



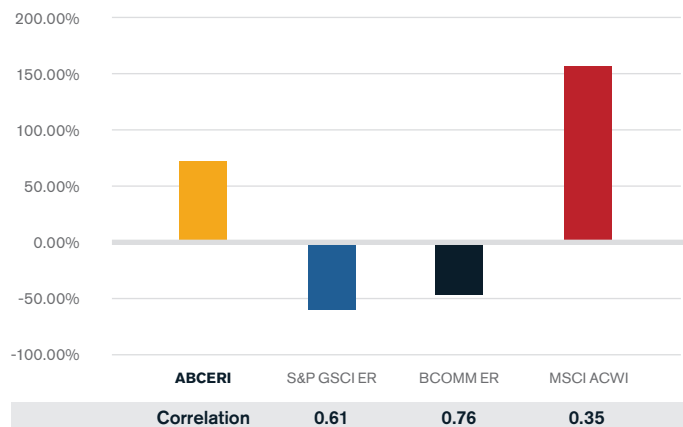
BROAD COMMODITY INDEX

COMMENTARY +
STRATEGY FACTS

APRIL 2021



CUMULATIVE PERFORMANCE (SINCE JANUARY 2007*)



INVEST WITH AUSPICE

Call us

888 792 9291

Visit us online to find out more

auspicecapital.com



3 Year Morningstar Rating™ for
Direxion Auspice Broad Commodity
Strategy Fund ETF (COM),
which tracks ABCERI

AUSPICE Capital Advisors

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

Futures trading is speculative and is not suitable for all customers. Past results are not necessarily indicative of future results. This document is for information purposes only and should not be construed as an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. Auspice Capital Advisors Ltd. makes no representation or warranty relating to any information herein, which is derived from independent sources. No securities regulatory authority has expressed an opinion about the securities offered herein and it is an offence to claim otherwise. *The performance of Auspice Broad Commodity Index prior to 9/30/2010 is simulated and hypothetical as published by the NYSE. See Important Disclaimers and Notes on last page.

SUMMARY

Commodity benchmarks soared in April after a slight pause last month. After a year of rally, this sector shift is finally in the mainstream media with prices of many markets hitting multi-year highs. The Bloomberg Commodity Index (BCOM) added 8.29% while the energy tilted GSCI gained a similar 8.23%. Sector proxies Gold and Oil rose but the outstanding gains came from Grains and Soft commodities.

Most global equity markets had a strong month with some Asian and emerging markets being the exception again. US markets led gains with the S&P500 adding 5.24% and the Nasdaq up 5.40%. The Canadian TSX/S&P60 gained 1.94% despite the resource tilt while the global benchmark MSCI ACWI added 4.37%.

Bond markets rallied across the curve with the benchmark US 10-year notes backing off from rates that had tripled over the last year. The yield dropped from recent highs near 1.75% to 1.62%. After an impressive rally in Q1, the US Dollar fell 2.00% in April yet remains above the lows hit closing 2020.

RESULTS

Auspice Broad Commodity gained a solid 7.25% as the year-long commodity rally renewed. We have added a new Chart 1 which illustrates the downside protection versus the long-only benchmarks as it occurred in 2020. During this time, the correlation was understandably low at 0.20 as the ABC strategy tactically divested exposure. From July 2020 to present, the strategy has displayed an ability to participate in the upside in the sector along-side the benchmarks. Overall, the downside protection and upside participation are appealing and gets an investor to a better return. Per Table 1, ABC outperforms on all long-term measures along with a fraction of the volatility and drawdown. The separation is significant at nearly 32% on a rolling 3-year basis to the GSCI alongside a 10.4% annualized return spread since 2007 illustrating the value of the strategy for disciplined, opportunistic, and tactical commodity exposure.

OUTLOOK

No rest for the wicked.

In March we commented on the pause in commodities after an impressive 11 month run. The commodity rally was arguably one of the least participated in rallies given the prior decade's performance and confusion surrounding commodities' role in sustainable development.

Chart 1 COMMODITY UPSIDE, DOWNSIDE PROTECTION

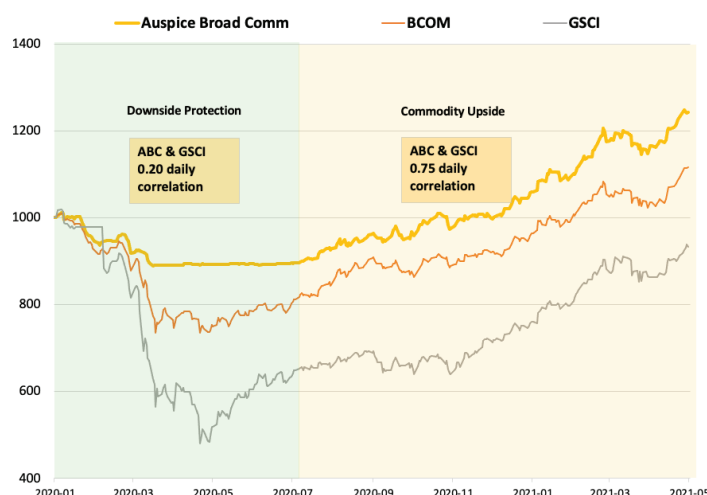


Table 1 ABSOLUTE PERFORMANCE

	ABCER	BCOM ER	S&P GSCI ER	MSCI ACWI
1 Month	7.25%	8.29%	8.23%	4.37%
2021 YTD	17.31%	15.77%	22.88%	9.14%
1 yr (May 20)	39.32%	48.38%	79.83%	45.75%
3 yr (May 18)	16.81%	0.86%	-14.90%	45.53%
5 yr (May 16)	13.24%	5.66%	-1.53%	91.29%
10 yr (May 11)	-20.38%	-48.49%	60.28%	140.56%
14 yr (May 07)	68.54%	-47.83%	-63.03%	139.18%
Annualized (Jan 07)				
Return	3.88%	-4.18%	-6.51%	6.78%
Std Deviation	10.61%	16.62%	23.97%	16.55%
Sharpe Ratio	0.42	-0.16	-0.15	0.53
MAR Ratio	0.09	-0.06	-0.07	0.12
Worst Drawdown	-42.90%	-73.87%	-88.06%	-54.92%

Chart 2 AUSPICE BROAD COMMODITY INDEX SINCE 2000



OUTLOOK (CONTINUED)

As of April end, the pause seems to be short lived. Major commodity indexes resumed their climbs, with those central to rebuilding our economy: lumber, copper, corn, etc., making multi-year highs. While fossil fuels may play a lesser role going forward, there is no rebuilding of economies — no building at all, without most commodities.

The last major inflationary demand shock was the 1970s, the SP GSCI rose 587% in that decade. Since the lows in March 2020 the SP GSCI TR has risen 63% — it's a start.

Stay tuned. After a decade long pullback in the sector, we believe this may just be beginning of a sustained breakout (per Chart 2 previous page). Does this mean the commodity markets are extended? While the rally since 2020 has been significant, if you look at Chart 3, the decade long pullback in commodities highlights a correction in a much longer-term bull trend that many had forgot about.

ATTRIBUTIONS AND TRADES

April's positive attribution was led by Ags, both Grains and Soft Commodities. Metals also contributed alongside a stronger energy market (see Chart 4).

The Broad Commodity portfolio remains unchanged and long 10 of 12 components for the same 83% of available components (see Chart 5).

The top performing positions were Corn and Wheat while the weakest were still gainers with Silver lagging.

SECTOR HIGHLIGHTS

ENERGY

We remain long the energy markets (with the exception of Natural Gas). Heating Oil led the gains with WTI Crude and Gasoline also rising. Natural Gas gained for the month yet we remain without an exposure at this time.

METALS

Gold showed signs of bottoming as the commodity story builds momentum, rising approximately 2%, yet we remain without an exposure. Sector gains were led by Copper which rose 11.5% with Silver adding 5.3%.

AGRICULTURE

Ag exposures continued their strong rally after pausing in March led by Grains. Wheat moved up 18.5% while Corn moved an astounding 23.5%. Soft commodities also contributed with Sugar and Cotton also making gains, 15.5% and 7.2% respectively.

Chart 3 COMMODITIES VERSUS EQUITIES

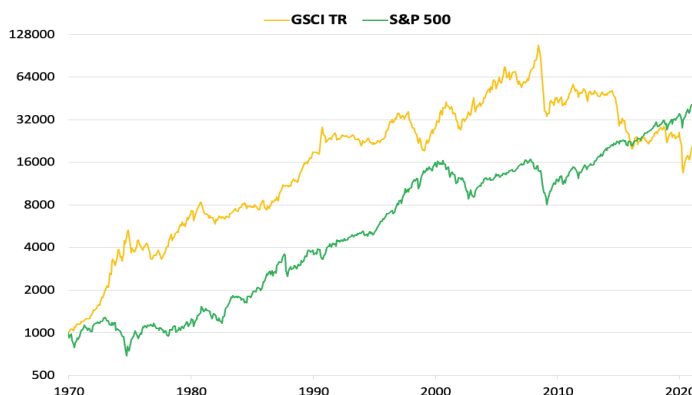


Chart 4 INDEX RETURN ATTRIBUTION

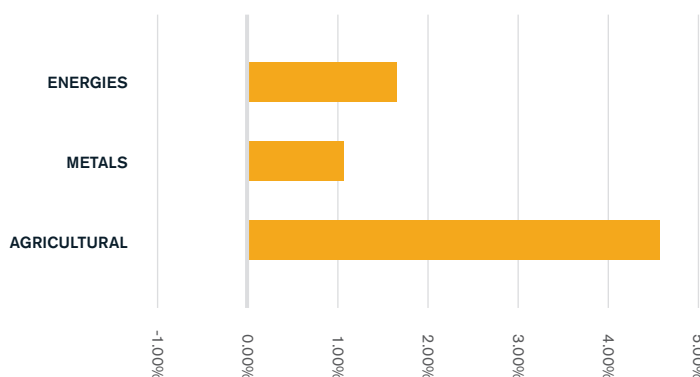
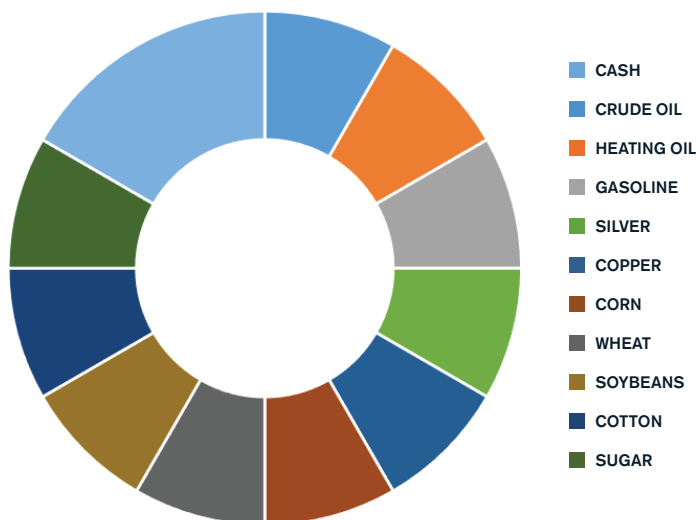


Chart 5 COMPONENT EXPOSURE: LONG / CASH



WHY AUSPICE INDICES

The Auspice Indices are designed to meet the needs of investors that are looking to participate in liquid alternatives through a disciplined approach without sacrificing performance, diversification, and transparency. We believe Auspice Indices encompass everything from alpha to beta, across a return continuum. The indices blend elements of active management and indexing into a transparent, published, single strategy rules-based approach.

STRATEGY DESCRIPTION

The Auspice Broad Commodity Index aims to capture upward trends in the commodity markets while minimizing risk during downtrends.

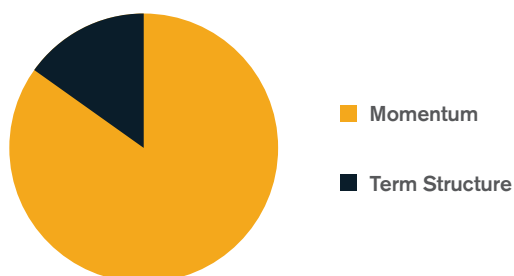
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods. The index is available in total return (collateralized) and excess return (non-collateralized) versions.

THE MAIN POINTS OF DIFFERENTIATION INCLUDE:

Auspice Broad Commodity combines tactical commodity exposure with capital preservation. We believe that traditional passive long-only commodity indices do not provide investors with an optimal long term investment solution.

- Seeks to capture upward trends in the commodity markets while minimizing risk during downtrends
- Tactical exposure to a diversified basket of commodities that can individually position long or flat (no position)
- Rules-based quantitative methodology combined with dynamic risk management and contract roll optimization to deliver superior returns

RETURN DRIVERS



AUSPICE BROAD COMMODITY INDEX

Long / Flat Approach

Positions can be changed on an intra-month bases

Accounts for Short-term Price Trends

Practices a Smart Roll-Yield to minimize impact of contango and backwardation

Broadly diversified (when exposed) and less concentrated in any one commodity sector

Rebalanced monthly based on volatility of each underlying commodity

LONG-ONLY COMMODITY INDICES

Long-Only Approach

Positions are always 100% long

Doesn't take into account downward price trends

Contracts typically roll into next contract month

Poorly diversified amongst single sectors

Most rebalance annually based on predetermined weightings for commodity sector

OTHER DETAILS

Calculated and published by NYSE since 2010.
Tickers: Bloomberg ABCERI, Reuters ABCERI

PRODUCT AVAILABILITY

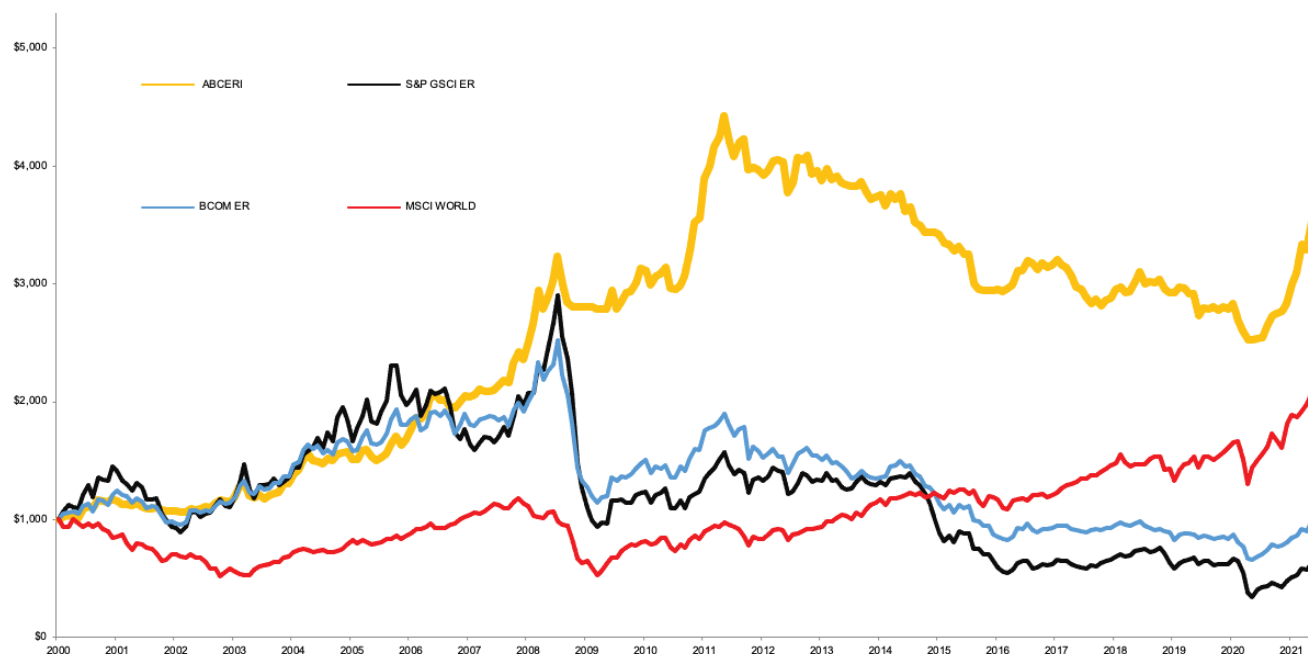
Licensing and/or sub-advisory of the strategy
Bespoke product design
ETFs: through partner firms
40 Act Mutual Funds: US investors through partner firms
Separately Managed Accounts

AUSPICE BROAD COMMODITY INDEX

COMMENTARY + STRATEGY FACTS

APRIL 2021

COMPARATIVE BROAD COMMODITY INDEX PERFORMANCE



MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2021	3.09%	7.65%	-1.44%	7.25%									17.31%
2020	-5.36%	-3.02%	-2.89%	0.07%	0.20%	0.19%	3.67%	3.62%	0.65%	0.67%	2.41%	6.13%	5.93%
2019	1.74%	-0.55%	-1.44%	-0.18%	-6.28%	2.52%	-0.27%	0.51%	-1.08%	1.17%	-0.71%	1.75%	-3.06%
2018	0.58%	-1.63%	0.40%	2.80%	2.68%	-3.16%	0.60%	-0.20%	0.72%	-2.60%	-1.09%	0.10%	-0.98%
2017	-1.59%	-0.44%	-2.38%	-3.08%	-0.56%	-2.35%	-2.06%	1.31%	-1.82%	1.74%	0.43%	2.78%	-7.92%
2016	-0.69%	1.01%	0.92%	4.00%	0.00%	2.64%	-0.61%	-1.75%	1.94%	-1.15%	0.49%	1.59%	8.55%
2015	-2.13%	-0.18%	-1.64%	0.99%	-1.78%	-0.08%	-7.77%	-1.59%	-0.27%	-0.01%	0.13%	0.29%	-13.45%
2014	-2.41%	2.68%	-1.23%	1.27%	-3.79%	1.03%	-3.57%	-0.96%	-1.64%	0.00%	0.00%	-0.54%	-8.97%
2013	2.45%	-2.32%	0.87%	-1.42%	-0.55%	-0.27%	-0.11%	1.03%	-2.26%	-1.57%	0.55%	0.39%	-3.27%
2012	0.90%	2.28%	0.09%	-0.38%	-6.43%	2.24%	5.41%	-0.37%	0.82%	-3.79%	0.64%	-1.92%	-1.02%
2011	2.44%	4.23%	-1.96%	4.32%	-5.11%	-2.84%	2.88%	0.73%	-6.28%	0.59%	-0.46%	-1.25%	0.54%
2010	-3.81%	2.61%	0.53%	1.87%	-5.57%	-0.40%	1.03%	2.64%	6.99%	7.35%	1.02%	9.66%	25.43%
2009	0.00%	-0.66%	-0.24%	0.01%	5.78%	-5.49%	2.20%	2.80%	0.39%	2.52%	4.00%	-0.66%	10.69%
2008	5.89%	10.60%	-5.20%	3.98%	4.05%	6.96%	-7.48%	-4.78%	-1.31%	0.00%	0.00%	0.00%	11.71%
2007	0.90%	2.39%	-1.25%	0.33%	0.13%	2.44%	1.74%	-0.83%	7.48%	4.05%	-2.42%	6.42%	23.04%
2006	5.59%	-0.45%	2.39%	6.87%	1.40%	-2.41%	0.07%	-2.92%	-0.44%	2.39%	2.74%	-0.23%	15.54%
2005	0.40%	4.37%	0.75%	-3.87%	-2.18%	2.07%	1.75%	5.95%	3.24%	-4.19%	2.93%	5.32%	17.16%
2004	2.18%	6.32%	3.54%	-3.42%	-0.70%	-1.49%	3.30%	-1.53%	3.98%	0.57%	0.77%	-4.43%	8.87%
2003	6.32%	2.27%	-7.68%	-1.86%	2.82%	-2.92%	1.80%	2.04%	0.32%	6.34%	0.16%	5.95%	15.63%
2002	-0.62%	-0.17%	2.53%	-0.50%	0.61%	1.42%	-0.78%	3.42%	2.43%	-0.20%	-1.02%	4.31%	11.85%
2001	-1.78%	-0.07%	-1.33%	2.07%	-2.34%	2.22%	0.48%	0.77%	-1.53%	-1.11%	-0.33%	0.21%	-7.04%
2000	2.41%	1.08%	-0.62%	-1.93%	8.62%	1.29%	-0.71%	5.78%	-0.97%	-0.86%	2.49%	-1.77%	15.24%

Represents index data simulated prior to third party publishing as calculated by the NYSE



IMPORTANT DISCLAIMERS AND NOTES

Futures trading is speculative and is not suitable for all customers. Past results is not necessarily indicative of future results. This document is for information purposes only and should not be construed as an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. Auspice Capital Advisors Ltd. makes no representation or warranty relating to any information herein, which is derived from independent sources. No securities regulatory authority has expressed an opinion about the securities offered herein and it is an offence to claim otherwise.

COMPARABLE INDICES

*Returns for **Auspice Broad Commodity Excess Return Index (ABCERI)** represent returns calculated and published by the NYSE. The index does not have commissions, management/incentive fees, or operating expenses.

The Bloomberg Commodity (Excess Return) Index (**BCOM ER**), is a broadly diversified index that allows investors to track 19 commodity futures through a single, simple measure.

The **S&P/TSX 60 Index** is designed to represent leading companies in leading industries. Its 60 stocks make it ideal for coverage of companies with large market capitalizations and a cost-efficient way to achieve Canadian equity exposure. Price Return data is used (not including dividends).

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).

The (**MSCI**) **World Index**, Morgan Stanley Capital International, is designed to measure equity market performance large and mid-cap equity performance across 23 developed markets countries, covering approximately 85% of the free float-adjusted market capitalization in each. This index offers a broad global equity benchmark, without emerging markets exposure.

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.

Excess Return (ER) Indexes do not include collateral return.

The S&P Goldman Sachs Commodity Excess Return Index (**S&P GSCI ER**), 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.

The **Barclay BTOP50 CTA Index** seeks to replicate the overall composition of the managed futures industry with regard to trading style and overall market exposure. The BTOP50 employs a top-down approach in selecting its constituents. The largest investable trading advisor programs, as measured by assets under management, are selected for inclusion in the BTOP50.

The CTA indexes do not encompass the whole universe of CTAs. The CTAs that comprise the indices have submitted their information voluntarily and the performance has not been verified by the index publisher.

PERFORMANCE NOTES

The Equity benchmarks used in this material are intended to reflect the general equity market performance. They are shown to illustrate the non-correlated attributes versus other assets. Adding non-correlated assets within a portfolio has the potential to reduce portfolio volatility and drawdowns.

The performance of Auspice Broad Commodity Index prior to 9/30/2010 is simulated and hypothetical as published by the NYSE. All performance data for all indices assumes the reinvestment of all distributions. To the extent information for the index for the period prior to its initial calculation date is made available, any such information will be simulated (i.e., calculations of how the index might have performed during that time period if the index had existed). Any comparisons, assertions and conclusions regarding the performance of the index during the time period prior to the initial calculation date will be based on back-testing.

These results are based on simulated or hypothetical performance results that have certain inherent limitations. Unlike the results shown in an actual performance record, these results do not represent actual trading. Also, because these trades have not actually been executed, these results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to these being shown. The index does not have commissions, management/incentive fees, or operating expenses.

INVEST WITH AUSPICE

Call us

888 792 9291

Visit us online to find out more

auspicecapital.com

AUSPICE Capital Advisors

SUITE 510 - 1000 7TH AVE SW

CALGARY, ALBERTA CANADA T2P 5L5

