



# DIVERSIFIED TRUST

COMMENTARY +  
FUND PROFILE

MARCH 2024

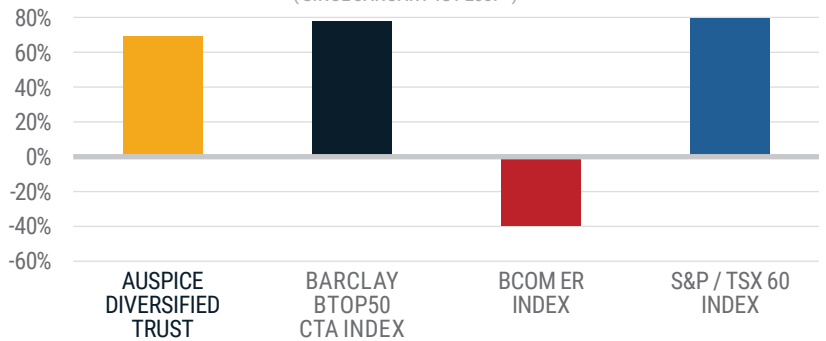
All performance data, portfolio information and pricing contained herein is as of March 31st, 2024.

**AUSPICE** Capital Advisors

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CALGARY, ALBERTA CANADA T2P 5L5



### CUMULATIVE PERFORMANCE (SINCE JANUARY 1ST 2007\*)



Correlation	0.66	0.08	-0.11

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 flat month (down 4 basis points or 0.04%) as we repositioned in major commodity sectors for commodity upside. ADT remains up 1.70% 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. These hedging properties of outperformance at critical times of equity weakness, negative correlation with a fraction of the drawdown and volatility, should be carefully considered given the current equity rally.

While the broad commodity market is never “one direction” given its diversity, March was generally a strong month for the sector. Energies and Metals led the gains yet even within those sub-sectors, a long-short approach proved beneficial. While petroleum energies rallied led by WTI Crude Oil up 6.8%, natural gas fell 11.6%. The long-only commodity benchmarks gained ground with the Bloomberg Commodity Index (BCOM ER) up 2.9% while the energy tilted Goldman Sachs Commodity Index (GSCI ER) added 4.3%. This brings both benchmarks positive to end Q1 and start 2024.

Global stock indices continued their record rally. The S&P500 and Nasdaq added 3.1% and 1.8% respectively, Canada’s TSX60 kept up adding 3.4%, and the global benchmark MSCI ACWI was up 3.1%. Asian markets were also strong led by Japan’s Nikkei up 3.1% for over 20% year-to-date - some attribute the Nikkei rally to recent interest rate increases and an end to “ZIRP” (“zero interest rate policy”), potentially putting decades of deflation behind the nation.

In North America and many other parts of the world, disappointing year-over-year inflation data, as measured by US CPI, gaining to 3.2% (for the February reading see Chart 2), led many to believe central banks will be in no rush to cut rates. This was reiterated by the US Fed and Bank of Canada as both held rates steady yet again.

While rates were mostly steady in March with the benchmark US 10-year Note at 4.20%, the trend remains rising from 3.88% ending 2023. The US Dollar rallied yet another 1% vis-à-vis global currencies with the Yen falling (another) 2.9% despite Japan’s end to yield curve controls. The Canadian Dollar fell 1.3% while the Euro lost 0.5%.

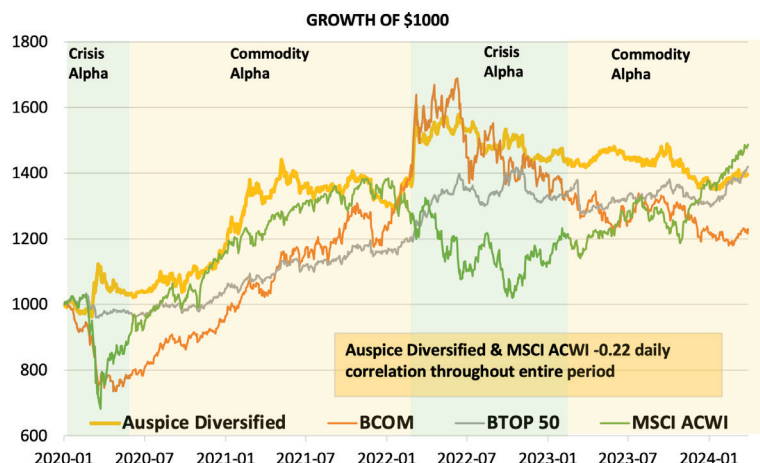
## OUTLOOK

Agricultural markets, metals, and energies have all exhibited new signs of strength recently. From Goldman, to Bloomberg, to Bank of America – there was a surge in bullish commodity outlooks during March.

However, unlike a recent Globe and Mail article “Out of nowhere, commodities are on a run”<sup>1</sup>, as per July 2023 Auspice featured Financial Post article, the bullish commodity setup is long in the making<sup>2</sup>.

We believe the recent AI driven tech boom will further feed a commodity supercycle. See this month’s Auspice Blog, alongside a forthcoming research article, coming soon.

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	-0.04%	3.13%	2.89%	3.36%
2024 YTD	1.70%	8.59%	0.85%	5.45%
1 yr (Apr 23)	-1.97%	10.75%	-5.70%	10.56%
3 yr (Apr 21)	5.86%	31.17%	19.23%	19.38%
5 yr (Apr 19)	37.54%	48.34%	22.69%	39.00%
10 yr (Apr 14)	46.56%	53.80%	-26.04%	62.54%
15 yr (Apr 09)	22.84%	48.23%	-9.38%	152.27%
Ann. Return (Jan 07)	3.08% <sup>1</sup> / 4.06% <sup>2</sup>	3.40%	-2.94%	3.45%
Std Deviation	11.49%	7.00%	16.41%	13.42%
Sharpe Ratio	0.34	0.52	-0.09	0.34
MAR Ratio	0.12	0.21	-0.04	0.08
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.

<sup>1</sup> Reference Link <sup>2</sup> Reference Link

## ATTRIBUTIONS AND TRADES

While the volatility in February did not affect the general direction of our positioning, March elicited a different response as we repositioned in two core sectors.

Per Chart 3, while negative attributions resulted from counter trend moves in Grains and Soft commodities, small gains were made in Energies and Metals as they both shifted from net short to net long exposures.

The big winner was in Equities where the bulk of the positive attribution came from the ongoing global rally. Currencies provided a small complement in the financial markets on the back of US Dollar strength / global currency weakness.

### BY SECTOR

**Energies:** Sector shifted to net long adding Brent and WTI Crude Oils, and Gasoline. Strong gains from short Natural Gas. Small sector gain.

**Metals:** Sector shifted to net long from net short. Broad strength in both precious and base metals had us add exposure to existing exposure to Gold while adding Copper. Shorts were eliminated including Zinc, Copper and Palladium. Small sector gain.

**Grains:** Negative attribution as most markets rallied against existing shorts. Positions held overall while reduced short exposure in Corn and Soybeans.

**Softs:** Cotton accounted for the sector loss and exposure was greatly reduced. Remaining exposures in Sugar, Coffee and Rubber were held and net profitable.

**Equities:** Strongest market sector and all positions held.

**Rates:** Neutral result and all positions held (long bond futures in North America while short German 2-years).

**Currencies:** Small positive attribution led by weakness in the Japanese Yen.

### RETURN DRIVERS:

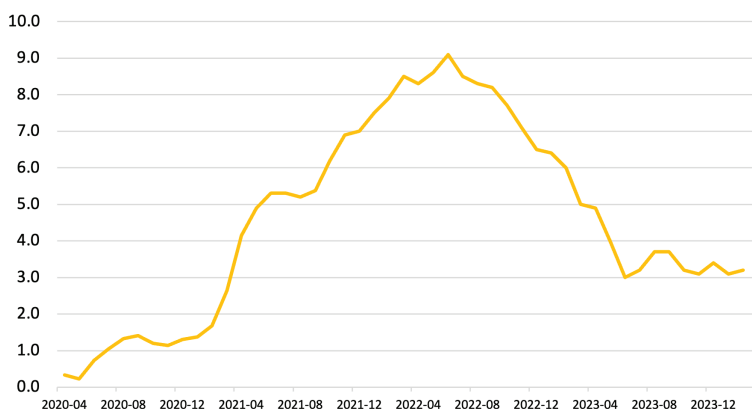
Results were slightly negative from both trend-following and the Auspice non-correlated short-term (non-trend) strategies. We continue to earn on significant cash positions. See Chart 4.

TABLE 2 AUSPICE DIVERSIFIED TRUST PERFORMANCE

Auspice Diversified Trust Series	Annualized Return				NAVPU CAD \$
	1yr	3yr	5yr	10yr	
Series X	-1.96%	1.91%	6.59%	n/a	14.1971
Series A	-2.96%	0.58%	5.86%	3.28%	11.2780
Series F	-1.95%	1.54%	6.09%	3.65%	12.1136
Series I	-0.90%	3.84%	9.01%	5.92%	16.7152

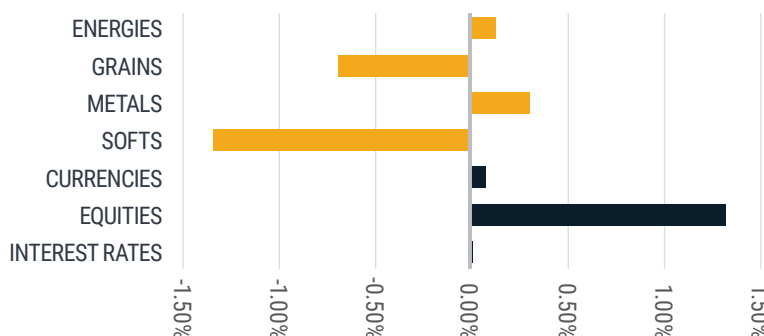
Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. The returns for Auspice Diversified Trust ("ADT") are net of fees. Inception dates: Series X, July 1st, 2014; Series A, October 1st, 2009; Series F, October 1st, 2009; Series I, January 1st, 2013.

CHART 2 CONSUMER PRICE INDEX (CPI) YOY% CHANGE



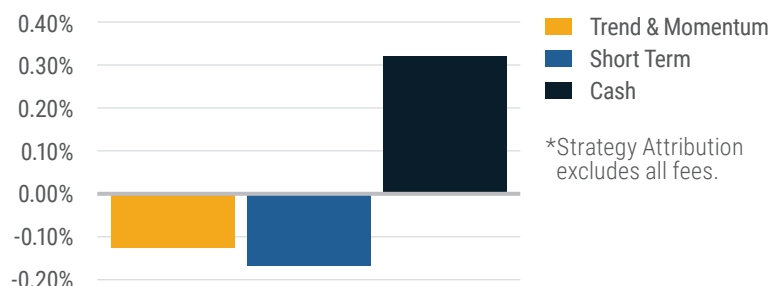
Source: Bloomberg and Auspice Investment Operations. See definitions at end for more.

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

- Long Equity performance was broad but again led by Japanese Nikkei.
- Energies gains led by long Brent Crude and short Natural Gas.
- Gold exposure led the metals sector attribution.

### LOSSES

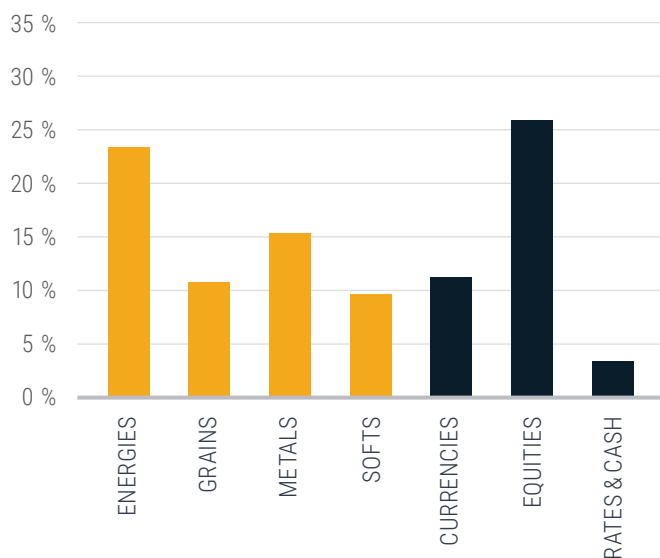
- Cotton corrected over 8% and long risk was reduced significantly.
- Reduced short in Soybeans as markets rallied over 4%.
- Long British Pound was added to then reduced as market corrected in latter part of month.

## EXPOSURE AND RISK ALLOCATION

Commodity to Financial exposure decreased slightly to 59:41 from 63:37 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 gained to 7.7% from 7.0% last month and is slightly above the historical average level of 6.6% (see Chart 7 next page).

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

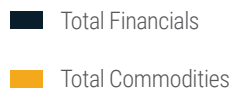
### CHART 6 CURRENT SECTOR RISK



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>23.5%</b>
Gasoline (RBOB)	Long	4.8%
Brent Crude Oil	Long	4.8%
Natural Gas (HH)	Short	3.6%
<b>GRAINS</b>		<b>10.8%</b>
Wheat	Short	5.1%
Soybean Meal	Short	2.5%
Soybean	Short	2.2%
<b>METALS</b>		<b>15.3%</b>
Copper	Long	7.8%
Gold	Long	5.5%
Silver	Long	1.9%
<b>SOFTS</b>		<b>9.7%</b>
Coffee	Long	6.3%
Sugar	Short	1.2%
Cotton	Long	1.1%
<b>CURRENCIES</b>		<b>11.2%</b>
Swiss Franc	Short	4.5%
Japanese Yen	Short	3.9%
Chinese Yuan	Long	1.0%
<b>EQUITIES</b>		<b>25.9%</b>
S&P 500	Long	5.8%
Nikkei	Long	5.5%
Nasdaq 100	Long	5.5%
<b>RATES &amp; CASH</b>		<b>3.6%</b>
German Schatz 2 yr	Short	0.9%
Treasury Bond/30 yr (USA)	Long	0.4%
Treasury Notes/10 yr (USA)	Long	0.4%

Source: Auspice Investment Operations.

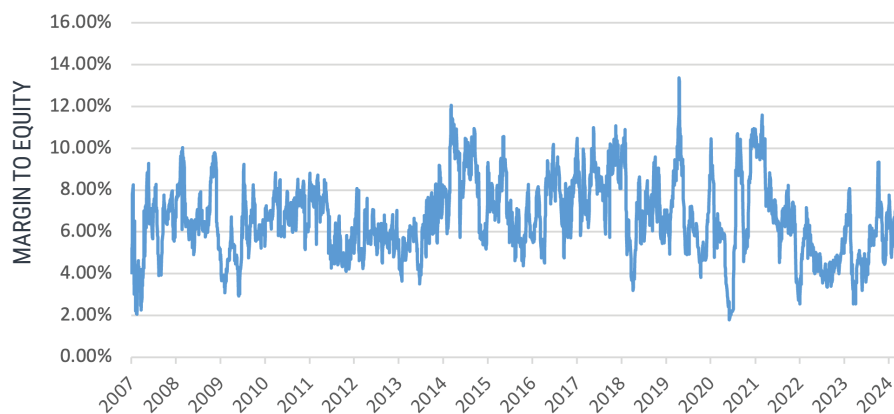
## INVESTMENT OBJECTIVE

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	3.08% <sup>1</sup> / 4.06% <sup>2</sup>	Avg Monthly Gain	2.89%
Annualized Std Dev	11.49%	Avg Monthly Loss	-2.07%
Largest Drawdown	-26.04%	Daily Std Dev	0.69%
Sharpe Ratio <sup>3</sup>	0.34	Daily VAR (sim w/99% conf)	-1.31%
MAR Index <sup>4</sup>	0.12	Round Turns per \$million	800
Sortino	0.61	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	40%
Correlation to TSX60	-0.11	\$Win / \$Loss	1.5
Correlation to BCOM ER	0.08	Skew	0.95

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.

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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	\$843M

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%										1.70%
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. The MAR Ratio is the annualized return divided by the largest drawdown.
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

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