



# DIVERSIFIED TRUST

COMMENTARY +  
FUND PROFILE

APRIL 2024

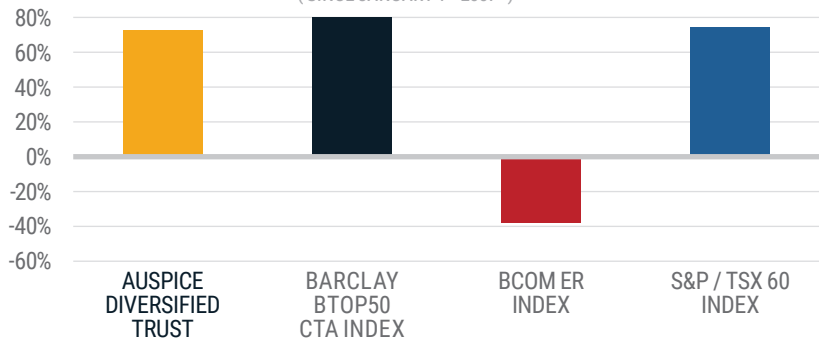
All performance data, portfolio information and pricing contained herein is as of April 30th, 2024.

**AUSPICE** Capital Advisors

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



### CUMULATIVE PERFORMANCE (SINCE JANUARY 1<sup>ST</sup> 2007\*)



Correlation	0.66	0.09	-0.12

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

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

## SUMMARY

Source of data is Bloomberg unless otherwise indicated.

Auspice Diversified Trust (ADT) had a strong month, up 2.71%, taking advantage of diverse trends in a number of sectors and further re-positioning in others. ADT is up 4.5% year-to-date per Table 1. As illustrated in Chart 1, the result is in-line with the CTA peer benchmark BTOP 50 while outperforming historically at key times of equity and commodity correction per the Bloomberg Commodity index (BCOM) and the global equity benchmark, MSCI ACWI. Per Table 1, this is exactly what occurred again in April - outperformance at a critical time of both equity and bond weakness and outperformance to both CTA and commodity benchmarks.

The Global stock rally that started late in 2023 corrected sharply. The S&P500 and Nasdaq lost 4.2% and 4.4% respectively while Canada's TSX60 was only down 2.4% given resource strength. The global benchmark MSCI ACWI was down 3.3% yet Asian markets went in different directions as Japan's Nikkei lost 4.9% while the China A50 and Hang Seng made gains of 3.1% and 7.4% respectively - a little catch-up for years of underperformance.

April was a good month for commodities broadly but in typical fashion, it was driven by unique sub-sector performance. The strongest sector was Metals while Energies pulled back after an exceptionally strong Q1. The long-only commodity benchmarks gained ground but in a disparate way: the Bloomberg Commodity Index (BCOM ER) was up 2.2% while the energy tilted Goldman Sachs Commodity Index (GSCI ER) only added 0.7%.

April also brought another month of disappointing year-over-year inflation data as measured by US CPI, again gaining, this time from 3.2% to 3.5% (for the March reading see Chart 2). As such, the hopes of central bank cuts in the first part of 2024 are unlikely and the narrative appears to be more accepting of a structural shift to 3% (plus) as normal and the 2% target as less likely in the near term.

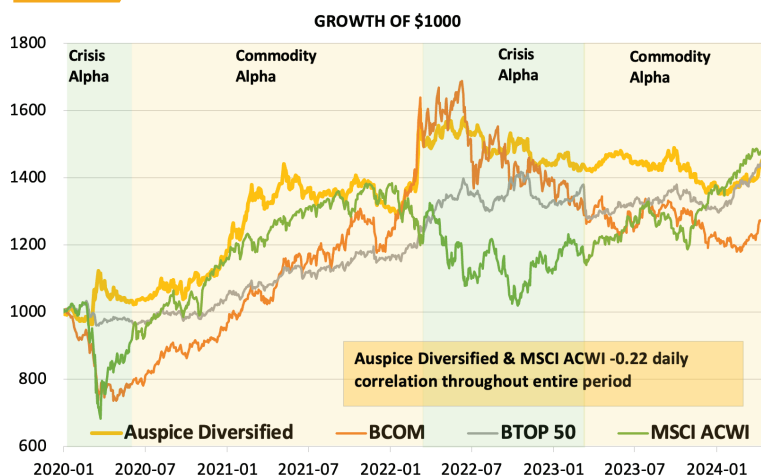
Rates rose to near October 2023 highs with the benchmark US 10-year Note moving from 4.2% to 4.7% consistent with the rising trend from 3.9% ending 2023. The US Dollar Index continued to rally gaining another 1.8% vis-à-vis global currencies with the Yen falling (another) 4.4% despite Japan's end to yield curve controls. The Canadian Dollar fell 1.6% while the Euro lost 1.1%.

## OUTLOOK

Bullish commodity outlooks saw a notable increase last month, perhaps not surprisingly with coverage focused on headline oil and gold markets. What you may not have heard is that coffee, zinc, iron ore, and nickel, markets all traded at Auspice, posted some of the largest gains, each up double digits in April. As you may have heard from us many times, there's a lot more to commodities than oil and gold. We believe the commodities cycle is regaining momentum, and we are early in the opportunity.

The link between tech and commodities is strong and growing stronger and may be an important factor in the extension of the current commodity cycle that started in 2020 - cycles that typically last 10 years. This Auspice view was discussed and published

CHART 1 COMMODITY & CRISIS ALPHA



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

TABLE 1 AUSPICE DIVERSIFIED TRUST PERFORMANCE

	Auspice Diversified Trust	Barclay BTOP50 CTA Index	BCOM ER INDEX	TSX 60 INDEX
1 Month	2.71%	1.69%	2.20%	-2.43%
2024 YTD	4.45%	11.19%	3.07%	2.89%
1 yr (May 23)	-2.16%	11.66%	-2.53%	4.46%
3 yr (May 21)	3.93%	31.19%	12.52%	14.27%
5 yr (May 19)	36.49%	47.21%	26.19%	30.85%
10 yr (May 14)	45.78%	56.95%	-26.21%	55.37%
15 yr (May 09)	30.51%	54.30%	-8.05%	130.17%
Ann. Return (Jan 07)	3.22% <sup>1</sup> / 4.20% <sup>2</sup>	3.52%	-2.81%	3.29%
Std Deviation	11.47%	7.01%	16.38%	13.41%
Sharpe Ratio	0.36	0.53	-0.08	0.33
Sortino Ratio	0.63	0.70	-0.11	0.45
Worst Drawdown	-26.04%	-16.11%	-73.87%	-44.27%

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

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

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

## OUTLOOK (CONTINUED)

recently in the Financial Post "Will the tech boom feed the commodity cycle"<sup>1</sup> ([here](#)) and in this month's [Auspice Blog](#).

Alongside, equities, notably growth and technology stocks, are showing signs of exhaustion, down in April following a strong Q1 2024. This come ahead of the seasonally weak period in equities, commonly summarized as "sell in May, go away". The same cannot be said for non-correlated assets like commodities.

If you don't have a 5-10% allocation to tactical commodity or CTA strategies, now may be an opportune time to add exposure.

## ATTRIBUTIONS AND TRADES

The fund was able to outperform by taking advantage of existing positioning and strong trends alongside notable re-positioning in a number of sectors.

Per Chart 3, the portfolio gains came from both commodity and financial sub-sectors but were dominated by the attribution in Metals and complimented by Soft Commodities, Currencies and Rates.

In Commodities, while Energies and Grains had small negative attributions, positioning was largely unchanged. Long positioning in Metals was added to during the month.

In Financials, it was a very different story as all sub-sectors changed dramatically. The long Equity exposure was completely exited to protect recent gains, Currencies were pivoted to short vis-à-vis the US Dollar and bond futures were shifted to short as rates rallied.

### BY SECTOR

**Energies:** Small adjustment as we added to WTI Crude Oil exposure and trimmed GasOil (Diesel) as the sector corrected.

**Metals:** Long positioning led by base metal exposure drove performance. Added new exposures in Zinc and Nickel while adding to the Copper position. Precious metal performance added value, led by Gold up 2.9%.

**Grains:** Small negative attribution as weakness in Corn and Soybeans benefitted short positions while rallies in Wheat and Soybean Meal offset the gains and were covered to reduce net short exposure.

**Softs:** Cotton continued to weaken, was exited, and shifted to short. The magnitude of the sell-off, almost 16%, offset the long loss for a neutral result.

The sector attribution gains were driven by Coffee which gained 16.6%.

**Equities:** After being the strongest sector and attribution last month, we exited all existing long equity exposure. Added a single new long position in Hong Kong's Hang Seng late in the month. Sector loss on profit taking.

**Rates:** Despite shifting from net long to net short across the sector, we made gains given the strength of the rate rally.

**Currencies:** Positive attribution led by existing shorts in the Japanese Yen and Swiss Franc. New shorts added in Aussie and Canadian dollars, British Pound, and Euro.

### RETURN DRIVERS:

Results were positive from trend-following strategies with a correction in the Auspice non-correlated short-term (non-trend) strategies. We continue to earn on significant cash positions. See Chart 4.

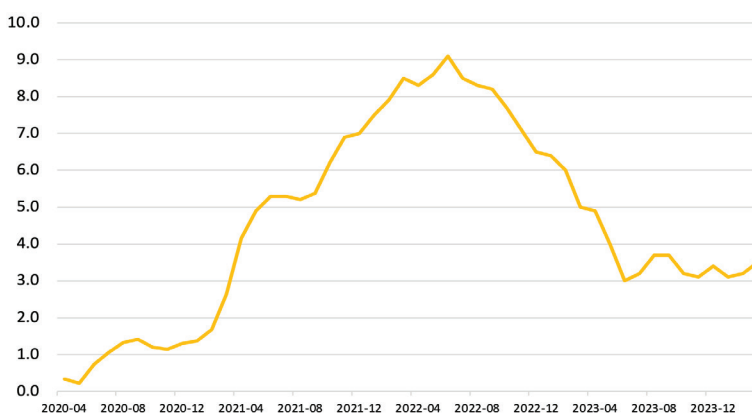
<sup>1</sup> Reference Link

TABLE 2 AUSPICE DIVERSIFIED TRUST PERFORMANCE

Auspice Diversified Trust Series	Annualized Return				NAVPU
	1yr	3yr	5yr	10yr	CAD \$
Series X	-2.16%	1.29%	6.43%	n/a	14.5817
Series A	-3.16%	0.05%	5.70%	3.22%	11.5739
Series F	-2.15%	1.01%	5.93%	3.59%	12.4419
Series I	-1.10%	2.92%	8.84%	5.85%	17.1833

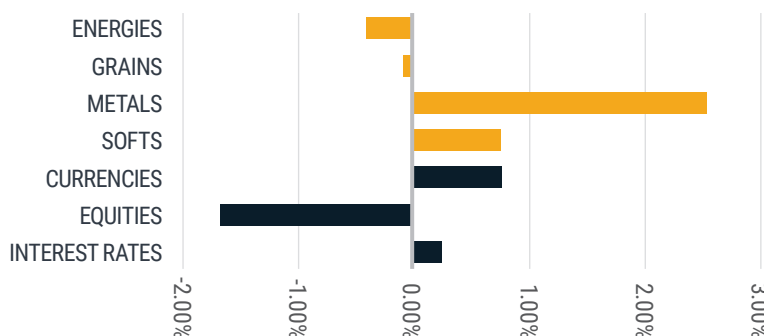
Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. The returns for Auspice Diversified Trust ("ADT") are net of fees. Inception dates: Series X, July 1st, 2014; Series A, October 1st, 2009; Series F, October 1st, 2009; Series I, January 1st, 2013.

CHART 2 CONSUMER PRICE INDEX (CPI) YOY% CHANGE



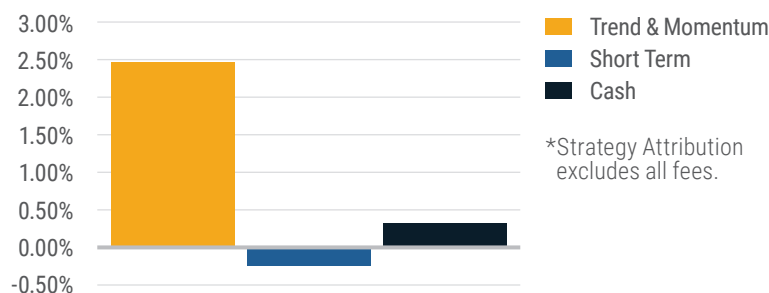
Source: Bloomberg and Auspice Investment Operations. See definitions at end for more.

CHART 3 SECTOR PROFIT/LOSS AND MONTHLY ATTRIBUTION



Source: Auspice Investment Operations.

CHART 4 STRATEGY (RETURN DRIVER) ATTRIBUTION



\*Strategy Attribution excludes all fees.

Source: Auspice Investment Operations.

## POSITION HIGHLIGHTS

### GAINS

- Base (industrial) metal performance led by Copper up 13% and Zinc up 19%.
- Japanese Yen short as market fell 4.4%.
- Coffee gained 16.6%.

### LOSSES

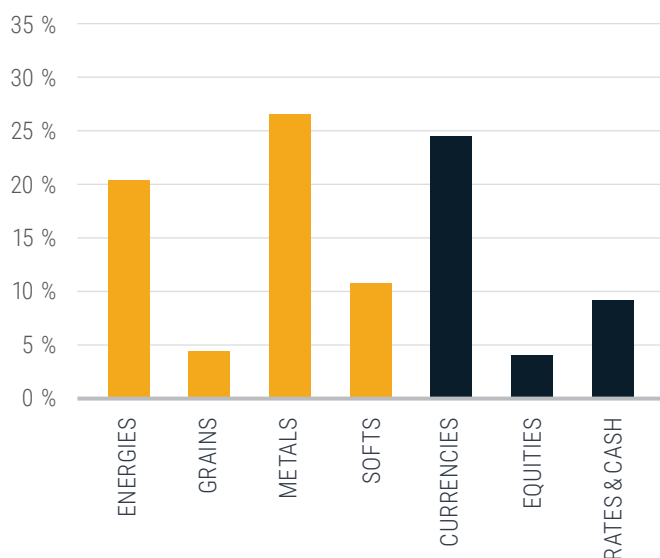
- Exiting profitable long equity positions across markets.
- Petroleum energies led by global crude oils and GasOil (Diesel).
- Wheat rallied 4.6% against short positions.

## EXPOSURE AND RISK ALLOCATION

Commodity to Financial exposure increased slightly to 62:38 from 59:41 and remains below average per Chart 5. This leaves room for additional exposure should the commodity cycle continue to develop. Overall portfolio risk as measured by the Margin to Equity ratio, has fallen to 6.4% from 7.7% last month and is slightly below the historical average level of 6.6% (see Chart 7 next page).

In Commodities, risk was increased in Metals while decreased slightly in Energies and Grains. Financial exposure was decreased in Equities and increased in Rates and Currencies for a net financial market decrease. See Chart 6.

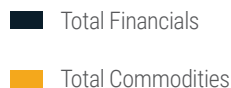
### CHART 6 CURRENT SECTOR RISK



Source: Auspice Investment Operations.

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

### CHART 5 COMMODITIES VS. FINANCIAL EXPOSURE



Source: Auspice Investment Operations.

## CURRENT RISK BY SECTOR

Largest Holdings	Aggregate Position	% of Risk
<b>ENERGIES</b>		<b>20.2%</b>
WTI Crude Oil	Long	5.8%
Gasoline (RBOB)	Long	5.7%
Brent Crude Oil	Long	4.0%
<b>GRAINS</b>		<b>4.4%</b>
Soybeans	Short	1.8%
Wheat	Short	1.7%
Corn	Short	1.0%
<b>METALS</b>		<b>26.7%</b>
Zinc	Long	8.6%
Copper	Long	7.4%
Silver	Long	4.9%
<b>SOFTS</b>		<b>10.7%</b>
Coffee	Long	6.3%
Cotton	Short	3.4%
Sugar	Short	1.0%
<b>CURRENCIES</b>		<b>24.6%</b>
Euro	Short	4.3%
Aussie Dollar	Short	4.3%
British Pound	Short	4.2%
<b>EQUITIES</b>		<b>4.0%</b>
Hang Seng (Hong Kong)	Long	4.0%
<b>RATES &amp; CASH</b>		<b>9.4%</b>
Treasury Bond/30 yr (USA)	Short	2.5%
Treasury Notes/10 yr (USA)	Short	2.3%
Long Gilt (UK)	Short	2.0%

Source: Auspice Investment Operations.

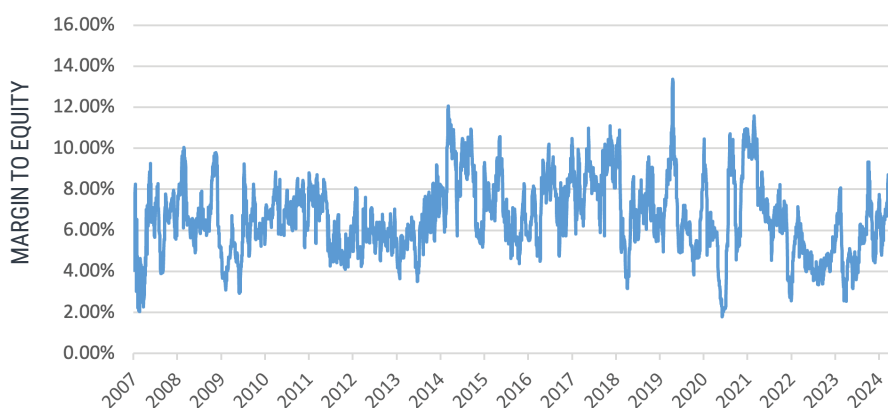
## INVESTMENT OBJECTIVE

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

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

## FUND DETAILS

CHART 7 PORTFOLIO EXPOSURE (MARGIN TO EQUITY)



Source: Auspice Investment Operations.

Fund Details (Jan 2007)		Trade Statistics	
Annualized Return	3.22% <sup>1</sup> / 4.20% <sup>2</sup>	Avg Monthly Gain	2.89%
Annualized Std Dev	11.47%	Avg Monthly Loss	-2.07%
Largest Drawdown	-26.04%	Daily Std Dev	0.69%
Sharpe Ratio <sup>3</sup>	0.36	Daily VAR (sim w/99% conf)	-1.16%
MAR Index <sup>4</sup>	0.12	Round Turns per \$million	800
Sortino	0.63	Margin to Equity ratio	6.6
Upside/Downside Deviation	0.14 / 0.05	Average Hold Period (Days)	70
Correlation to MSCI ACWI	-0.16	% Profitable	39%
Correlation to TSX60	-0.12	\$Win / \$Loss	1.55
Correlation to BCOM ER	0.09	Skew	0.94

Source: Auspice Investment Operations.

Past performance is not indicative of future results.

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

Source: Auspice Investment Operations.

Past performance is not indicative of future results.

## KEY ATTRIBUTES

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

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

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3. Assumes Risk free rate of 0%.

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

Program Details	
Other Structures and Platforms	Managed Account, US Delaware LLC, Innocap
Auspice Diversified Trust Liquidity	Daily
Firm Assets	\$903M

Source: Auspice Investment Operations.

Past performance is not indicative of future results.

MONTHLY PERFORMANCE TABLE\*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2024	-1.18%	2.95%	-0.04%	2.71%									4.45%
2023	2.15%	-3.64%	0.34%	2.92%	0.87%	-2.21%	-0.36%	-0.80%	3.37%	-3.36%	-3.35%	-0.49%	-4.79%
2022	2.20%	4.32%	7.95%	3.54%	-1.84%	0.55%	-2.90%	-0.17%	2.43%	-0.51%	-4.30%	0.00%	11.19%
2021	2.67%	9.55%	-0.89%	4.61%	0.61%	-1.50%	-1.77%	0.98%	0.49%	1.32%	-4.28%	-1.89%	9.62%
2020	-2.06%	-0.19%	9.72%	-3.16%	-0.47%	0.28%	3.36%	2.08%	-2.15%	0.99%	2.69%	6.73%	18.46%
2019	-4.14%	-0.47%	-0.65%	3.50%	-7.43%	-0.37%	0.52%	10.60%	-7.59%	-1.33%	1.42%	0.25%	-6.75%
2018	3.12%	-5.81%	-2.27%	-0.19%	1.41%	-1.48%	1.89%	3.57%	-0.84%	-4.75%	3.66%	1.64%	-0.61%
2017	-3.66%	-1.89%	-1.35%	-1.39%	-0.53%	-0.51%	-1.61%	2.76%	-2.53%	5.16%	-0.27%	0.67%	-5.31%
2016	-0.22%	3.12%	-4.93%	3.59%	-1.64%	0.56%	2.44%	-1.55%	-1.06%	-1.34%	2.68%	-0.13%	1.15%
2015	4.66%	-1.93%	0.47%	-0.98%	-2.03%	-1.84%	-4.36%	-2.14%	0.26%	-2.74%	2.56%	0.66%	-7.47%
2014	-2.02%	1.62%	-1.84%	3.25%	-3.11%	2.65%	-0.43%	3.92%	8.56%	-0.78%	7.05%	4.19%	24.76%
2013	0.40%	-2.23%	0.26%	0.99%	-0.90%	0.66%	-1.54%	-1.33%	-4.07%	2.01%	0.04%	-0.36%	-6.01%
2012	2.41%	-1.11%	-1.19%	0.60%	1.72%	-6.29%	1.17%	-0.70%	-3.64%	-1.80%	2.38%	-0.81%	-10.24%
2011	1.39%	2.97%	-1.16%	4.09%	-1.31%	-1.62%	2.16%	-1.09%	-2.60%	-3.82%	1.07%	-3.44%	-3.66%
2010	-3.26%	0.45%	0.61%	0.95%	0.01%	0.62%	-1.02%	1.07%	1.82%	6.98%	-2.51%	6.68%	12.53%
2009	-0.61%	1.08%	-2.27%	-3.32%	-0.58%	0.15%	-3.23%	0.75%	1.44%	-2.31%	4.84%	-3.83%	-7.93%
2008	5.60%	14.59%	-1.72%	-1.58%	0.71%	2.86%	-5.61%	-1.99%	6.86%	10.80%	5.77%	2.73%	44.30%
2007	-1.43%	-1.76%	-2.42%	-0.79%	0.71%	-1.32%	-3.16%	-3.07%	5.87%	4.53%	-2.13%	2.29%	-3.11%

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

RISK RATING

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

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

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

## BENCHMARK DESCRIPTIONS

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

The SG CTA Index provides the market with a reliable daily performance benchmark of major commodity trading advisors (CTAs). The SG CTA Index calculates the daily rate of return for a pool of CTAs selected from the larger managers that are open to new investment. Second to the BTOP50, the SG CTA is the most comparable index for Auspice Diversified Trust, however there are significant differences, such as the average exposure to commodity futures (versus financial futures), and average trade length. Reference to the SG CTA benchmark does not imply that Auspice Diversified Trust will achieve similar performance.

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

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

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

The S&P 500 is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Price Return data is used (not including dividends). There is a low degree of similarity between the S&P 500 and Auspice Diversified Trust. As the main benchmark for equity performance in the US its inclusion is typically used to illustrate how Auspice Diversified Trust is notably different from US equities, an important consideration for portfolio managers and investors alike.

The MSCI ACWI (Net) Index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets. There is a low degree of similarity between the MSCI ACWI and Auspice Diversified Trust. As the main benchmark for global equity performance its inclusion is typically used to illustrate how Auspice Diversified Trust is notably different from global equities, an important consideration for portfolio managers and investors alike.

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

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

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

## GLOSSARY

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

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## QUALIFIED INVESTORS

Auspice Diversified Trust is available to all Canadian investors. For U.S. investors, the strategy is only available to Qualified Eligible Persons "QEPs" as defined by CFTC Regulation 4.7, in a LLC structure. Email [info@auspicecapital.com](mailto:info@auspicecapital.com) for more.

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