

Interim Financial Statements of

AUSPICE ONE FUND TRUST

For the six-months ended June 30, 2022 (Unaudited)

(expressed in Canadian dollars)

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

AUSPICE ONE FUND TRUST

Statement of Financial Position

As at June 30, 2022 and December 31, 2021 (Unaudited)

(expressed in Canadian dollars)

	2022	2021
ASSETS		
Current assets		
Investments	\$ 5,764,724	\$ 2,416,328
Subscriptions receivable (note 11)	746,500	539,000
Cash and cash equivalents	25,389	44,731
Interest and dividends receivable	—	10
	<u>6,536,613</u>	<u>3,000,069</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	21,422	28,385
Payable for investment purchased	720,000	539,000
Performance and management fees payable (note 4)	5,466	1,709
	<u>746,888</u>	<u>569,094</u>
Net assets attributable to holders of redeemable units	<u>\$ 5,789,725</u>	<u>\$ 2,430,975</u>
Net assets attributable to holders of redeemable units per class		
Class A - SEP-2021	\$ 1,869,104	\$ 1,842,960
Class A - NOV-2021	49,711	49,015
Class A - JAN-2022	537,043	539,000
Class A - FEB-2022	1,263,718	—
Class A - MAR-2022	533,981	—
Class A - APR-2022	83,415	—
Class A - MAY-2022	470,846	—
Class A - JUL-2022	730,000	—
Class I - APR-2022	235,407	—
Class I - JUL-2022	16,500	—
	<u>\$ 5,789,725</u>	<u>\$ 2,430,975</u>
Number of redeemable units outstanding (note 5)		
Class A - SEP-2021	199,191	199,191
Class A - NOV-2021	5,298	5,298
Class A - JAN-2022	57,224	57,224
Class A - FEB-2022	134,726	—
Class A - MAR-2022	56,891	—
Class A - APR-2022	8,891	—
Class A - MAY-2022	50,187	—
Class A - JUL-2022	77,330	—
Class I - APR-2022	25,000	—
Class I - JUL-2022	1,742	—

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

AUSPICE ONE FUND TRUST

Statement of Financial Position (continued)

As at June 30, 2022 and December 31, 2021 (Unaudited)

(expressed in Canadian dollars)

		2022		2021
Net assets attributable to holders of redeemable units per unit (note 9)				
Class A - SEP-2021	\$	9.38	\$	9.25
Class A - NOV-2021		9.38		9.25
Class A - JAN-2022		9.38		9.42
Class A - FEB-2022		9.38		—
Class A - MAR-2022		9.39		—
Class A - APR-2022		9.38		—
Class A - MAY-2022		9.38		—
Class A - JUL-2022		9.44		—
Class I - APR-2022		9.42		—
Class I - JUL-2022		9.47		—

See accompanying notes to financial statements.

Approved on behalf of the Trust:



Manager

Auspice Capital Advisors Ltd.

AUSPICE ONE FUND TRUST

Statement of Comprehensive Income For the six-months ended June 30, 2022 (Unaudited) (expressed in Canadian dollars)

	2022
Income	
Interest income	\$ 411
Net change in unrealized appreciation in value of investments	52,395
	<u>52,806</u>
Expenses	
Performance and management fees (note 4)	23,490
Professional fees	12,218
Audit fee	9,000
Operating costs	4,850
	<u>49,558</u>
Increase in net assets attributable to holders of redeemable units	<u>\$ 3,248</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class (note 7)	
Class A - SEP-2021	\$ 26,144
Class A - NOV-2021	696
Class A - JAN-2022	(1,957)
Class A - FEB-2022	27,118
Class A - MAR-2022	179
Class A - APR-2022	(5,185)
Class A - MAY-2022	(29,154)
Class I - APR-2022	(14,593)
	<u>\$ 3,248</u>
Weighted average of redeemable units outstanding during the period	
Class A - SEP-2021	199,191
Class A - NOV-2021	5,298
Class A - JAN-2022	57,224
Class A - FEB-2022	134,726
Class A - MAR-2022	56,891
Class A - APR-2022	8,891
Class A - MAY-2022	50,187
Class I - APR-2022	25,000
Increase (decrease) in net assets attributable to holders of redeemable units per unit (note 7)	
Class A - SEP-2021	\$ 0.13
Class A - NOV-2021	0.13
Class A - JAN-2022	(0.03)
Class A - FEB-2022	0.20
Class A - MAR-2022	-
Class A - APR-2022	(0.58)
Class A - MAY-2022	(0.58)
Class I - APR-2022	(0.58)

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

AUSPICE ONE FUND TRUST

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units For the six-months ended June 30, 2022 (Unaudited) (expressed in Canadian dollars)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Increase (decrease) in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2022				
Class A - SEP-2021	\$ 1,842,960	\$ -	\$ 26,144	\$ 1,869,104
Class A - NOV-2021	49,015	-	696	49,711
Class A - JAN-2022	539,000	-	(1,957)	537,043
Class A - FEB-2022	-	1,236,600	27,118	1,263,718
Class A - MAR-2022	-	533,802	179	533,981
Class A - APR-2022	-	88,600	(5,185)	83,415
Class A - MAY-2022	-	500,000	(29,154)	470,846
Class A - JUL-2022	-	730,000	-	730,000
Class I - APR-2022	-	250,000	(14,593)	235,407
Class I - JUL-2022	-	16,500	-	16,500
	<u>\$ 2,430,975</u>	<u>\$ 3,355,502</u>	<u>\$ 3,248</u>	<u>\$ 5,789,725</u>

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

AUSPICE ONE FUND TRUST

Statement of Cash Flows

For the six-months ended June 30, 2022 (Unaudited)

(expressed in Canadian dollars)

	2022
Cash provided by (used in):	
Operating Activities	
Increase in net assets attributable to holders of redeemable units	\$ 3,248
Adjustments for non-cash items	
Net change in unrealized appreciation in value of investments	(52,395)
Change in non-cash balances	
Decrease in interest receivable	10
Decrease in accounts payable and accrued liabilities	(6,963)
Increase in management and performance fees payable	3,757
Purchase of investments	(3,115,001)
Cash used in operating activities	<u>(3,167,344)</u>
Financing Activities	
Proceeds from issuances of redeemable units	<u>3,148,002</u>
Cash provided by financing activities	<u>3,148,002</u>
Increase in cash and cash equivalents during the period	(19,342)
Cash and cash equivalents, beginning of period	<u>44,731</u>
Cash and cash equivalents, end of period	\$ <u>25,389</u>
Supplemental information*	
Interest received	421

*Included as a part of cash flows from operating activities

AUSPICE ONE FUND TRUST

Schedule of Investment Portfolio As at June 30, 2022 (Unaudited) (expressed in Canadian dollars)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
589,729	Canadian investment fund Auspice One Fund LP Class AOFT	\$ <u>5,785,000</u>	\$ <u>5,764,724</u>	<u>99.57</u>
	Net investments owned	\$ <u>5,785,000</u>	5,764,724	99.57
	Other assets, net		<u>25,001</u>	<u>0.43</u>
	Net Assets Attributable to Holders of Redeemable Units		\$ <u>5,789,725</u>	<u>100.00</u>

AUSPICE ONE FUND TRUST

Notes to Financial Statements

For the six-months ended June 30, 2022 (Unaudited)

Trust organization and nature of operations:

Auspice One Fund Trust (the "Trust") is an investment fund trust established under the laws of the Province of Alberta pursuant to an amended and restated trust agreement dated as of June 15, 2021 (the "Trust Agreement"). The Trust commenced operations on September 1, 2021. The address of the Trust's registered office is Suite 510, 1000 – 7th Avenue S.W., Calgary, Alberta, T2P 5L5.

BNY Trust Company of Canada, a trust company registered under the Federal Trust and Loans Companies Act, is the trustee of the Trust (the "Trustee"). The Trustee is responsible to manage the business and affairs of the Trust. Auspice Capital Advisors Ltd., a corporation incorporated under the laws of the Province of Alberta, is the manager of the Trust (the "Manager"). The Trustee has delegated responsibility for all aspects of the management of the Trust to the Manager. The Trust's bank is the Royal Bank of Canada.

The investment objective of the Trust is 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. This will be achieved by investing substantially all of the assets of each series of units of the Trust in a series of units of Auspice One Fund LP (the "Partnership"). The Partnership has the same investment objective as the Trust. The Partnership achieves its investment objective by combining traditional assets with the Manager's protective strategies on a near equal basis, which allows the Partnership, and indirectly the Trust, to benefit from the non-correlation of equity, fixed income and divergent alternative investments.

The success of the Trust depends on the continued services of the Manager and will be influenced by a number of risk factors associated with investments in the Partnership, including derivative hedge risk, market liquidity, short sales, investment in options, performance and marketability of underlying securities, investments in futures contracts, and leverage from borrowed funds.

1. Basis of presentation:

(a) Statement of compliance:

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and are in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). The policies applied in these interim financial statements are based on IFRS issued and effective as of January 1, 2022. The accounting policies set out below have been applied consistently to all periods presented. These interim financial statements were authorized for issue by the Manager on behalf of the Trust on January 10, 2023.

(b) Basis of measurement:

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

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 2

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

1. Basis of presentation (continued):

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the functional currency of the Trust.

2. Significant accounting policies:

(a) Classification:

The Trust classifies its equity securities as financial assets and liabilities at fair value through profit or loss ("FVTPL").

Cash and cash equivalents, subscription receivable, interest and dividends receivable are classified as financial assets and subsequently measured at amortized cost only if both of the following criteria are met:

- (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Accounts payable and accrued liabilities, payable for investment purchased, management fees payable and performance fees payable are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of issuance. The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus any principal repayments, plus/minus the cumulative amortization between initial amount and maturity amount adjusted for impairment.

(b) Financial instruments:

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

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 3

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

2. Significant accounting policies (continued):

(b) Financial instruments (continued):

The three fair value hierarchy levels are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

As of June 30, 2022 and December 31, 2021, the Trust classified its investment in the Partnership as Level 2 as it is based on a quoted net asset attributable to holders of redeemable units per unit. There have been no transfer of instruments between levels during the period ended June 30, 2022 and December 31, 2021.

(c) Investment entity:

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

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

As an investment entity, the Trust is exempted from consolidating particular subsidiaries and instead is required to measure its investments in these particular subsidiaries at FVTPL at June 30, 2022. The Trust has a \$5,764,724 (December 31, 2021 - \$2,416,328) investment in Auspice One Fund LP and records this investment at FVTPL.

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 4

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

2. Significant accounting policies (continued):

(d) Valuation of investments:

The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. For financial reporting purposes, the Trust uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

(e) Valuation in underlying funds:

Investments in underlying funds are valued at the series net assets attributable to holders of redeemable units per unit as of the valuation date, as this value is the most readily and regularly available.

(f) Recognition/derecognition:

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

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

(g) Commissions and other portfolio transaction costs:

Commissions and other portfolio transaction costs do not apply to investments in underlying funds as these investments do not incur such costs.

(h) Cost of investments:

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

(i) Investment transactions and income:

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

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 5

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

2. Significant accounting policies (continued):

(j) Translation of foreign currency:

The functional and presentation currency of the Trust is the Canadian dollar and all values are rounded to the nearest dollar except where otherwise indicated. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at 4:30 pm Eastern Standard Time on each valuation day. Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

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

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular series of units by the total number of units of that particular series outstanding at the end of the period.

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

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

(m) Cash and cash equivalents:

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

3. Critical accounting estimates and judgments:

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

(a) Whether the Trust meets the definition of an investment entity:

The Trust is considered an investment entity and measures investments in the Partnership at FVTPL as required by IFRS 9. In determining whether the Trust meets the definition of an investment entity, management considered whether the essential elements of the definition of an investment entity were met (refer to note 2(c)) as well as the typical characteristics of an investment entity were present. While the Trust currently holds one investment, the investment provides Trust unitholders with access to the underlying investments of the Partnership, which has the same investment objectives as the Trust.

Management concluded that investment entity classification was appropriate.

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 6

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

3. Critical accounting estimates and judgments (continued):

(b) Classification of units issued:

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

4. Related party transactions:

Management fees:

The Trust pays the Manager a monthly fee equal to 0.08333 (1/12th of 1.00%) of the net asset values of the Series A and Series I units, and 0.16667 (1/12th of 2.00%) of the net asset value of the Series T units of the Trust, accrued and payable monthly, together with applicable taxes.

Performance fees:

Performance fees are payable to the Manager (except in the case of the Series A and I units where the Manager only receives the greater of its management fees or the performance fees from such Series A or I units), and accrue monthly, and are paid on the last Valuation Date in December of each year (each, a "Performance Valuation Date") and on redemption of a Series A, I or T unit. Such fees are calculated at a rate of fifteen percent (15%) or ten percent (10%) of the positive amount by which the Net Asset Value of the Trust before performance fees of each Series A or T unit, or each Series I unit, respectively, exceeds the previous Annual High-Water Mark of that series of the Trust. Series performance is calculated as the positive amount by which the net asset value of the Trust before performance fees of each series of units of the Trust exceeds the respective Annual High-Water Mark of that series of units of the Trust.

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 7

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

4. Related party transactions (continued):

Annual High-Water Mark of a series of units of the Trust is calculated as the amount equal to:

- (i) in the case of a series of units of the Trust on which no performance fee has previously been paid on a 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
- (ii) in the case of a series of units of the Trust on which a performance fee has previously been paid on a Performance Valuation Date, the series net asset value of that series on the last 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 Performance Valuation Date, minus, in respect of each unit of that series redeemed since that 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 Performance Valuation Date), or the series net asset value of such redeemed unit of that series on that previous Performance Valuation Date.

For the period ended June 30, 2022, the Trust has incurred fees of \$23,490 (2021 - \$6,900) of which \$5,466 (December 31, 2021 - \$1,709) is payable as at June 30, 2022.

5. Redeemable units of the Trust:

The Trust is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of series, each of which represents an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Trust. Each unit of each series entitles the holder to vote, with one vote for each \$1 of net assets attributable to holders of redeemable units attributed to such unit and to participate equally with respect to any and all distributions made by the Trust.

Redeemable units of the Trust may be redeemed on any Valuation Date (each, a "Redemption Date"), by giving the Manager not less than 10 business days prior to such Redemption Date (unless waived by the Manager). The redemption proceeds of units being redeemed will be equal to the series net asset value per unit of the Units being redeemed less all applicable fees and deductions. Redemption proceeds will be paid in cash within 10 business days of the Redemption Date.

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 8

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

5. Redeemable units of the Trust (continued):

The unit activity during the period ended June 30, 2022 is as follows:

	Redeemable Units, beginning of period	Redeemable Units Issued	Redeemable Units, end of period
June 30, 2022			
Class A - SEP-2021	199,191	–	199,191
Class A - NOV-2021	5,298	–	5,298
Class A - JAN-2022	57,224	–	57,224
Class A - FEB-2022	–	134,726	134,726
Class A - MAR-2022	–	56,891	56,891
Class A - APR-2022	–	8,891	8,891
Class A - MAY-2022	–	50,187	50,187
Class A - JUL-2022	–	77,330	77,330
Class I - APR-2022	–	25,000	25,000
Class I - JUL-2022	–	1,742	1,742

*Comparative information is not available as the Fund commenced its operations on September 01, 2021.

Capital disclosure:

The capital of the Trust is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Trust's net asset value per unit upon redemption. The Trust has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statement of changes in net assets attributable to holders of redeemable units. In accordance with its investment objectives and strategies, and the risk management practices outlined in note 6, the Trust endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 9

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

6. Financial instruments:

Management of financial instruments risks:

In the normal course of business, the Trust is exposed to a variety of financial instrument risks; liquidity risk, credit risk and market risk (including other price risk, interest rate risk and currency risk). As the Trust's primary investment is in units of the Partnership, the Trust will have similar financial instrument risks to those of the Partnership. The Trust's financial instrument risks are listed in each category below. The Partnership's financial risks are outlined in Partnership's financial statements which are also provided to the unitholder of the Trust. The value of investments within the Trust's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and overall market. The level of risk depends on the Trust's investment objective and the type of securities comprising its investments.

(a) Credit risk:

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

The Trust's primary investment is in units of the Partnership, and it is therefore subject to the credit worthiness of the Partnership's investments, representing the maximum credit exposure of the Trust. Cash and due from broker account of the Trust is held with large financial institutions; therefore, credit risk is minimal.

(b) Liquidity risk:

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

The Trust's exposure to liquidity risk is concentrated in the periodic cash redemptions of redeemable units. The Trust generally retains sufficient cash and cash equivalent positions to maintain liquidity.

The Trust may employ the use of derivatives to moderate certain risk exposures. There is no guarantee that a market will exist for some derivatives and it is possible that the exchanges may impose limits on trading of derivatives.

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

(c) Other price risk:

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

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 10

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

6. Financial instruments (continued):

(c) Other price risk (continued):

As at June 30, 2022, 99.57% (December 31, 2021, - 99.40%) of the Trust's net assets attributable to holders of redeemable units were invested in units of the Partnership. The Trust is exposed to other price risk indirectly related to the Partnership. All investments represent a risk of loss of capital. The General Partner of the Partnership aims to moderate this risk through careful selection and diversification of securities and Commodity Interests. The Partnership's positions are monitored on a regular basis by the Manager. Financial instruments held by the Partnership are susceptible to market price risk arising from uncertainties about future prices of the instruments. A 1% increase or decrease in a broad futures index and the fair values of exchange traded funds would have impacted the Trust's net assets attributable to holders of redeemable units by approximately \$48,895 (December 31, 2021, - \$16,638).

Certain impacts from the COVID-19 outbreak may have a significant negative impact on the Trust's operations and performance. These circumstances may continue for an extended period of time, and may have an adverse impact on economic and market conditions. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual companies, are not known. The extent of the impact to the financial performance and the operations of the Trust will depend on future developments, which are highly uncertain and cannot be predicted.

(d) Interest rate risk:

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

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

(e) Currency risk:

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

Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Trust. The Trust is not directly exposed to currency risk, however, it is exposed indirectly through its investment in the Partnership.

AUSPICE ONE FUND TRUST

Notes to Financial Statements, page 11

For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

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

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the period ended June 30, 2022 is calculated as follows:

	Increase (decrease) in net assets attributable to holders of redeemable units per class	Weighted average of redeemable units outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable units per unit
June 30, 2022			
Class A - SEP-2021	\$ 26,144	199,191	\$ 0.13
Class A - NOV-2021	696	5,298	0.13
Class A - JAN-2022	(1,957)	57,224	(0.03)
Class A - FEB-2022	27,118	134,726	0.20
Class A - MAR-2022	179	56,891	—
Class A - APR-2022	(5,185)	8,891	(0.58)
Class A - MAY-2022	(29,154)	50,187	(0.58)
Class I - APR-2022	(14,593)	25,000	(0.58)

*Comparative information is not available as the Fund commenced its operations on September 1, 2021.

8. Expenses:

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

AUSPICE ONE FUND TRUST

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For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

9. Comparison of net asset value (Trading NAV) per unit and net assets attributable to holders of redeemable units (IFRS) per unit:

The primary reason for the difference between the net asset value (Trading NAV) per unit and the net assets attributable to holders of redeemable units (IFRS) per Unit is due to offering costs which have been expensed for financial reporting purposes and are amortized over five years for purposes of calculating the Trading NAV.

	Net Asset Value Per Unit (Trading)		Net Assets Per Unit (IFRS)	
June 30, 2022				
Class A - SEP-2021	\$	9.44	\$	9.38
Class A - NOV-2021		9.44		9.38
Class A - JAN-2022		9.44		9.38
Class A - FEB-2022		9.44		9.38
Class A - MAR-2022		9.44		9.39
Class A - APR-2022		9.44		9.38
Class A - MAY-2022		9.44		9.38
Class A - JUL-2022		9.44		9.44
Class I - APR-2022		9.47		9.42
Class I - JUL-2022		9.47		9.47

	Net Asset Value Per Unit (Trading)		Net Assets Per Unit (IFRS)	
December 31, 2021				
Class A - SEP-2021	\$	9.42	\$	9.25
Class A - NOV-2021		9.42		9.25
Class A - JAN-2022		9.42		9.42

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For the six-months ended June 30, 2022 (Unaudited) and December 31, 2021

10. Income taxes:

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

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

11. Subscription receivable and redemptions payable:

Subscriptions receivable relates to the issuance of units of the Trust to unitholders in advance of cash received. Redemptions payable consists of amounts owed to unitholders as a result of units redeemed during the period.

12. Subsequent events

Effective January 1, 2023, the Partnership was dissolved, and all the Partnership's assets were transferred to the Trust whereby the Partnership then ceased to continue after the liquidation and transfer of assets.