of such Units at least 60 days before the effective date of the change that could result in an increase in charges to the applicable Fund.

This table below lists the fees and expenses that you may have to pay if you invest in a Fund. You may have to pay some of these fees and expenses directly. A Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

Fees and Expenses Payable by the Funds

Management Fee and Trailer Fees to Dealers

The Manager receives a management fee payable by each Fund for providing its services to the Fund (as such services are described below).

The management fee varies for each Series of Units. The management fees are payable to the Manager and will be calculated daily and paid monthly in arrears and will equal the appropriate percentage of the Series NAV of the applicable Series of Units of each Fund on each Business Day plus any creations and less any redemptions for that day.

A trailer fee (**Trailer Fee**) of 1% per annum is paid to participating registered dealers for Series A Units of Auspice Diversified Trust and Series T Units of Auspice One Fund Trust based on the investment of their clients in such Series. The Trailer Fee paid by the Manager, will be calculated daily and paid monthly, and will be equal to the percentage of the applicable Series Unit Price on each Business Day of each Unit of such Series sold by such participating registered dealer for as long as such investor holds such Units. No Trailer Fee is payable with respect to Series F Units, Series I Units or Series X Units of Auspice Diversified Trust and Series A Units and Series I Units of Auspice One Fund Trust. Selling commissions may be modified or discontinued by the Manager at any time.

The Funds and the Manager do not charge a sales commission or Trailer Fee when an investor purchases Units directly from the Funds.

As shown below, the annual management fees vary by Series. You should make a specific request through your Dealer to purchase any applicable lower-fee Series you may be eligible to purchase, or to switch or redesignate your existing Units to any applicable lower-fee Series you may be eligible to purchase.

Auspice Diversified Trust

Series of Units	***Management Fee as percentage of NAV of Units per annum***	***Trailer Fees as percentage of NAV of Units per annum***
Series A units	2.00%	1.00%
Series F units	1.00%	NIL
Series I units	A negotiated management fee directly to Auspice (up to a maximum of 2.00%)	NIL
Series X units	1.00%	NIL

Auspice One Fund Trust

Series A units	1.00%	NIL
Series I units	1.00%	NIL
Series T units	2.00%	1.00%

Fees and Expenses Payable by the Funds	
	In consideration of the management fees, Auspice will provide investment management, clerical, administrative and operational services to the Funds, including: determining and implementing investment policies, practices, fundamental objectives, and investment strategies applicable to the Funds; receiving and processing all subscriptions and redemptions; ensuring the Funds comply with regulatory requirements and filings; offering Units of the Funds for sale to prospective purchasers; conducting foreign exchange transactions; purchase, retain, sell and call and put options, futures contracts, or other similar financial instruments; daily operations and usual and ordinary office services; Unitholder relations and communications; appointing or changing the auditors of the Funds; banking; establishing the Funds' operating expense budget and authorizing payment of expenses; authorizing contractual arrangements; recordkeeping; and allocating between each Series of the Funds, the NAV of the Funds, any distribution of the net assets of the Funds, any liabilities of the Funds, and any other items. The Manager may delegate the foregoing to third parties if it believes it is in the best interests of Unitholders.
Management Fee Distributions	In order to encourage very large investments in a Fund and to achieve effective management fees that are competitive for these large investments, the Manager may agree to waive a portion of the management fee that it would otherwise be entitled to receive from the Funds or a Unitholder with respect to a Unitholder's investment in the Funds. An amount equal to the amount so waived may be distributed to such Unitholder by the Funds or the Manager, as applicable (called a **Management Fee Distribution**). In this way, the cost of Management Fee Distributions is effectively borne by the Manager, not the Funds or the Unitholder, as the Funds or the Unitholder, as applicable, are paying a discounted management fee. Management Fee Distributions, where applicable, are calculated and credited to the relevant Unitholder on each Business Day and distributed on a monthly basis, first out of net income and net realized capital gains of the Funds and thereafter out of capital. All Management Fee Distributions are automatically reinvested in additional Units of the relevant Series of applicable Fund. The payment of Management Fee Distributions by the Funds or the Manager, as applicable, to a Unitholder in respect of a large investment is fully negotiable between the Manager, as agent for the Funds, and the Unitholder's financial advisor and/or Dealer, and is primarily based on the size of the investment in the Funds. The Manager will confirm in writing to the Unitholder's financial advisor and/or Dealer the details of any Management Fee Distribution arrangement.
Performance Fees	*Auspice Diversified Trust* Performance fees are payable to the Manager with respect to the Auspice Diversified Trust (except in the case of Series I Units) which will accrue daily and will be paid on the last Valuation Date in each of June and December in each year (each, a **ADT Performance Valuation Date**) and on a redemption of a Series A Unit, a Series F Unit or a Series X Unit of the Auspice Diversified Trust. Such fees will be calculated at a rate of 20% of the positive amount by which the Series NAV before performance fees of each Series (other than Series X Units) exceeds the respective ADT High-Water Mark (as defined below) and ADT Hurdle Rate

Fees and Expenses Payable by the Funds	
	(as defined below) of each such Series. Series X performance fees will be calculated at a rate of 15% of the positive amount by which the Series NAV of that Series before performance fees exceeds the ADT High-Water Mark and ADT Hurdle Rate. **ADT Series Performance** is calculated as the positive amount by which the Series NAV of a Series before performance fees of that Series exceeds its respective ADT High-Water Mark and ADT Hurdle Rate of that Series. **ADT High-Water Mark** of a Series with respect to the Auspice Diversified Trust is calculated as the amount equal to: • in the case of a Series on which no performance fee has previously been paid on an ADT Performance Valuation Date, the aggregate subscription price of all Units of such Series issued to date minus the aggregate subscription price of all Units of such Series that were redeemed prior to the date of calculation; and • in the case of a Series on which a performance fee has previously been paid on an ADT Performance Valuation Date, the Series NAV of that Series on the last ADT Performance Valuation Date on which a performance fee was paid on that Series (after deduction of such fee), plus the aggregate subscription price of all Units of that Series issued since that ADT Performance Valuation Date, minus, in respect of each Unit of that Series redeemed since that ADT Performance Valuation Date but prior to the date of calculation, either the subscription price of such redeemed Unit of that Series (if such Unit of that Series was issued after that previous ADT Performance Valuation Date), or the Series NAV of such redeemed Unit of that Series on that previous ADT Performance Valuation Date. **ADT Hurdle Rate** with respect to the Auspice Diversified Trust is the minimum return a Series must earn before a performance fee is payable to the Manager. The ADT Hurdle Rate of a Series of the Auspice Diversified Trust is determined each day by multiplying the Series NAV before performance fees of that Series by the daily 90-day Government of Canada Treasury bill rate. The rate is available on the Bank of Canada's website. In the event an applicable Unit is redeemed on a Valuation Date that is not an ADT Performance Valuation Date, the performance fee payable in respect of such Unit will equal the *pro rata* portion of the accrued performance fee calculated on the relevant Series and allocable to such Unit. In the event of the transfer or conversion of a Unit from one Series to another, the ADT High-Water Mark of each Series will be appropriately adjusted. Similarly, in the event of a consolidation or subdivision of Units, the subscription price and/or prior Series NAV per Unit that is subsequently redeemed will be adjusted accordingly for the purpose of this calculation. All performance fees of the Auspice Diversified Trust are subject to HST. Please see "*Risk Factors*" for more information.

Fees and Expenses Payable by the Funds	
	Auspice One Fund Trust Performance fees are payable to the Manager with respect to the Auspice One Fund Trust (except in the case of the Series A Units and Series I Units where the Manager only receives the greater of its management fees or the performance fees from such Series A Units or Series I Units) which will accrue daily and will be paid on the last Valuation Date in December of each year (each, a **AOFT Performance Valuation Date**) and on redemption of a Series A Units, Series I Units or Series T Units of the Auspice One Fund Trust. Such fees will be calculated at a rate of 15% for Series A Units and Series T Units or 10% for Series I Units of the positive amount by which the NAV of the Auspice One Fund Trust before performance fees of each Series A Unit, Series T Unit or Series I Unit, respectively, exceeds the AOFT Annual High-Water Mark (as defined below) of that Series of Auspice One Fund Trust. **AOFT Series Performance** is calculated as the positive amount by which the NAV of Auspice One Fund Trust before performance fees of each Series of Units of Auspice One Fund Trust exceeds the respective AOFT Annual High-Water Mark of that Series of Units of Auspice One Fund Trust. **AOFT High-Water Mark** of a Series of Units of Auspice One Fund Trust is calculated as the amount generally equal to the Series NAV of that Series of Units of Auspice One Fund Trust on the last AOFT Performance Valuation Date on which a performance fee was paid on that Series (after deduction of such fee), plus the aggregate subscription price of all Units of such Series issued since that AOFT Performance Valuation Date, minus, in respect of each Unit of such Series redeemed since that AOFT Performance Valuation Date but prior to the date of calculation, either the subscription price of such redeemed Unit (if such Unit was issued after that previous AOFT Performance Valuation Date), or the Series NAV of such redeemed Unit on that previous AOFT Performance Valuation Date. Until a performance fee is paid on a Series of Units of Auspice One Fund Trust, the AOFT High-Water Mark of that Series is equal to the subscription price of all Units of that Series issued minus the subscription price of all Units of that Series previously redeemed. All performance fees of the Auspice One Fund Trust are subject to HST. Please see "*Risk Factors*" for more information.
Operating Expenses	Each Fund pays its own operating expenses, other than marketing costs, which are paid by Auspice. Each Fund is responsible for paying its ongoing costs of operation and setup, including without limitation, its trustee, custodial, administrative, audit, legal, forward, brokerage, investor relations expenses and taxes.

Fees and Expenses Payable by the Funds	
	The Manager may from time to time waive any portion of the fees and expenses payable to it, but no such waiver shall affect its ability to receive such fees or expenses in the future. The operating expenses of each Fund will include, without limitation, all investment expenses (including expenses the Manager, an investment advisor or sub-advisor reasonably determines to be related to the investment of the Fund's assets, such as brokerage commissions, fees relating to forward or swap contracts, expenses relating to short sales; the costs of products and services relating to research, market data, execution and related items; clearing and settlement charges, custodial fees, hedging expenses, bank service fees, interest expenses, expenses relating to proposed investments that are not consummated and all such other fees and disbursements directly relating to the implementation of the investment strategy of the Fund; any taxes, assessments or other regulatory and governmental charges levied against the Fund or to which the Fund may be subject; interest expenses, if any; any management, performance or investment advisory fees payable by the Fund; custody and safekeeping charges relating to the Fund's activities; Trustee fees, and the fees of the Manager's or Trustee's agents and delegates (except where the Manager has specifically agreed to pay such fees); continuing offering fees; all costs and expenses associated with the qualification for sale of Units; Fund administration expenses; all costs associated with the defense and indemnity of the Trustee, the Manager and other service providers; costs relating to providing information to Unitholders including annual and interim financial reports; audit, accounting and legal fees of the Fund and of the Trustee; tax preparation expenses; valuation expenses; costs of preparing, delivering and, where required, filing the disclosure documents; costs of printing and distributing offering materials in respect of the offering of Units; expenses of conducting Unitholder meetings; costs of the IRC or any other person or committee as the Manager may be required by securities legislation or by industry practice to appoint or engage for the Fund's governance purposes; costs of bookkeeping, the Fund's accounting, registry and transfer agent services, and record-keeping services; expenses incurred upon termination of the Fund; and all reasonable extraordinary or non-recurring expenses, including legal, accounting and audit fees and fees and expenses of the Trustee, custodian or any sub-custodian which are incurred in respect of matters not in the normal course of the Fund's activities. The foregoing expenses shall be allocated by the Manager to each Series of Units of each Fund on the basis that (i) all Series Expenses (as defined below) shall be allocated only to the Series of Units in respect of which the Series Expenses were incurred, and (ii) each type of Common Expense (as defined below) shall be allocated among the Series of Units as determined by the Manager, in its sole discretion (generally based on respective Series NAVs). In this regard, a **Common Expense** means an expense of a Fund other than Series Expenses; and **Series Expense** in respect of any particular Series of a Funds' Units means the expenses of the Fund (including management, performance and other fees) that are charged only to that Series.

Fees and Expenses Payable by the Funds	
	In addition, all deductible expenses of each Fund, both Common Expenses and Series Expenses, will be taken into account in computing the income or loss of that Fund for tax purposes and, therefore, all expenses will impact the tax position of that Fund. The Manager may establish an upper limit on the total annual operating expenses of a Fund(s). The Manager or its affiliates may pay for certain operating expenses of a Fund(s) in order to maintain the Fund's annual operating expenses within any such established limit. Each Series of Units of a Fund is responsible for the expenses specifically related to that Series and a proportionate share of expenses that are common to all Series of Units. The Funds also pay a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC as described above. The management expense ratio (each a **MER**) of a Fund is calculated separately for each Series of Units of the Fund and includes Series management fees, performance fees (as applicable), and/or operating expenses. Each Fund also pays its own brokerage commissions for portfolio transactions and related transaction fees. These expenses are not included in a Fund's MER but are, for tax purposes, added to the cost base or subtracted from the sale proceeds of its portfolio investments. These expenses constitute part of a Fund's trading expense ratio (**TER**). Both the MER and the TER will be disclosed in a Fund's annual and semi-annual Management Report of Funds Performance.

Fees and Expenses Payable Directly by You	
Sales Commissions	Your Dealer may charge you a sales commission of up to 2% based on NAV of the applicable Series of Units of the Fund(s) you acquire. Any up-front sales commission will be deducted from the subscriber's subscription and paid to your Dealer, if such fees have not already been paid to your Dealer.
Negotiated Fee	Holders of Series I Units of Auspice Diversified Trust pay a negotiated management fee directly to Auspice.
Switch or Redesignation Fees	Your Dealer may charge you a switch or redesignation fee, as applicable, of up to 2% based on the NAV of the applicable Series of Units of a Fund you switch or redesignate. You may negotiate the amount with your Dealer. Dealers' fees for switches or redesignations may be paid by redeeming Units held by you.
Redemption Fees	The Manager may receive a performance fee for redeeming Units of the Series of a Fund, otherwise, there are no other redemption fees for redeeming Units of a Series of the Fund.

Short-Term Trading Fee	A fee of 2% of the amount redeemed may be charged if you redeem Units of a Fund, within 90 days of purchasing such Units and/or your trading is part of a pattern of short-term trading that we believe is detrimental to such Fund's investors. For a description of Auspice's policy on short-term trading please see the disclosure under the sub-heading "*Short-Term Trading*" under the heading "*Purchases, Switches and Redemptions*". The short-term trading fees charged will be paid directly to the Funds, and are designed to deter excessive trading and offset its associated costs. For the purposes of determining whether the fee applies, we will consider the Units that were held the longest to be Units which are redeemed first. At Auspice' s discretion, the fee will not apply in certain circumstances, such as: • redemptions of Units purchased by the reinvestment of distributions; • redesignation of Units from one Series to another Series of the same Fund; • redemptions initiated by Auspice or where redemption notice requirements have been established by Auspice; or • in the absolute discretion of Auspice.
Registered Tax Plan Fees	Your Dealer may charge you a fee for this service. You may negotiate the amount with your Dealer.

DEALER COMPENSATION

Your Dealer may receive trailing fees in certain instances.

Trailer Fee – A trailer fee of 1% per annum is paid to all participating registered dealers for Series A Units of Auspice Diversified Trust and for Series T Units of Auspice One Fund Trust based on the investment of their clients in such Series. The Trailer Fee is paid by the Manager, will be calculated daily and paid quarterly, and will be equal to the percentage of the applicable Series NAV per Unit on each Business Day of each applicable Unit sold by such participating dealer for as long as such investors holds such Units.

No Trailer Fee is payable with respect to Series F Units, Series I Units or Series X Units of Auspice Diversified Trust, or Series A Units or Series F Units of Auspice One Fund Trust. Selling commissions may be modified or discontinued by the Manager at any time.

Please see "*Purchases, Switches and Redemptions*" section of this Simplified Prospectus for further details.

Other Kinds of Dealer Compensation

We may provide a broad range of marketing support programs to Dealers which include research materials on the Funds and pre-approved advertising copy relating to the Funds. We may also provide advertising programs for the Funds which may indirectly benefit your Dealer, and in some cases, may share with your Dealer the cost of local advertising and marketing activities (including investor conferences and training programs). The cost sharing is on a case-by-case basis and will not exceed 50% of the total direct costs incurred by your Dealer. We may reimburse Dealers for the registration fees of financial advisors attending certain conferences, seminars and courses organized and presented by third parties. We also may reimburse Dealers and certain industry associations for up to 10% of the total direct costs they incur for other kinds of conferences, seminars and courses they organize and present. We may organize and present, at our expense, educational conferences and seminars for financial advisors and provide to financial advisors nonmonetary benefits of a promotional nature and of minimal value.

It is important for you to know that all of the amounts described above are paid by us, not the Funds, and only in accordance with our policies and the rules set out in National Instrument 81-105 *Mutual Funds Sales Practices*.

INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act that generally apply to the Funds and to the acquisition, holding and disposition of Units by a purchaser who acquires Units pursuant to this Simplified Prospectus. This summary only applies to a Unitholder who is an individual and who, for purposes of the Tax Act, is resident in Canada or deemed resident in Canada, deals at arm's length with the Funds and holds Units as capital property. Units will generally be considered capital property to a Unitholder unless the Unitholder holds the Units in the course of carrying on a business or has acquired the Units in a transaction or transactions considered to be an adventure or concern in the nature of a trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units, and all other "Canadian securities" owned or subsequently owned by such Unitholders, treated as capital property by making an irrevocable election in accordance with subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors in this regard.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the **Tax Proposals**) and an understanding of the current publicly available published administrative and assessing policies of the Canada Revenue Agency.

This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. There is no assurance that the Tax Proposals will be enacted in the form proposed or at all. This summary also relies on advice from the Manager relating to certain factual matters.

This summary is also based on the assumptions that (i) none of the securities held by the Funds will be an interest in a non-resident trust other than an "exempt foreign trust" (ii) none of the issuers of securities held by the Funds will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act and (iii) the Funds will at no time be a "SIFT trust" within the meaning of the Tax Act.

This summary is not exhaustive of all possible Canadian federal income tax considerations that apply to an investment in Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the investor's particular circumstances including the province(s) in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular investor. Prospective investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units based on their particular circumstances.

Qualification as a Mutual Fund Trust

This summary is based on the assumption that each of the Funds will continue to qualify at all times as a "mutual fund trust" within the meaning of the Tax Act.

In order to qualify as a mutual fund trust, a Fund cannot, and may not at any time, reasonably be considered to be established or maintained primarily for the benefit of non-resident persons unless certain exceptions apply. In addition, among other requirements, the Fund must have at least 150 Unitholders of a particular class of Units each of whom holds a minimum number and value of Units of that class.

If a Fund does not qualify as a mutual fund trust at all times, or is a SIFT trust, the income tax considerations described below would, in some respects, be materially and adversely different with respect to the Fund and its Unitholders.

Income Tax Considerations for the Funds

General

The Funds will be subject to tax under Part I of the Tax Act in each year on the amount of its income for the taxation year, including net taxable capital gains as computed in accordance with the Tax Act, less the portion thereof that is paid or payable to their Unitholders in the year. An amount will be considered payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. The Trust Agreement requires that sufficient amounts be paid or made payable each year so that each Fund will not be liable for any income tax under Part I of the Tax Act.

Computation of Income of the Funds

In determining the income of the Funds, gains or losses realized upon dispositions of securities of the Funds which are not "Canadian securities" and not the subject of short sales, should constitute capital gains or capital losses of the Funds in the year realized unless the Funds are considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Funds have acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of a trade.

Generally, the Funds will include gains and deduct losses in connection with investments made through derivative securities on income account except where such derivatives are used to hedge securities held on capital account, and the Funds will recognize such gains and losses for tax purposes at the time that they are realized. Gains and losses of the Funds in respect of short sales of securities are generally considered to be on income account; unless the short sale is in respect of "Canadian securities."

A Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (a **capital gains refund**). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with redemptions of Units.

The Funds are entitled to deduct in computing their income reasonable administrative and other operating expenses (other than expenses on account of capital) incurred by them for the purposes of earning income from property or a business.

Losses incurred by the Funds in a taxation year cannot be allocated to Unitholders, but may be deducted by the Funds in future years in accordance with the Tax Act.

A Fund may be subject to the "suspended loss" rules contained in the Tax Act, which generally apply if the Fund dispose of property and subsequently reacquires the same property or acquires an identical property within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the "suspended loss" rules apply, any losses arising from the initial disposition of property would be denied but may be realized at a future point in time in accordance with the rules in the Tax Act.

The Funds are required to compute all amounts, including interest, cost of property and proceeds of disposition, in Canadian dollars for purposes of the Tax Act. As a consequence, the amount of the Funds' income, expenses and capital gains or capital losses may be affected by changes in the value of a foreign currency relative to the Canadian dollar.

Loss Restriction Event Rules

The Tax Act contains "loss restriction event" (**LRE**) rules that could potentially apply to certain trusts including the Funds. In general, a LRE occurs to a Fund if a person (or group of persons) acquires more than 50% of the Units of the Fund. If a LRE occurs to the Fund (i) the Fund will be deemed to have a year-end for tax purposes, (ii) any net income and net realized capital gains of the Fund at such year-end will be distributed to Unitholders of the Fund, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) on going forward basis. The LRE rules will not apply to a Fund if it is at all times an "investment fund" as defined in the LRE rules.

Income Tax Considerations for Unitholders

Distributions

Unitholders will be required to include in their income for tax purposes for a particular year the amount of net income and net taxable capital gains, if any, paid or payable to them by the Funds, whether paid in cash or reinvested in additional Units. Depending on the facts, in a particular year, the Funds may also pay a return of capital.

Provided that appropriate designations are made by the Funds, such portion of the net realized taxable capital gains of the Funds and the taxable dividends received or deemed to be received by the Funds on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply including an enhanced gross-up and dividend tax credit in respect of "eligible dividends" paid by taxable Canadian corporations.

In addition, provided that appropriate designations are made by the Funds in respect of foreign income or gains of the Funds, for the purpose of computing any foreign tax credit available to a Unitholder, and subject to the rules in the Tax Act, the Unitholder will be deemed to have paid as tax to the government of a foreign country the Unitholder's share of the taxes paid or considered to be paid by the Funds to that country.

Any loss of the Funds for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

The NAV per Unit of a Series will, in part, reflect any income and gains of the Funds that have accrued or been realized, but have not been made payable at the time Units of that Series of the Funds were acquired by a Unitholder. Accordingly, a Unitholder who acquires Units of a Series, including on a reinvestment of distributions, may become taxable on the Unitholder's share of income and gains of the Funds that accrued before the Units of that Series were acquired.

The higher the Funds' portfolio turnover rate, the greater the trading costs payable by the Funds, and the greater the chance that a Unitholder may receive a distribution of income and/or capital gains for that year. There is not necessarily a relationship between a high turnover rate and the performance of the Funds.

Unitholders will be advised each year of the amount of net income, net taxable capital gains and return of capital paid or payable to them, the amount of net income considered to have been received as a taxable dividend and the amount of any foreign taxes considered to have been paid by them by a Fund.

Redemptions and other Dispositions of Units

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit to a Unitholder and any costs of disposition. Under the Tax Act, one-half of capital gains (**taxable capital gains**) are included in an individual's income and one-half of capital losses (**allowable capital losses**) are generally deductible only against taxable capital gains realized by the individual in the year. Allowable capital losses for a taxation year in excess of taxable capital gains of such year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act. For capital gains or losses realized on or after June 25, 2024, Tax Proposals will increase the capital gains inclusion rate from one-half to two-thirds for corporations and trusts, and from one-half to two-thirds on the portion of capital gains realized annually that exceed $250,000 for individuals. Holders are advised to consult their own tax advisers regarding the application of the Tax Proposals in their particular circumstances.

A reclassification of one Series of Units of a Fund into another Series of Units of the same Fund will not result in a disposition of Units under the Tax Act.

In certain situations where a Unitholder disposes of Units of the Funds and would otherwise realize a capital loss, the loss will be denied. This may occur if the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has acquired Units of a Fund (which are considered to be "substituted property") within 30 days before or after the Unitholder disposed of the Unitholder's Units of the Fund and Units of the Fund are held by the Unitholder or the affiliate at the end of the 30 day period after the disposition. In these circumstances, the Unitholder's capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the Units which are substituted property.

Pursuant to the Trust Agreement, the Funds may allocate, designate and treat as having been paid to a Unitholder who redeems Units during a year, any income or capital gains realized by the Funds in the year as a result of any disposition of property of the Funds undertaken to permit or facilitate the redemption of Units to such Unitholder. In addition, the Funds have the authority to distribute, allocate, designate and treat as having been paid, any income or capital gains of the Funds to a Unitholder who has redeemed Units during a year in an amount equal to the Unitholder's share, at the time of redemption, of the Funds' income and capital gains for the year or such other amount that is determined by the Funds to be reasonable. If the Funds is a "mutual fund trust" for purposes of the Tax Act throughout a taxation year, it will be denied a deduction that it otherwise would have been entitled to in respect of amounts allocated (the **allocated amount**) to Unitholders whose Units are redeemed by the Funds if certain conditions are met. The deduction will be denied in respect of a portion of the allocated amount if such portion is not included in the Unitholder's proceeds of disposition of the Unit on the redemption, to the extent (i) such portion is paid out of the ordinary income of the Funds, and/or (ii) such portion is a capital gain, to the extent that it is greater than the capital gain that would otherwise have been realized by the Unitholder on the redemption. The Manager intends to administer the redemption of Units in such a manner so as to avoid the inclusion of any income to the Funds under these rules, unless it is otherwise precluded from doing so.

A Unitholder must separately compute the adjusted cost base in respect of each Series of Units of the Funds owned by the Unitholder. The adjusted cost base in respect of any Series of Units of the Funds that are owned by a Unitholder must be calculated in Canadian dollars. The total adjusted cost base to a Unitholder of Units of a particular Series of Units of a Fund (the "subject Series") is generally equal to:

- the total of all amounts paid to purchase those Units, including any sales charges paid by at the time of purchase;

  plus

- the adjusted cost base of any Units of another Series of Units of the Funds that are held that were redesignated as Units of the subject Series;

  plus

- the amount of any reinvested distributions in respect of Units of the subject Series;

  less

- the return of capital component of distributions paid to the Unitholder in respect of the Units of the subject Series; and

  less

- the adjusted cost base of any of Units of the subject Series that have been redeemed.

The adjusted cost base of a single Unit of a subject Series is the total adjusted cost base of Units of the subject Series held by the Unitholder divided by the number of Units of the subject Series that are held at the relevant time.

Alternative Minimum Tax

In general terms, income of the Funds paid or payable to a Unitholder that is designated as net realized taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units, may increase the Unitholder's liability for alternative minimum tax. Based on Tax Proposals, for taxation years commencing on or after January 1, 2024, new rules pertaining to the alternative minimum tax will be in effect. Under the Tax Proposals, the alternative minimum rate increases to 20.5% (from 15%) and the basic exemption amount available to individuals and qualified disability trusts increases to $173,000. However, provided that the Funds qualify as a "mutual fund trust" for purposes of the Tax Act, the Funds will be exempt from alternative minimum tax for taxation years commencing on or after January 1, 2024.

Units held in a Registered Plan

In this summary, the term “Registered Plan” means a trust governed by registered retirement savings plan (**RRSP**) (including a locked-in retirement account (**LIRA**), locked-in retirement savings plans (**LRSP**) and restricted locked-in savings plans (**RLSP**)), registered retirement income fund (**RRIF**) (including a life income fund (**LIF**), locked-in retirement income fund (**LRIF**), prescribed retirement income fund (**PRIF**) and restricted life income fund (**RLIF**)), registered education savings plan (**RESP**), deferred profit sharing plan (**DPSP**), registered disability savings plan (**RDSP**), tax-free savings account (**TFSA**) or, a First Home Savings Account (**FHSA**), each as defined in the Tax Act.

Provided that the Funds qualify as a “mutual fund trust” for purposes of the Tax Act, Units will be qualified investments for Registered Plans. A Unitholder who is a holder of a TFSA, FHSA, or a RDSP, or an annuitant of a RRSP or a RRIF or a subscriber of a RESP, that holds Units will be subject to a penalty tax as set out in the Tax Act if the Units are a “prohibited investment” for such plans. A “prohibited investment” includes a unit of a trust, (such as the Funds), if the Funds do not deal at arm’s length with the holder, or in which the holder has a significant interest, which, in general terms, means the ownership of 10% or more of the value of the trust’s outstanding units by the holder, either alone or together with persons and partnerships with whom the holder does not deal at arm’s length. Unitholders are advised to consult their own tax advisors regarding the application of these rules in their particular circumstances.

If a Unitholder holds Units in a Registered Plan, the Unitholder generally pays no tax on distributions from the Funds or on any capital gains realized from selling Units as long the money remains in the Registered Plan. When a Unitholder withdraws money from a registered plan (other than a TFSA or, in some circumstances, a FHSA, a RESP or a RDSP), it will generally be subject to tax at the Unitholder’s marginal tax rate.

EXCHANGE OF TAX INFORMATION

The *Hiring Incentives to Restore Employment Act of 2010* provides for a U.S. withholding tax system, often referred to as the *Foreign Account Tax Compliance Act* (**FATCA**). FATCA requires a “foreign financial institution” (a **FFI**), the broad definition of which includes an investment fund such as the Funds, to undertake certain due diligence, reporting, withholding and certification obligations with respect to its direct investors. Failure to comply with FATCA could subject the Funds or its Unitholders to certain sanctions including a 30% U.S. withholding tax on certain payments to them, unless an exemption is met.

The intergovernmental agreement between Canada and the United States (the **Canada-U.S. IGA**) and provisions in the Tax Act import certain FATCA provisions into Canadian law, which modifies the U.S. tax reporting and withholding provisions as they apply to Canadian FFIs. Under these rules, the Funds must comply with certain due diligence and reporting obligations to the Canada Revenue Agency on “U.S. Reportable Accounts.” A Canadian FFI that complies with the requisite due diligence and reporting requirements of the Canada-U.S. IGA will generally be relieved from certain obligations that would otherwise have been applicable under FATCA, including the obligation to withhold on payments to, or to close accounts of, individual unitholders who do not provide requested information to permit the FFI to establish whether they are any U.S. reportable accounts.

The Tax Act contains similar rules that apply in respect of other non-Canadian investors in the Funds.

WHAT ARE YOUR LEGAL RIGHTS?

Under securities law in some provinces, you have the right to:

- withdraw from an agreement to buy mutual funds within two Business Days after you receive a Simplified Prospectus or Fund Facts document, or

- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the Simplified Prospectus, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

EXEMPTIONS AND APPROVALS

The Funds have obtained various exemptive reliefs. Please see below.

- The Funds have obtained exemptive relief to permit Auspice to use the Absolute VaR based risk management approach that allows the 20-day value-at-risk of the Funds to be up to 20% of the NAV of the Funds' portfolios instead of having to comply with the leverage constraint that applies to alternative mutual funds in NI 81-102 (i.e., an alternative mutual fund's aggregate exposure to cash borrowing, short selling and the notional value of specified derivative transactions must not exceed 300% of the fund's net asset value). The Funds use a managed futures strategy that is typically uncorrelated with equity benchmarks, and is therefore risk reducing. Consequently, the relief allows the Funds to use the Absolute VaR based risk management approach as it is a better measure of risk for the Funds than the notional exposure approach that is prescribed by NI 81-102. Besides compliance with the 20% VaR limit, the relief is subject to compliance with several conditions, including the appointment of a derivatives risk manager, the creation of a derivatives risk management program, verification of the Funds' VaR calculations, and reporting obligations.

- The Funds have obtained exemptive relief to: (i) include their past performance data in sales communications; (ii) include their past performance data in determining their investment risk levels and disclose such investment risk levels in accordance with the risk classification methodology; (iii) use their past performance data to calculate their investment risk rating in this Simplified Prospectus; and (iv) permit each Fund to include in its fund facts document the past performance data of that Fund notwithstanding that such performance data relates to a period prior to that Fund offering its units under a simplified prospectus and that Fund has not distributed its units under a simplified prospectus for 12 consecutive months.

- The Funds have obtained exemptive relief to permit: (i) each Fund to only use the Dealer requirement that for each brokerage account, portfolio assets of a Fund be deposited with the Dealer as collateral for transactions in Commodity Interests (**Initial Margin**) such that the amount of Initial Margin held by any one Dealer on behalf of such Fund does not exceed 35% of the NAV of the Fund as at the time of the deposit; (ii) each Fund to only use Initial Margin such that the amount of Initial Margin held by Dealers in aggregate on behalf of such Fund does not exceed 70% of the NAV of the Fund as at the time of the deposit; and (iii) all Initial Margin deposited with any Dealer to be held in segregated accounts and not be available to satisfy claims against such Dealer made by creditor of the Dealer.

CERTIFICATE OF
AUSPICE DIVERSIFIED TRUST AND AUSPICE ONE FUND TRUST (THE "FUNDS") AND OF THE MANAGER AND PROMOTER

This Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of each Province of Canada and do not contain any misrepresentations.

Dated: April 18, 2024

Auspice Capital Advisors Ltd.
on behalf of the Funds and as Manager of the Funds

"Tim Pickering"	***"Arthur Chan"***
Tim Pickering Chief Executive Officer	Arthur Chan Chief Financial Officer

On behalf of the Board of Directors of

Auspice Capital Advisors Ltd.
on behalf of the Funds and as Manager of the Funds

"Ken Corner"	***"Sylvain Brosseau"***
Ken Corner Director	Sylvain Brosseau Director

Auspice Capital Advisors Ltd.
as Promoter of the Funds

"Tim Pickering"

Tim Pickering
Chief Executive Officer

SPECIFIC INFORMATION ABOUT THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT

This Part provides specific descriptions of the Funds in this Simplified Prospectus. This introduction explains most of the terms and assumptions which appear in the Funds' description and information about the Funds.

WHAT IS A MUTUAL FUNDS AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money contributed by people with similar investment objectives and invests in a portfolio of securities to be managed by a professional investment manager. Investing in a mutual fund allows investors to hold a larger variety of securities than most investors could hold individually. By investing in a mutual fund, investors often increase their ability to diversify their investment portfolios. Unitholders share a mutual fund's income, common expenses, gains and losses in proportion to their interest in the mutual fund.

The value of an investment in a mutual fund is primarily realized through distributions paid by the mutual fund to its investors and through redeeming securities of the mutual fund.

Each Fund is a mutual fund organized as an open-ended unit trust governed by the laws of the Province of Alberta and established under the Trust Agreement. The Funds are also "alternative mutual funds" as defined in NI 81-102.

The Funds each have a specific investment objective and portfolio of investments. The Funds currently offer Series of units by this Simplified Prospectus. In the future, the Funds may offer additional Series of Units without notification to, or approval of, investors.

Each Series of Units is intended for a different investor and may entail different fees. The different Series of Units available under this Simplified Prospectus are described under the section entitled "*Purchases, Switches and Redemptions*".

What are the risks of investing in a mutual fund generally?

As an investor, there is always a risk you could lose money. Mutual funds are no exception, but the degree of risk varies considerably from one mutual fund to the next. As a general rule, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

Mutual funds own different types of investments, depending upon their investment objectives. These can include stocks, bonds, securities of other mutual funds and/or exchange-traded fund, called "underlying funds", cash and cash equivalents like treasury bills and derivatives. There is no guarantee that a mutual fund will be able to achieve its investment objective. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the NAV of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The full amount of your original investment in a Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It is possible to lose money by investing in a mutual fund.

Under exceptional circumstances, a mutual fund may suspend redemptions. For more information, please refer to the section entitled "*Purchases, Switches and Redemptions*" for further details.

The Funds are considered "alternative mutual funds" within the meaning of NI 81-102, which permits the use of strategies generally prohibited to be used by conventional mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage.

What are the specific investment risks of investing in a mutual fund?

Mutual funds are subject to a variety of risk factors depending on their investment objectives. Set out below in alphabetical order is a general description of the specific risks of investing in the Funds. The following does not purport to be a complete summary of all the risks associated with an investment in the Funds. Prospective Unitholders should read this entire Simplified Prospectus and consult with their own advisors before deciding to subscribe.

The following risk factors are associated with investing in the Funds and mutual funds generally.

Borrowing Risk

Borrowing of cash by the Funds and using that cash to purchase additional securities or other portfolio assets could magnify the impact of any movement in the prices of the underlying investments of the Funds and, therefore, the value of your investment. Consequently, these investments may produce more volatile gains or loses compared to investing in the same investments without the use of borrowing.

Changes in Investment Strategy Risk

Auspice may alter the Funds' investment strategies and restrictions without prior approval by Unitholders to adapt to changing circumstances.

Commodities Risk

To the extent the Funds hold commodities within sub-sectors such as energies, metals, grains, soft commodities, it will be influenced by changes in the price of such commodities. Commodity prices can change significantly as a result of supply and demand, speculation, international monetary and political factors, government and central bank activity, and changes in interest rates and currency values.

Counterparty Risk

To the extent that any counterparty with or through which engages in trading and maintains accounts does not segregate the Funds' assets, the Funds will be subject to a risk of loss in the event of the insolvency of such person. Even where the Funds' assets are segregated, there is no guarantee that in the event of such an insolvency, the Funds will be able to recover all of its assets.

There is a risk that funds deposited for trading on margin may be exposed to the failure of a FCM. To this end, multiple FCM's may be used and most funds will remain on deposit in the Funds' bank account. Futures trading also involves the additional risk of potential clearing house and clearing broker default.

Credit Risk

Mutual funds, such as the Funds that invest in fixed income securities (like bonds) are vulnerable to credit risk. Credit risk is the risk that the government or company issuing a fixed income security will not be able to pay the interest as required or pay back the original investment. Securities that have a low credit rating have high credit risk. Mutual funds that invest in companies or markets with low credit risk (such as well-established companies or markets in developed countries) may be less volatile in the short term than those mutual funds that invest in securities with higher credit risk.

Cybersecurity Risk

Cybersecurity risk is the risk of harm, loss and liability resulting from a failure or breach of information technology systems. Failures or breaches of the information technology systems ("cybersecurity incidents") can result from deliberate attacks or unintentional events and may arise from external or internal sources. Deliberate cybersecurity attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, equipment or systems, or causing operational disruption. Deliberate cybersecurity attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

The primary risks to the Funds from the occurrence of a cybersecurity incident include disruption in operations, reputational damage, disclosure of confidential information, the incurrence of regulatory penalties, additional compliance costs associated with corrective measures, and/or financial loss. Cybersecurity incidents of the Funds' third-party service providers (e.g., administrators, transfer agents, and custodians) or issuers that the Funds invest in can also subject the Funds to many of the same risks associated with direct cybersecurity incidents.

The Manager has established risk management systems designed to reduce the risks associated with cybersecurity. However, there is no guarantee that such efforts will succeed. Furthermore, the Funds cannot control the cyber security plans and systems put in place by its service providers or any other third party whose operations may affect the Funds or its Unitholders. The Funds and their Unitholders could be negatively impacted as a result.

Derivatives Risk

A derivative is a contract between two parties. The value of the contract is "derived" from the market price or value of an underlying asset, like currency or stock, or an economic indicator such as interest rates or stock market indices.

Examples of derivatives include:

<u>Options</u> **-** which are securities that give the mutual fund the ability to buy or sell a security at a pre-set price until a future date, but the mutual fund need not elect to do so.

<u>Forward Contracts</u> **-** which are similar to options, but instead they require a mutual fund to purchase or sell a security or commodity at a pre-set price at a future date or exchange the equivalent value of the forward contract in cash. The counterparty (i.e., the person (normally an investment dealer or financial institution) with whom a mutual fund enters into a derivative transaction) to the forward contract will be obliged to pay the mutual fund any increase in the value of the forward contract, or the mutual fund will be obliged to pay the counterparty any decrease in the value of the contract.

Futures Contracts - which are standardized forward contracts that trade on a futures exchange.

Swaps - which are arrangements under which a mutual fund agrees to exchange cash flows from different financial instruments with another party. Some examples include an interest rate swap in which a mutual fund agrees to exchange a fixed rate of interest on a bond for a floating rate of interest on another bond of the same amount, and a credit default swap in which a premium is paid by a mutual fund for a right to receive payment if a bond issuer commits certain specified defaults.

A Fund may use derivatives to:

- offset or reduce the risk of changes in currency values, securities prices or interest rates (otherwise known as hedging);
- lower transaction costs, provide greater liquidity, and increase the speed with which a mutual fund can change its portfolio; and/or
- increase profits by entering into futures contracts based on stock market indices or by using derivatives to profit from declines in financial markets.

The use of derivatives by a mutual fund does not guarantee that there won't be a loss or that there will be a gain or that hedging strategies will be effective. As well, there are risks to using derivatives, including that:

- there may not be a market when a fund wants to meet the terms of its derivative contract;
- the other party to the derivative may be unable to fulfill its obligations;
- a fund may have a derivative contract with a dealer who goes bankrupt;
- the derivative may be based on a stock market index where trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index; and/or
- a fund may be unable to close out its positions because of daily trading limits on options and futures contracts imposed by stock exchanges.

As the Funds are considered to be "alternative mutual funds" pursuant to NI 81-102, the Funds are permitted to invest in specified derivatives, uncovered derivatives or enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102.

Dependence of Manager on Key Personnel Risk

The Manager will depend, to a great extent, on the services of a limited number of individuals in the administration of the Funds' activities. The loss of such individuals for any reason could impair the ability of the Manager to perform its management activities on behalf of the Funds.

Fees and Expenses Risk

Regardless of whether the realizes a profit, it is still obligated to pay management fees, trading costs and other expenses. Under certain circumstances, the Funds may be subject to indemnification obligations payable out of its assets in respect of the Manager and/or the Trustee.

Equity Securities Risk

An equity security represents an ownership interest in the company or entity that issued it. The value of a mutual fund that invests in equity securities (which includes stocks, shares or units) will be affected by changes in the market price of those securities. The price of an equity security is affected by developments related to the applicable issuer and by general economic and financial conditions in those countries where the issuer is located or carries on business or where the security is listed for trading. If the issuer's prospects are favourable, more investors will be willing to buy its securities, hoping to profit from the issuer's rising fortunes and the security price is likely to rise. In addition, a buoyant economy generally means a positive outlook for many issuers and the general trend for security prices may rise. The opposite may also occur if the issuer's prospects are unfavourable or the economy in general is doing poorly. The value of mutual funds that invest in equities will fluctuate with these changes.

Foreign Currency Risk

A mutual fund, such as each Fund, that invests in foreign securities is vulnerable to foreign currency risk, which is the risk that the value of the Canadian dollar will change as measured against a foreign currency. For example, a security traded in U.S. dollars will fall in value, in Canadian dollar terms, if the U.S. dollar declines in value relative to the Canadian dollar, even though there is no change to the U.S. dollar value of the security. Conversely, if the Canadian dollar falls in value relative to the U.S. dollar, there will be a corresponding gain in the value of the security due to the change in the exchange rate.

Foreign Securities Risk

Mutual funds, such as the Funds, that invest in foreign securities are subject to the following risks:

- it may be affected by changes in currency exchange rates (see "*Foreign Currency Risk*");
- some foreign stock markets have less trading volume, which may make it more difficult to sell an investment or may make prices of securities more volatile;
- there is often less information available about foreign companies and many countries do not have the same accounting, auditing and reporting standards that we have in Canada;
- a country may have foreign investment or exchange laws that make it difficult to sell an investment or it may impose withholding or other taxes that could reduce the return on the investment;
- political or social instability or diplomatic developments could affect the value of the investment; and/or
- a country may have a weak economy due to factors like high inflation, weak currency or government debt.

General Investment Risk

The NAV of Units will vary directly with the market value and return of the investment portfolio of each Fund. There can be no assurance that the Funds will not incur losses. There is no guarantee that the Funds will earn a return.

General Economic and Market Conditions Risk

The success of the Funds' activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Funds' investments. Unexpected volatility or illiquidity could impair the Funds' profitability or result in losses.

Interest Rate Risk

The value of a mutual fund, such as each Fund, that invests in bonds and other fixed income investments and, to a lesser extent, preferred shares and dividend yielding common shares, is directly affected by changes in the general level of interest rates.

As interest rates increase, the price of these investments tends to fall. Conversely, if interest rates fall, the price of fixed income securities tends to increase. As a result, mutual funds that invest in certain fixed income securities can experience capital gains or losses during periods of changing interest rates.

Liability of Unitholders Risk

The Trust Agreement provides that no Unitholder shall be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the investment obligations, affairs or assets of the Funds and all such persons shall look solely to the Funds' assets for satisfaction of claims of any nature arising out of or in connection therewith. There is a risk, which is considered by the Manager to be remote in the circumstances, that a Unitholder could be held personally liable, notwithstanding the foregoing statement in the Trust Agreement, for obligations of the Funds to the extent that claims are not satisfied out of the assets of the Funds. It is intended that the operations of the Funds will be conducted in such manner so as to minimize such risk. In the event that a Unitholder should be required to satisfy any obligation of the Funds, such Unitholder will be entitled to reimbursement from any available assets of the Funds.

Legislation and Litigation Risk

From time to time, various legislative initiatives are proposed by governments which may have a negative impact on certain issuers whose securities are held in the portfolio of a mutual fund. In addition, litigation regarding any of such issuers or the industries represented by these issuers may negatively impact the prices of securities. The impact on the portfolio of a mutual fund of any pending or proposed legislation or pending or threatened litigation cannot be predicted.

For example, the Funds are generally required to pay non-recoverable taxes eligible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder (GST/HST) on any management fees, performance fees and most of the other fees and expenses that each has to pay. There have been many recent changes to Canadian sales, use and value taxes and their application. These changes may be accompanied by additional changes to the way that the GST/HST and provincial sales taxes apply to fees and expenses incurred by mutual funds such as the Funds, which, accordingly, may affect the costs borne by the Funds and their Unitholders.

Leverage Risk

An alternative mutual fund is permitted to invest in asset classes and use investment strategies that are not permitted for other types of mutual funds. When an alternative mutual fund makes investments in derivatives for non-hedging purposes, borrows cash for investment purposes, or sells short equity securities, fixed income securities or other portfolio assets, leverage may be introduced into a Fund. Leverage occurs when an alternative mutual fund notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset or interest may amplify losses compared to those that would have been incurred if the underlying asset or interest had been directly held by the alternative mutual fund, and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the alternative mutual funds' liquidity and may cause the Funds to liquidate positions at unfavourable times. Many leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar collateral could result in the need for trading at times or prices that are disadvantageous to the Funds and which could result in a loss for the Funds.

The Funds have obtained relief to allow them to use leverage that is no more than 20% of the Absolute VaR of the Fund rather than complying with the requirements of NI 81-102.

Limited Ability to Liquidate Investment Risk

In addition, Units may not be assigned, encumbered, pledged, hypothecated or otherwise transferred except with the prior written consent of the Manager, which may be withheld in the Manager's sole and absolute discretion. Accordingly, it is possible that Unitholders may not be able to resell their Units other than by way of redemption of their Units at any Valuation Date which redemption will be subject to the limitations described under "*Purchases, Switches and Redemptions – Redemption*". Unitholders may not be able to liquidate their investments in a timely manner. As a result, an investment in Units is suitable only for sophisticated investors who do not require liquidity for their investment and are able to bear the financial risk of the investment for an extended period of time.

Liquidity Risk

Liquidity refers to the speed and ease with which an asset can be sold or converted into cash. Some securities may be difficult to buy or sell because they're not well known or because political or economic events significantly affect them. These include investments in specific sectors, especially commodity sectors, and investments in developing or smaller markets. In addition, smaller companies may be hard to value because they're developing new products or services for which there is not yet a developed market or revenue stream. They may only have a small number of shares in the market, which may make it difficult for a mutual fund to buy or sell shares when it wants to. As a result of holding these types of investments, the value of a mutual fund may rise or fall substantially.

Liquidity of Underlying Investments Risk

Liquidity is important to the Funds' investments. Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of the Funds' portfolio positions may be reduced. In addition, the Funds may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Funds' liquidity. During such times, the Funds may be unable to dispose of certain financial instruments, including longer-term financial instruments, which would adversely affect its ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Funds to dispose of financial instruments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Funds may be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if the Funds incur substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the Funds' counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Funds' exposure to their credit risk.

Multiple Series Risk

The Funds currently offer Series of Units and may issue additional Series of Units in the future. Each Series of Units of a Fund will be charged, as a separate Series, any expenses which are specifically attributable to that Series. However, those expenses do continue to be a liability of the applicable Fund as a whole and therefore, if there are insufficient assets of a Series to pay those expenses, the assets of the other Series of the Fund would be used to pay those excess expenses. In such circumstances, the Series Unit Price of the other Series of the Funds would decline.

Options Risk

The Funds may invest in options. An option is a contract between two parties for the purchase and sale of a financial instrument for a specified price at any time during the option period. Unlike a futures contract, an option grants a right (not an obligation) to buy or sell a financial instrument. An option on a futures contract gives the purchaser the right, in exchange for a premium, to assume a position in a future contract at a specified exercise price during the term of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing securities to satisfy the exercise of the call option can itself cause the price of the securities to rise further, sometimes by a significant amount, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium invested in the call option. The seller (writer) of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing his entire premium invested in the put option. Any investment in an option by a Fund will be in compliance with NI 81-102.

Price Volatility Risk

The NAV per Unit of a Fund will vary according to, among other things, the value of the securities held by the Fund. Auspice and the Funds have no control over the factors that affect the value of the securities held by the Funds, including factors that affect the equity and bond markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to each constituent security.

Economic markets are subject to various uncertainties that occur from time to time such as COVID, war or threat of war, insurrection or civil disturbances, natural disasters or terrorist attacks. The outbreak in December 2019 of the novel strain of coronavirus designated as COVID-19 has caused substantial economic volatility and declines in financial markets globally as well as general concern and uncertainty. The impact of COVID-19, as well as other unexpected disruptive events, may continue to last for an extended period of time and may have effects that cannot be foreseen at the present time. These events could also adversely affect a Fund’s performance and may lead to losses on your investment in a Fund.

Potential Indemnification Obligations Risk

Under certain circumstances, the Funds might be subject to significant indemnification obligations in favour of the Trustee, the Manager and other service providers. The Funds will not carry any insurance to cover such potential obligations and, to the Manager’s knowledge, none of the foregoing parties will be insured for losses for which the Funds have agreed to indemnify them. Any indemnification paid by the Funds would reduce the NAV of the Funds and, by extension, the value of its Units.

Redemptions Risk

Redemptions are permitted daily. Redemption ability is a core feature of each Fund. However, it is important to recognize that if certain conditions occurred, it may be prudent to suspend redemptions. An example of this would be if the futures exchanges on which the Manager trades failed to operate for a period of time.

Reliance on Manager Risk

The Funds will be relying on the ability of the Manager to actively manage the Funds. There can be no assurance that satisfactory replacements for the Manager will be available, if the Manager ceases to act as such. Termination of the Manager may expose investors to the risks involved in whatever new investment management arrangements can be made.

Repurchase and reverse repurchase transactions and securities lending risk

There is the risk that the other party to these types of transactions in the future may default under the agreement or go bankrupt. If that happens in a reverse repurchase transaction and the market value of the security has dropped, the applicable Fund may be unable to sell the security at the price it paid plus interest. If that happens in a repurchase or a securities lending transaction, a Fund may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the Fund holds.

To reduce these risks, a Fund will require the other party to one of these transactions to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold (for a repurchase transaction), bought (for a reverse repurchase transaction) or loaned (for a securities lending transaction). The value of the collateral is checked and reset daily. The market value of securities sold under repurchase transactions and loaned under securities lending agreements must not exceed 50% of the Fund's assets. This calculation excludes cash held by the Fund for sold securities and collateral held for loaned securities.

Short Selling Risk

A short sale by a mutual fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the mutual fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the mutual fund pays interest to the lender. If the value of the securities declines between the time that the mutual fund borrows the securities and the time it repurchases and returns the securities to the lender, the mutual fund makes a profit on the difference (less any interest the mutual fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for the mutual fund. Securities sold short may instead appreciate in value creating a loss for the mutual fund. The mutual fund may experience difficulties repurchasing and returning the borrowed security if a liquid market for the security does not exist. The lender may also recall borrowed securities at any time. The lender from whom the mutual fund has borrowed securities may go bankrupt and the mutual fund may lose the collateral it has deposited with the lender. The mutual fund will adhere to controls and limits that are intended to offset these risks by short selling only liquid securities and by limiting the amount of exposure for short sales. The mutual fund will also deposit collateral only with Canadian lenders that are regulated financial institutions or regulated Dealers and only up to certain limits. A Fund is permitted under securities legislation to sell securities short and borrow cash up to an aggregate maximum of 50% of its NAV.

Speculative Investment Risk

An investment in the Funds may be deemed speculative and is not intended as a complete investment program. A subscription for Units should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in the Funds. Investors should review closely the investment objectives and investment strategies to be utilized by the Funds as outlined herein to familiarize themselves with the risks associated with an investment in the Funds.

There is no assurance that the Funds will be able to achieve their investment objectives.

Substantial Securityholder Risk

The purchase or redemption of securities by a substantial securityholder can adversely affect the performance of a mutual fund. The purchase or redemption of a substantial number of securities of a fund may require the Portfolio Manager to change the composition of the fund's portfolio significantly or may force the Portfolio Manager to buy or sell investments at unfavourable prices, each of which can negatively affect a fund's return.

Tax Risk

There can be no assurance that Canadian federal and provincial income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Funds and their Unitholders.

It is anticipated that each Fund will qualify, or will be deemed to qualify, at all times as a "mutual fund trust" within the meaning of the Tax Act. If a Fund does not qualify as a mutual fund trust or were to cease to so qualify for the purposes of the Tax Act, the income tax considerations as described under "Income Tax Considerations" would in some respects be materially different.

There can be no assurances that the CRA will agree with the tax treatment adopted by a Fund in filing its tax return (e.g., deduction of expenses or recognition of income) and the CRA could reassess the Fund on a basis that results in tax being payable by the Fund or additional tax being paid by Unitholders.

If a Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, each Fund could be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of either Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of either Fund will be a beneficiary who, together with the beneficial interests of persons and funds with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all interest in the income or capital, respectively, in the Fund.

Tax Liability Risk

The Funds are not required to distribute their profits in cash. If the Funds have taxable income for Canadian federal income tax purposes for a fiscal year, such income will be allocated and distributed to Unitholders in accordance with the provisions of the Trust Agreement and reinvested in additional Units. Unitholders, therefore, will be required to include all such distributions in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to such Unitholders. Since Units may be acquired or redeemed on a daily basis and distributions of income and losses of the Funds to Unitholders are anticipated only to be made on an annual basis, such distributions to a particular Unitholder may not correspond to the economic gains and losses which such Unitholder may experience.

Unitholders not Entitled to Participate in Management Risk

Unitholders are not entitled to participate in the management or control of the Funds or their operations. Unitholders do not have any input into the Funds' trading. The success or failure of the Funds will ultimately depend on the indirect investment of the assets of the Funds by the Manager, with which Unitholders will not have any direct dealings.

Underlying Funds Risk

Each Fund may pursue its investment objectives indirectly by investing in securities of other funds, if permitted under NI 81-102, in order to gain access to the strategies pursued by those underlying funds. The risks of investing in such underlying funds include the risks associated with the securities in which an underlying fund invests, along with the other risks of an underlying fund. Accordingly, a Fund takes on the risk of the underlying fund and its respective securities in proportion to its investment in the underlying fund. There can be no assurance that any use of such multi-layered fund of fund structures will result in any gains for a Fund. If an underlying fund that is not traded on an exchange suspends redemptions, a Fund will be unable to value part of its portfolio and may be unable to redeem units. In addition, the Portfolio Manager could allocate a Fund's assets in a manner that results in the Fund underperforming its peers.

Valuation of the Funds' Investments Risk

While the Funds will be independently audited by the auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the portfolio securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the NAV of the Funds and the Series NAV per Unit could be adversely affected. Independent pricing information may not at times be available regarding certain of the Funds' securities and other investments. Valuation determinations will be made in good faith in accordance with the Trust Agreement.

Although the Funds generally will invest in exchange-traded and liquid over-the-counter securities, the Funds may from time to time have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Funds to any such investment differs from the actual value, the Series NAV per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Unitholder who redeems all or part of his or her Units while a Fund holds such investments will be paid an amount less than such Unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that such Unitholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the applicable Fund in respect of a redemption.

In addition, there is risk that an investment in a Fund by a new investor (or an additional investment by an existing Unitholder) could dilute the value of such investments for other Unitholders if the actual value of such investments is higher than the value designated by the Funds. Further, there is a risk that a new Unitholder (or an existing Unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by a Fund. The Manager does not intend to adjust the NAV of each Fund retroactively, but may withhold up to 10% of redemption proceeds pending completion of the year-end audit of each Fund. If there is an overpayment, the Unitholder is responsible to return the excess funds. The valuation of each Fund's assets for the purpose of determining subscription and redemption prices of Units and the calculation of applicable fees, may not be in accordance with Canadian GAAP but will generally be in accordance with industry practice.

INVESTMENT RESTRICTIONS

General

The activities of the Funds may be subject to certain investment restrictions as determined by the Manager from time to time which may be changed if changes are required to comply with securities legislation or to respond to changes in market conditions (in which case the Manager will promptly notify the Unitholders of such amendment if it is material). In addition, the Manager reserves the right to amend (without approval of the Unitholders) the Funds' investment restrictions provided no less than 60 days' prior written notice of the proposed change is given to each Unitholder.

The Funds are also subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102. The restrictions and practices of NI 81-102 are designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. The Funds are managed in accordance with these restrictions and practices.

As noted above, the Funds are considered "alternative mutual funds", as defined in NI 81-102. This permits an alternative mutual fund to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage.

A Fund will not mix their investments with investments of other persons. The investments of a Fund will be kept separate from the investments of and from all other property belonging to or in the custody of the Trustee or any other custodian of assets of the Fund.

The Funds are unit trusts under the Tax Act. The Funds are qualified as, and also intend to continue to qualify as, "mutual fund trusts" under the Tax Act. The Funds will not engage in any undertaking other than the investment of its funds in property for the purposes of the Tax Act.

Provided the Funds are "mutual fund trusts" under the Tax Act, Units of the Funds will be qualified investments for Registered Plans.

The prior approval of the Unitholders of the Funds are required for any change in the fundamental investment objectives of the Funds.

Derivatives

The Funds may use derivatives as permitted by applicable securities legislation (including NI 81-102) for a variety for reasons, including:

- to protect against losses caused by changes in the prices of securities, stock markets, interest rates, currency exchange rates and other risks. There is no assurance that this will be effective, so losses may result even where the Funds are trying to use derivatives to help reduce the risk associated with one or more of its investments. This also does not eliminate fluctuations in the prices of securities valued in a foreign currency, nor does it prevent losses if the prices of those securities decline. In addition, it may not be possible for the Funds to enter into transactions intended to protect against generally anticipated changes in interest rates, market prices, or currency exchange rates;

- to effectively increase or decrease the maturity of bonds and other fixed income securities in their portfolio;

- as a substitute for purchasing or selling the actual stocks and bonds on which the derivative is based. This allows the Funds to increase or reduce their exposure to certain markets, currencies or securities, without trading the actual shares, bonds or currency. Derivatives when used as a substitute for direct market transactions have risks similar to the actual purchase or sale of the security or currency upon which the derivative is based; and

- as a means to enhance returns, which could result in the Funds having to buy or sell securities at prices less favourable than those available in the market.

The Funds may use derivatives to help reduce (or "hedge") against the risk associated with one or more of their investments. If so, the Funds must dispose of the derivative once it sells the investment. It may not be possible for the Funds to readily reduce the risks associated with its derivatives, including the Funds' ability to reduce its exposure to the securities upon which the derivative is based.

Derivatives from foreign markets may have a higher risk of default and may be harder to sell, than comparable instruments traded in Canadian and U.S. markets.

Derivatives also have the risk that the counterparty may be unable to meet its obligations, or that a dealer with whom the Funds has entered into a derivative arrangement may become insolvent. This may result in the loss of any deposit held for the Funds by that dealer.

A Fund may also use derivatives for purposes other than to reduce risk. If a Fund uses them for a "non-hedging" reason, such as to increase its exposure to certain market sectors or foreign markets, then the Fund must ensure that it complies with applicable securities legislation, including NI 81-102. Certain of these restrictions with respect to particular derivatives are described further below. Note, pursuant to NI 81-102, the alternative mutual funds are permitted to invest in specified derivatives, uncovered derivatives or enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102.

<u>Options</u>

The Funds may purchase clearing-corporation and over-the-counter (OTC) options, including options on futures contracts, as a means to increase or decrease its exposure to different markets and securities within the same market. Where the Funds use options for non-hedging purposes, each will limit its purchases as required by applicable securities legislation, including NI 81-102.

The value of options will vary with movements in the value of the securities upon which the options are based.

If a Fund purchases an option:

- the issuer of the option must have a "designated rating" (as defined in NI 81-102) unless the option is a clearing corporation option.

If a Fund sells an option:

- the option it creates will give the buyer until some future date the ability to require the Funds to either sell its securities, or purchase securities from the buyer, at the option of the buyer at a pre-set price;

- the Fund will receive income (called a "premium") as a means to realize a greater return. If the option expires unused, the Funds will simply keep the premium. If, however, the option is exercised, the Fund is required to purchase or sell (as the case may be) the securities specified by the option at the pre-set price; and

- the Fund will set aside cash or securities which can be used to satisfy its obligations under the option, which together with any deposit made in respect of the option will satisfy their obligations.

Futures and Forward Contracts

The Funds may use futures contracts and forward contracts:

- to help reduce the risk associated with investments; and

- for purposes other than to reduce risk, but then only if permitted by applicable securities legislation, and only if the Funds have cash and cash-like securities, or holdings which are a reasonable substitute for investments covered by these contracts, as required by applicable securities legislation.

DESCRIPTION OF UNITS OFFERED BY THE FUNDS

General – Units Offered

The Funds are permitted to issue an unlimited number of Series and may issue an unlimited number of Units of each Series. The Auspice Diversified Trust has created and currently offers Series A Units, Series F Units, Series I Units and Series X Units. The Auspice One Fund Trust has created and currently offers Series A Units, Series I Units and Series T Units. Units of the Funds are offered on a continuous basis in all provinces of Canada. The Funds are valued in Canadian dollars only. No Unit certificates will be issued.

Each Unit of a Series of a Fund represents an undivided interest in the net assets of the Fund attributable to that Series of the Fund. Although the money which you and other investors pay to purchase Units of any Series of a Fund are tracked on a Series by Series basis in a Fund's administrative records, the assets are combined in a single pool to create one portfolio for investment purposes.

The Series are subject to their respective minimum investment requirements, as detailed under "*Purchases*".

In addition to the minimum investment requirements, described below are the suggested Series suitability (your financial advisor can best assist you with determining the right Series for you) and any further Series eligibility requirements you must meet to qualify to purchase the Series.

Auspice Diversified Trust:

- *Series A Units*: Series A Units of Auspice Diversified Trust are available to all investors that invest at least $1,000 in Auspice Diversified Trust. Each Dealer purchasing Series A Units of Auspice Diversified Trust for their client will receive a 1.00% trailer fee from the Manager.

- *Series F Units*: Series F Units (also referred to as the Advisor Series) of Auspice Diversified Trust are available to clients of participating Dealers who invest at least $1,000 in Auspice Diversified Trust and who participate in a fee for service or wrap account program.

- *Series I Units*: Series I Units (also referred to as the Institutional Series) of Auspice Diversified Trust are available to investors who have entered into an investment management agreement with the Manager pursuant to which fees are paid by the investor directly to the Manager and who invest at least $25,000,000 (at the discretion of and unless waived by the Manager) in Auspice Diversified Trust. Series I Units may also be issued to the Manager and its affiliates, and their directors, officers, employees and agents.

- *Series X Units*: Series X Units (also referred to as Special Series IV) of Auspice Diversified Trust are available to all investors or Dealers who invest at least $1,000,000 (at the discretion of and unless waived by the Manager) in Auspice Diversified Trust.

Auspice One Fund Trust

- *Series A Units*: Series A Units of Auspice One Fund Trust are available to all investors that invest at least $1,000 in Auspice Diversified Trust.

- *Series I Units*: Series I Units (also referred to as the Institutional Series) of Auspice One Fund Trust are available to investors who have entered into an investment management agreement with the Manager pursuant to which fees are paid by the investor directly to the Manager and who invest at least $10,000,000 (at the discretion of and unless waived by the Manager) in Auspice One Fund Trust. Series I Units may also be issued to the Manager and its affiliates, and their directors, officers, employees and agents.

- *Series T Units:* Series T Units (also referred to as Trailer or Advisor Trailer Series) of Auspice One Fund Trust are available to all investors who do not have a fee-based account with their Dealer, and who invest at least $1,000,000 in aggregate (at the discretion of and unless waived by the Manager) in Auspice One Fund Trust and meet the minimum investment criteria. Each Dealer purchasing Series T Units for their client will receive a 1% trailer fee from the Manager.

Additional Series of Units of the Funds may be offered in the future on different terms, including having different fee and dealer compensation terms and different minimum subscription levels.

If you cease to satisfy criteria for holding Units of a particular Series of a Fund, Auspice may redesignate your Units as such number of Units of another Series of the Fund that you are eligible to hold having an aggregate equivalent NAV.

All of the Series of Units of a Fund have the same investment strategy and restrictions but differ with respect to one or more of their features, such as management fees, expenses, redemption fees or commissions, as set out in this Simplified Prospectus. The NAV per Unit of each Series of a Fund will not be the same as a result of the different fees and expenses allocable to each Series of Units.

If a Fund (or a particular Series of Units of a Fund) is ever terminated, each Unit of the Fund that you own will participate equally with each other Unit of the same Series in the assets of the Fund after all of the Fund’s liabilities (or those allocated to the Series of Units being terminated) have been paid.

Distributions

Each Fund will distribute in each taxation year of such Fund, such portion of its annual net income and net realized capital gains as will result in such Fund paying no tax under Part I of the Tax Act in such taxation year. Generally, it is expected that such net income and net realized capital gains of such Fund will be calculated and payable to each Unitholder of record as of December 31st in each calendar year (except in cases where the Fund has a deemed taxation year end). Each Fund may make distributions out of net income, net realized capital gains and capital on such other dates during the year as the Manager in its discretion may decide, which may be paid in cash, *in specie* distributions and/or reinvested in additional Units.

Except with respect to the targeted yield of the Auspice One Fund Trust (see page 59), which is expected to occur on a quarterly basis, but is not guaranteed, all distributions made by a Fund will be automatically reinvested in additional Units on the Valuation Date on the date of or immediately following the distribution at the Series NAV per Unit of that Series on such date. Once the distribution reinvestment is completed, there will be a consolidation of Units of that Series such that each Unitholder who resides in Canada should have the same number of Units that they held immediately prior and the Series NAV will be adjusted accordingly so that the aggregate Series NAV remains the same as prior to the distribution. Each Fund does not intend to make any cash distributions other than as set out above.

Voting Rights

Unitholders of the Funds have no voting rights except as permitted by the Trust Agreement or as required by Canadian securities legislation. If a vote is required, Unitholders of a Fund are entitled to one vote per Unit of a Fund as set out in the Trust Agreement. A separate Series vote is required if a particular Series of Units of the Funds is affected in a manner that is different from other Series.

The following matters currently require Unitholder approval of the Funds pursuant to securities legislation:

- changing the basis of the calculation of a fee or expense that is charged to a Fund or directly to its Unitholders by the Fund or the Manager in a way that could result in an increase in charges to a Fund or its Unitholders or introducing a fee or expense to be charged to the Fund or directly to its Unitholders by the Fund or the Manager in a way that could result in an increase in charges to a Fund or its Unitholders; however, in either case, no Unitholder approval will be required if the Fund is at arm's length to the person or company charging the fee or expense and if written notice of the change is provided to Unitholders at least 60 days before the effective date of the change;

- changing the manager of the Funds, unless the new manager is an affiliate of the Manager;

- changing the fundamental investment objectives of the Funds;

- decreasing the frequency of the calculation of the Funds' NAV;

- undertaking a reorganization with, or transferring a Fund's assets to, another issuer, when the Fund will cease to continue after the transaction and the transaction will result in the Unitholders of the Fund becoming Unitholders of the other issuer; however, Unitholder approval will not be required provided: (i) the IRC (as described under the section "Independent Review Committee" above) has approved the change in accordance with NI 81-107, (ii) the Fund is being reorganized with, or transferring its assets to, another investment fund to which NI 81-102 and NI 81-107 apply and that is managed by the Manager or an affiliate of the Manager, (iii) the reorganization or transfer of assets complies with required criteria described in NI 81-102, and (iv) written notice describing the reorganization or transfer is sent to Unitholders at least 60 days before the effective date of the reorganization or transfer;

- if a Fund undertakes a reorganization with, or acquires assets from, another issuer, if the Fund continues after the transaction, and the transaction results in the Unitholders of the issuer becoming Unitholders of the Fund and the transaction would be a material change to the Fund; and
- if a Fund restructures into a non-redeemable investment fund or an issuer that is not an investment fund.

Notice Requirements

Auspice will also provide Unitholders of a Fund 60 days' written notice of any changes to the Trust Agreement, except that Auspice may make changes without the approval of, or notice to, Unitholders if the changes are not detrimental to the interest of any Unitholder of the Funds.

NAME, FORMATION AND HISTORY OF THE FUNDS

General

This Simplified Prospectus contains information about the Auspice Funds.

The Funds are trusts established under the laws of the Province of Alberta. The Funds are governed by an amended and restated trust agreement dated as of January 31, 2023 between Auspice, as the manager of the Funds, and RBC Investor Services Trust, as the trustee of the Funds. The Funds previously offered its Units on an exempt basis. See "*Responsibility for Mutual Funds Administration*" for more details.

The Funds are also considered "alternative mutual funds", as defined in NI 81-102. This permits the Funds to use strategies generally prohibited to conventional mutual funds and as described herein.

The address, telephone number, designated website address and email address of Auspice and the Funds is 510, 1000 – 7th Avenue SW, Calgary, Alberta T2P 5L5, telephone number 1-888-792-9291, designated website www.auspicecapital.com or by emailing us at info@auspicecapital.com.

History of the Funds

There have been no material events affecting the Funds since their inception.

The following chart sets out the date of formation of each Fund:

Fund	Date of Formation
Auspice Diversified Trust	June 30, 2009
Auspice One Fund Trust	June 15, 2021

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The methodology used to determine the investment risk level of the Funds for purposes of disclosure in this Simplified Prospectus is the historical volatility risk as measured by the standard deviation of fund performance, which is the standard methodology outlined in Appendix F *Investment Risk Classification Methodology* to NI 81-102.

The investment risk level for a Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the ten year standard deviation of the returns of the Funds.

The investment risk level for a Fund with less than ten years of performance history will be based on the historical volatility of a reference index (or in certain cases a highly similar mutual fund managed by us) for that reasonably approximates such Fund's historical performance, as measured by the reference index's ten-year standard deviation of performance and as set out below:

Funds	Reference Index	Description of Reference Index	Risk Rating
Auspice One Fund Trust	Auspice Diversified Trust	Auspice flagship trend-following strategy with over 16 years of track record	Medium

However, Auspice recognizes that other types of risk, both measurable and non-measurable, may exist and we remind you that the historical performance of a Fund (or a reference index used as its proxy) may not be indicative of future returns and that the historical volatility of such Fund (or a reference index used as its proxy) may not be indicative of its future volatility.

The risk rating categories of this methodology are:

- **Low (standard deviation range of 0 to less than 6) -** for a fund with a level of risk that is typically associated with investments in Canadian fixed-income funds and in money market funds.

- **Low to Medium (standard deviation range of 6 to less than 11) -** for a fund with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds.

- **Medium (standard deviation range of 11 to less than 16) -** for a fund with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/ or international equity securities.

- **Medium to High (standard deviation range of 16 to less than 20) -** for a fund with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy.

- **High (standard deviation range of 20 or greater) -** for a fund with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The investment risk level of a Fund is determined when the Fund is first created and is reviewed annually. The methodology that Auspice uses to identify the investment risk level of the Fund is available on request, at no cost, by calling us at 1-888-792-9291 or by writing to us at Auspice Capital Advisors Ltd., 510, 1000 – 7th Avenue SW, Calgary, Alberta T2P 5L5.

INFORMATION APPLICABLE TO THE FUND

In this part of the Simplified Prospectus we have set out fund-specific information to assist you in reviewing the Funds and evaluating if the Funds are appropriate for your investment needs. The specific information for each Fund is divided into the following sections.

Fund details

The Fund is a mutual fund established as a trust under the laws of the Province of Alberta. The authorized capital of each Fund includes one or more classes of mutual fund units. An unlimited number of mutual fund units of the Funds are authorized for issuance. Expenses of each Series are tracked separately and a separate NAV is calculated for each Series. More details can be found under "*Fees and Expenses*" beginning on page 19.

The applicable table gives you a brief summary of each Fund. It describes what type of mutual fund it is and also highlights that units of the Fund are a qualified investment for Registered Plans.

What does the Fund invest in?

Investment objectives

This section outlines the investment objectives of each Fund and the type of securities in which the Fund may invest to achieve those investment objectives. The fundamental investment objective of a Fund cannot be changed without the prior approval of its unitholders. See "*Investment Restrictions – General*" and "*Description of Units Offered by the Funds – Voting Rights*".

Investment strategies

This section describes the principal investment strategies that the Portfolio Manager uses to achieve each Fund's investment objectives. It gives you a better understanding of how your money is being managed. The format also allows you to compare more easily how different mutual funds are managed.

How the Funds engage in securities lending

A Fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions.

A "securities lending transaction" occurs when a Fund lends portfolio securities that it owns to a third-party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of a combination of cash and securities. In this way, the Fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

A "repurchase transaction" occurs when a Fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the Fund from the third party. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A "reverse repurchase transaction" occurs when a Fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the Fund's purchase price for the debt instruments and the resale price provides the Fund with additional income.

As indicated above, securities lending, repurchase and reverse repurchase transactions enable the Funds to earn additional income and thereby enhance their performance.

A Fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the Fund and not yet returned to it or sold by the Fund in repurchase transactions and not yet repurchased would exceed 50% of the total assets of the Fund (exclusive of collateral held by the Fund for securities lending transactions and cash held by the Fund for repurchase transactions).

How the Funds use derivatives

A derivative is an investment that derives its value from another investment, the underlying investment. This could be a stock, bond, currency or market index. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Some examples of derivatives are options, futures and forward contracts.

Each Fund may use derivatives as permitted by securities regulations. They may use them to:

- hedge their investments against losses from factors like currency fluctuations, stock market risks and interest rate changes; and

- invest indirectly in securities or financial markets, provided the investment is consistent with the Fund's investment objective.

When a Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its position in the derivative, as required by securities regulations.

How the Funds engage in short selling

Each Fund may engage in short selling, which involves borrowing securities from a lender, which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). In this way, the Fund has more opportunities for gains when markets are generally volatile or declining.

Use of Leverage

As each Fund is an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Fund that exceed the NAV of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a Fund's turnover, transaction and market impact costs, interest and other costs and expenses.

An alternative mutual fund according to NI 81-102 may create leverage through the use of derivatives, short sales and/or borrowing. Pursuant to the exemptive relief that the Funds have obtained, each Fund may use leverage provided each Fund complies with an absolute VaR limit that does not exceed 20% of its net asset value.

Description of Units

This section tells you the specific series of units offered by each Fund. Also see "*Description of Units Offered by the Fund*" on page 48 of this Simplified Prospectus for more information.

Distribution policy

This section tells you how often each Fund pays out distributions of income and capital gains or a return of capital and how they are paid. Distributions on mutual fund units are reinvested in additional mutual fund units of the same class of the Fund unless you tell your dealer to inform us that you want them in cash. Distributions are not guaranteed and may change from time to time at our discretion. See "*Income Tax Considerations*" on page 27 for more information.

What are the Risks of Investing in this Fund?

This section sets out the risks of investing in the Fund. You will find details about what each risk means under "*What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?*" beginning on page 35.

Additional information - Past performance and financial highlights

You can find more information, including past performance and financial highlights, in the annual and interim management reports of fund performance for each fund, when available. For a copy of these documents, at no cost, call us toll free at 1-888-792-9291, by emailing us at info@auspicecapital.com or by contacting your Dealer.

AUSPICE DIVERSIFIED TRUST

FUND DETAILS

Type of Funds	Commodities Fund - Alternative mutual fund
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

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.

Investment Strategies

Auspice uses a rules-based investment process to allocate capital and provide disciplined risk management. Sector allocation parameters ensure risk diversification and all positions have stringent risk management parameters. The strategy employed by Auspice is indiscriminately long or short, able to capture trends in both up and down markets. This typically results in returns that have a low correlation to traditional equity, fixed income, and real estate investments.

Auspice uses multiple strategies over multiple timeframes to participate in and capture trends. These strategies derive returns by adapting organically to changes in volatility resulting in a greater efficiency in capturing the trends in each individual market. The result is a more efficient use of capital and a low margin to equity ratio. Robustness, capital preservation and risk management are the highest priorities.

The Fund may use leverage through the use of cash borrowings, short sales and derivatives. If used, the Fund will manage its risk in such a manner as to keep the Absolute VaR under 20% of its net asset value.

The Fund may also enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities.

As the Fund is considered an "alternative mutual fund" within the meaning of NI 81-102, as noted, it may use strategies generally prohibited to be used by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage.

The Fund may depart temporarily from its investment strategies in the event of adverse market, economic, political or other considerations.

DESCRIPTION OF UNITS OFFERED BY THE FUND

The Fund offers, Series A Units, Series F Units, Series I Units and Series X Units. These securities are units of a mutual fund trust.

Please see "*Description of Units Offered by the Funds*" for more information and for a full discussion of the securityholder rights which apply to the Funds beginning on page 48.

DISTRIBUTION POLICY

The Fund does not anticipate making regular distributions to Unitholders. If the Fund does have income, in order to ensure that the Fund will not generally be liable for income tax under Part I of the Tax Act, the Trust Agreement provides that a special distribution (a **Special Distribution**) will, if necessary, be automatically payable in each year to Unitholders. The Special Distribution may be necessary where the Fund realizes income for tax purposes which is in excess of any distributions paid or made payable to Unitholders during the year and the net realized capital gains of the Fund, the tax on which would be recovered by the Fund in the year by reason of the capital gains refund provisions of the Tax Act. The Fund may make a Special Distribution, in whole or in part, through the issuance of Units having a value equal to such Special Distribution or part thereof. Immediately following any such Special Distribution, the number of Units outstanding will automatically be consolidated such that the number of Units outstanding after the Special Distribution will be equal to the number of Units outstanding immediately prior to the Special Distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution. Any such Special Distribution and consolidation will increase the aggregate adjusted cost base of Units to Unitholders.

Distributions in additional Units will not relieve participants of any income tax applicable to such distributions. Net income and net realized capital gains paid or payable to a Unitholder will be required to be included in computing the Unitholder's income in the year the amount is paid or becomes payable. The Fund intends that the aggregate distributions of net income and net realized capital gains made each year will be sufficient to ensure that the Funds will not be subject to tax thereon under Part I of the Tax Act. The costs of distributions, if any, will be paid by the Fund.

The following information applies to all Series of Units of the Fund, as applicable:

- the record date for a dividend or distribution is the Valuation Day prior to the payment date;
- all distributions by the Fund to its Unitholders will be automatically reinvested in additional Units of the same Series of the Fund. You may, by written request, elect to receive cash payment by electronic transfer to your bank account, however the Manager may, in respect of certain distributions and/or dividends, cause any such cash payment to be automatically reinvested in additional Units of the same Series of the Fund. Cash distributions are not available for Registered Plans. The Manager reserves the right to change this policy, and may elect to have distributions paid in cash;
- Units acquired through the reinvestment of dividends or distributions are not subject to any sales charges; and
- as the Fund may dispose of some of its portfolio each year, the amount of dividends or distributions may be material.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is subject to general and specific risks described in this simplified prospectus in the section entitled "*What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund*" on page 35.

As of March 31, 2024, no unitholders owned 10% or more of the outstanding units of a Series of the Fund.

Additional information about the methodology used by Auspice to determine the Fund's risk level is available at your request, and at no cost, by using the contact information on the back of this Simplified Prospectus.

AUSPICE ONE FUND TRUST

FUND DETAILS

Type of Funds	Equity and Fixed Income Fund - Alternative mutual fund
Registered Plan Eligibility:	Eligible for Registered Plans

WHAT DOES THE FUND INVEST IN?

Investment Objective

The Fund seeks to achieve superior absolute and risk-adjusted returns as compared to balanced fund approaches, or a long-only equity fund, with the added benefits of protection and performance during sustained downward trends while earning a yield. This will be achieved by combining traditional assets with the Manager's protective strategies on a near equal basis, which allows the Fund to benefit from the non-correlation of equity, fixed income and divergent alternative investments.

Investment Strategies

The Fund maintains traditional exposure while markets move higher yet also protects capital, tactically adjusting to reduce inevitable corrections while maintaining the non-correlated opportunities at all times. The Fund uses global futures contracts to efficiently generate the Manager's core exposures (commodities, interest rates, currencies, equity indices) while the remaining assets are invested in traditional equity, fixed income, credit, cash, gold, and other instruments including exchange traded funds (each an **ETF**), exchange traded notes (each an **ETN**) and/or futures.

The Fund benefits from a rules-based active management core. It combines the long-term track record of Auspice Diversified core strategies with tactical active and passive global equity and fixed income instruments (e.g., ETFs, ETNs and/or futures).

The Fund may use leverage through the use of cash borrowings, short sales and derivatives. If used, the fund will manage its risk in such a manner as to keep the absolute VaR under 20% of its net asset value.

Targeted Yield

The Fund is targeting to pay a yield on a quarterly basis depending on market conditions. This return is not guaranteed.

Unitholders of the Fund can elect to reinvest such distributions for stronger growth oriented goals.

Foundation Portfolio: Equity & Fixed Income

Auspice uses liquid low-cost ETFs, ETNs, and futures in the foundation portfolio. The portfolio is tilted towards equity and fixed income, but not exclusive to these asset classes: alongside, gold and other diversifying exposures may be added with the goal of creating a portfolio of assets that is more diversified with better risk-adjusted returns than a traditional 60/40 equity/fixed income portfolio.

Active futures strategies used successfully in Auspice's other funds to tactically increase exposure, or reduce exposure in extreme volatility, are also employed.

Active Alternative Strategies

Auspice's rules-based approach is rooted in trend following over global exchange traded commodity and financial markets. Trends are determined by quantitative parameters but the concept is simple: participate in trends agnostic to direction or market. Risk management is the backbone producing non-correlated returns to the equity market with lower volatility and drawdowns. Auspice has a long history of outperforming in periods of volatility and stress when diversification is most valuable.

Cash Management

As much of the portfolio achieves a high cash efficiency through the use of futures exposures, the fund tends to have a large cash position. Cash is invested in a number of income producing instruments, ETFs, and ETNs in order to achieve an attractive yield while always maintaining liquidity and other risk considerations.

Result: One Fund Combination

A multi-strategy approach that combines the best of rules-based active and passive investing across traditional and alternative assets to generate alpha and efficiently capture equity gains while protecting and benefitting on the downside. The combination is powerful and demonstrates the synergy from combining non-correlated strategies together resulting in low correlation to equity markets.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities.

As the Fund is considered an "alternative mutual fund" within the meaning of NI 81-102, as noted, it may use strategies generally prohibited to be used by conventional mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage.

The Fund may depart temporarily from its investment strategies in the event of adverse market, economic, political or other considerations.

DESCRIPTION OF UNITS OFFERED BY THE FUND

The Fund offers, Series A Units, Series I Units and Series T Units. These securities are units of a mutual funds trust.

Please see "*Description of Units Offered by the Funds*" for more information and for a full discussion of the securityholder rights which apply to the Funds beginning on page 48.

DISTRIBUTION POLICY

If the Fund has income that has not been distributed, in order to ensure that the Fund will not generally be liable for income tax under Part I of the Tax Act, the Trust Agreement provides that a special distribution (a **Special Distribution**) will, if necessary, be automatically payable in each year to Unitholders. The Special Distribution may be necessary where the Fund realizes income for tax purposes which is in excess of any distributions paid or made payable to Unitholders during the year and the net realized capital gains of the Fund, the tax on which would be recovered by the Fund in the year by reason of the capital gains refund provisions of the Tax Act. The Fund may make a Special Distribution, in whole or in part, through the issuance of Units having a value equal to such Special Distribution or part thereof. Immediately following any such Special Distribution, the number of Units outstanding will automatically be consolidated such that the number of Units outstanding after the Special Distribution will be equal to the number of Units outstanding immediately prior to the Special Distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution. Any such Special Distribution and consolidation will increase the aggregate adjusted cost base of Units to Unitholders.

Distributions in additional Units will not relieve participants of any income tax applicable to such distributions. Net income and net realized capital gains paid or payable to a Unitholder will be required to be included in computing the Unitholder's income in the year the amount is paid or becomes payable. The Fund intends that the aggregate distributions of net income and net realized capital gains made each year will be sufficient to ensure that the Fund will not be subject to tax thereon under Part I of the Tax Act. The costs of distributions, if any, will be paid by the Funds.

The following information applies to all Series of Units of the Fund, as applicable:

- the record date for a dividend or distribution is the Valuation Day prior to the payment date;
- except with respect to the targeted yield of the Auspice One Fund Trust (see above), which is expected to occur on a quarterly basis, but is not guaranteed, all distributions by the Funds to its Unitholders will be automatically reinvested in additional Units of the same Series of the Fund. You may, by written request, elect to receive cash payment by electronic transfer to your bank account, however the Manager may, in respect of certain distributions and/or dividends, cause any such cash payment to be automatically reinvested in additional Units of the same Series of the Fund. Cash distributions are not available for Registered Plans. The Manager reserves the right to change this policy, and may elect to have distributions paid in cash;
- Units acquired through the reinvestment of dividends or distributions are not subject to any sales charges; and
- as the Fund may dispose of some of its portfolio each year, the amount of dividends or distributions may be material.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is subject to general and specific risks described in this simplified prospectus in the section entitled "*What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund*" on page 35.

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As of March 31, 2024, one investor held 49% of the net assets of the Fund.

Additional information about the methodology used by Auspice to determine the Fund's risk level is available at your request, and at no cost, by using the contact information on the back of this Simplified Prospectus.

AUSPICE FUNDS

AUSPICE DIVERSIFIED TRUST
AUSPICE ONE FUND TRUST
(collectively, the **Funds**)

Additional information about the Funds is available in the Funds' Funds facts, management reports of funds performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents at your request and at no cost by calling us at 1-888-792-9291 or by emailing us at info@auspicecapital.com or by contacting your Dealer.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Auspice' s designated website at www.auspicecapital.com.

Auspice Capital Advisors Ltd.,
the Manager of the Funds

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