AUSPICE

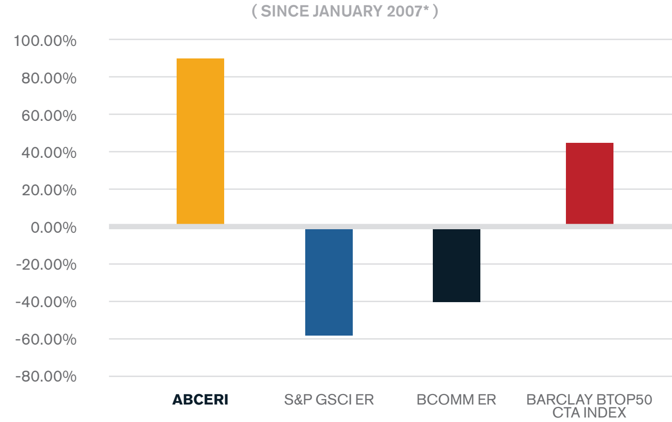
BROAD COMMODITY INDEX

COMMENTARY + STRATEGY FACTS

DECEMBER 2021

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007*)



	S&P GSCI ER	BCOMM ER	BARCLAY BTOP50 CTA INDEX
Correlation	0.64	0.76	0.38

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MORNINGSTAR™ ★★★★★

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

AUSPICE Capital Advisors

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SUMMARY

Commodities ended the year on a strong note after wobbling last month. As with many rallies in this sector, there were winners and losers for the month highlighting the diversity and the volatility that had been ignored until the last year. The top performing sub-sector was Energy but this was complimented by some Ags and Metals. Benchmarks rallied with the more diverse Bloomberg Commodity Index (BCOM) gaining 3.52% while the energy tilted GSCI outperformed adding 7.59%, both making back much of last month's corrections for a strong 2021 result.

With few exceptions, global equity markets gained in December to close off an outperforming year. Only a few markets were down including the Hang Seng (-0.33%) to end down 14.08% for the year alongside the Chinese FTSE A50 off 11.34%. The MSCI ACWI global benchmark ended up 18.54%, Europe's Dow Jones Eurostoxx added 20.99% while North American indices led gains with the S&P500 up 26.89% and the Canadian TSX/S&P60 up 24.37%.

Bond markets drifted slightly lower (higher rates) which is generally on trend for the last few months. The long end remains slightly stronger while short term rates reflect concerns that central banks will have to respond to inflationary pressures. We saw this in December as the Bank of England was the first major market to begin raising rates. The benchmark US 10-year note yield rose approximately 20bps to 1.65%, while the US Dollar consolidated capping off a strong year gaining 6.70% while commodity currencies were weaker than expected.

RESULTS

Auspice Broad Commodity gained 3.28% to be up 28.83% in 2021 with only two negative months in twenty-one since COVID hit. Per Table 1, the ABCERI gained alongside benchmarks and illustrates similar 1-year positive results to the long-only benchmarks, BCOM and GSCI, but significant outperformance during COVID and long term. Chart 1 shows the ABCERI has far more controlled pullbacks recently in November and during the COVID crisis in early 2020. In addition to better absolute return and downside control, the strategy operates at far less volatility (per Table 1 at 10.54% versus 16.48% and 23.71%) and risk resulting in far better risk-adjusted results. Superior long-term absolute returns have been achieved by exiting markets that are weak yet participating in commodity upside based on the merits of an individual commodity market — borrowing the disciplined trend-following approach from our CTA/managed futures background.

Chart 1 COMMODITY UPSIDE, DOWNSIDE PROTECTION

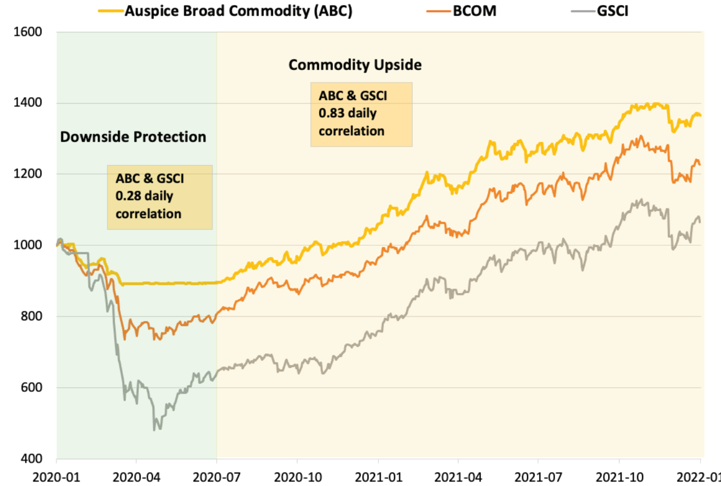
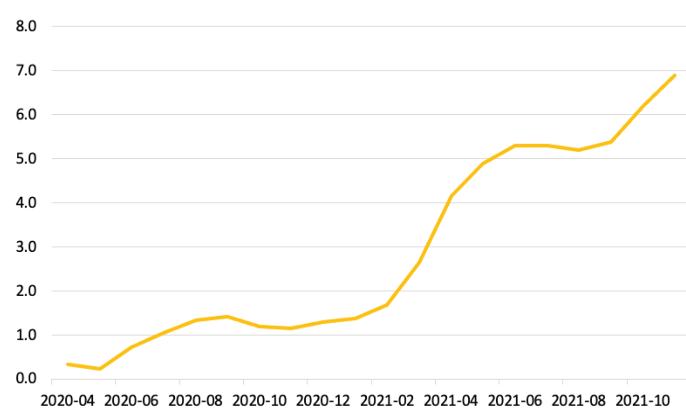


Table 1 ABSOLUTE PERFORMANCE

	ABCERI	BCOM ER	S&P GSCI ER	MSCI ACWI
1 Month	**3.28%**	3.52%	7.59%	4.00%
2021 YTD	**28.83%**	27.05%	40.29%	18.54%
1 yr (Jan 21)	**28.83%**	27.05%	40.29%	18.54%
3 yr (Jan 19)	**32.30%**	29.27%	22.76%	74.46%
5 yr (Jan 17)	**20.63%**	13.32%	8.67%	95.91%
10 yr (Jan 12)	**-1.24%**	-29.51%	-46.53%	206.48%
15 yr (Jan 07)	**89.48%**	-40.44%	-56.46%	178.02%
Annualized (Jan 07)				
Return	**4.35%**	-3.40%	-5.39%	7.06%
Std Deviation	**10.54%**	16.48%	23.71%	16.31%
Sharpe Ratio	**0.48**	-0.11	-0.10	0.55
MAR Ratio	**0.13**	-0.05	-0.06	0.13
Worst Drawdown	**-42.90%**	-73.87%	-88.06%	-54.92%

Chart 2 CONSUMER PRICE INDEX (CPI) YOY % CHANGE



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OUTLOOK

Central banks have signaled that they will begin to raise rates and tighten monetary conditions as the world continues to experience stubbornly high inflation, December US CPI (+6.9%, Chart 2) again breaking generational records.

In 2021 the global bond benchmark Bloomberg Barclays US Agg delivered just its fourth negative year (-1.54%) in four decades while the S&P 500 forward PE sits at the highest levels (22) in two decades. As per Chart 3, there have been few, if any instances in which inflation has been successfully stabilized without recession.

So far throughout the pandemic bouts of volatility have been tamed by accommodative monetary and fiscal policy. This safety net likely will be less reliable going forward and as previous inflationary surges have demonstrated, diversification into alternatives will be key.

ATTRIBUTIONS AND TRADES

December's gains were led by petroleum energies while Natural Gas continued to correct and was exited. While energies led the attribution, Metals and Ags also contributed (see Chart 4).

While gas was exited, strong energy performance and volatility was led by WTI Crude oil which gained 14% adding up to 56% for the year. This had us reduce exposure slightly during the month. Additionally, we added Corn to the Ags portfolio to remain long 9 of 12 components or 75% of available components (see Chart 5).

The top performing positions were all petroleum energies along with Gold which gained almost 3%. The weakest components were Natural Gas and Wheat which fell 2%.

SECTOR HIGHLIGHTS

ENERGY

Energies added to their strong year even as Natural Gas dropped over 17% and was exited. We remain long Crude Oil, Heating Oil and Gasoline.

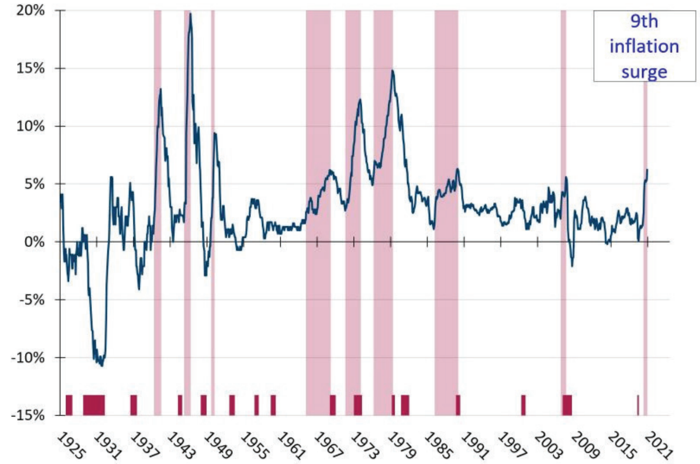
METALS

Metals gained as Gold and Copper continued to perform while Silver remains a laggard and we remain without an exposure. Overall, both the Precious and Industrial metals markets were muted in 2021 and will be a sector to watch in 2022.

AGRICULTURE

The diverse Ag sector was helped by gains in Cotton and Sugar while Grains went in different directions. Wheat pulled back while Corn and Soybeans rallied, yet as we added Corn back to the portfolio, we remain on the sidelines in Soybeans which has struggled since May. This exemplifies the diversity, agility and tactical complexity of participating in the commodity markets in a risk responsible way.

Chart 3 INFLATION SURGES AND RECESSIONS



Source: Campbell Harvey, LinkedIn

Chart 4 INDEX RETURN ATTRIBUTION

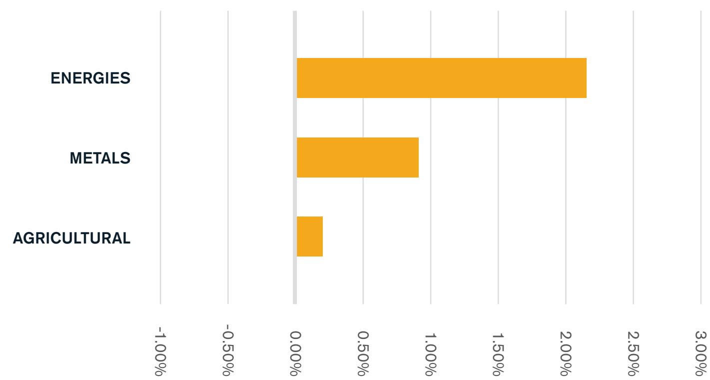
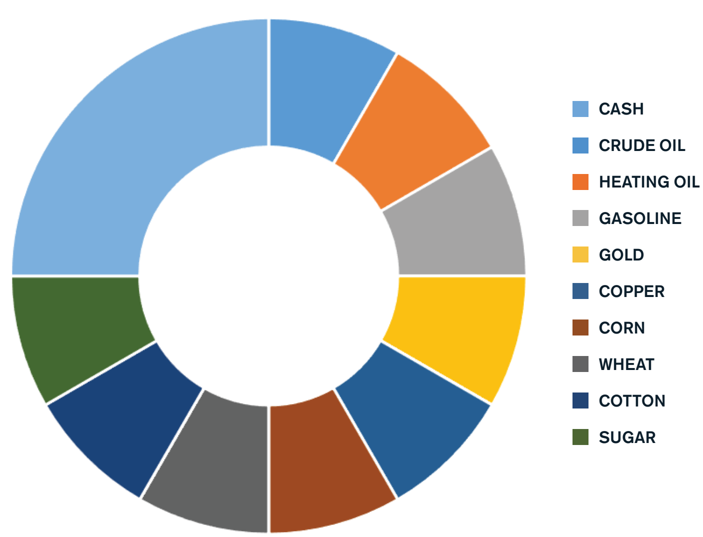


Chart 5 COMPONENT EXPOSURE: LONG / CASH



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AUSPICE **BROAD COMMODITY INDEX**

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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.

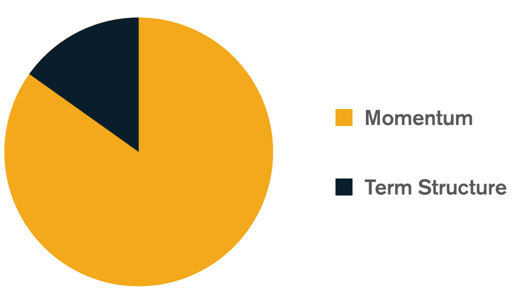
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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

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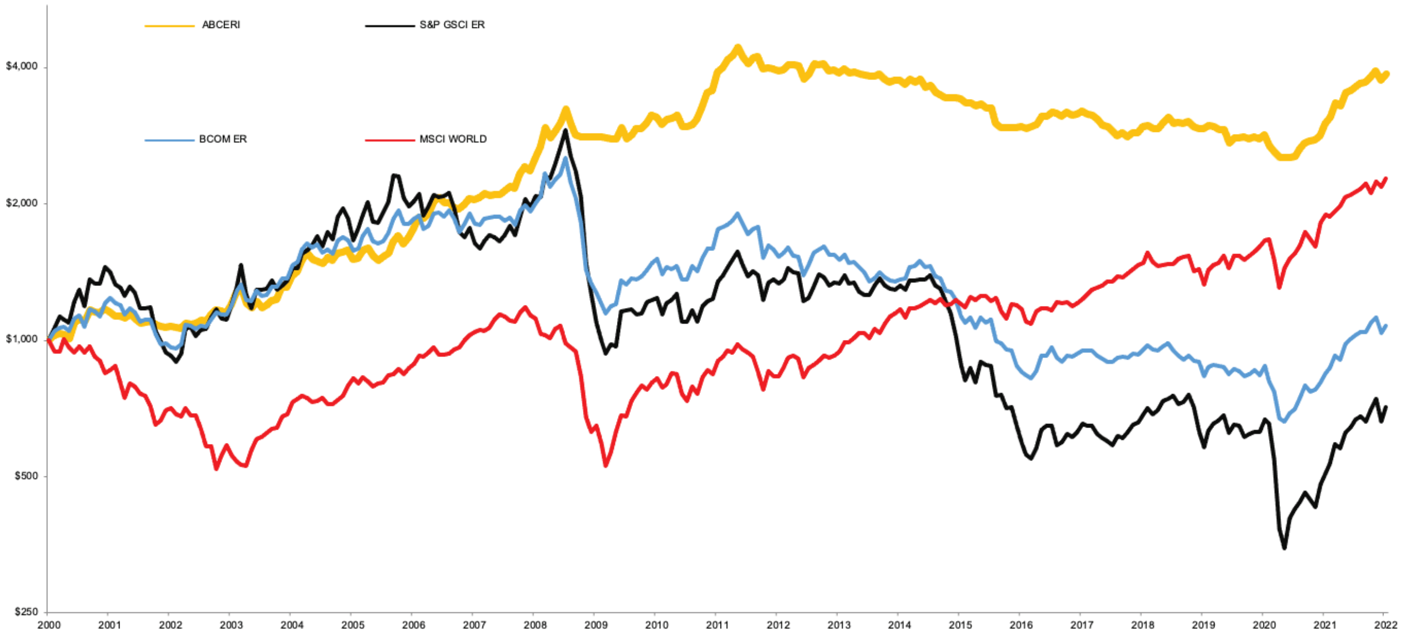
COMPARATIVE BROAD COMMODITY INDEX PERFORMANCE



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%	1.13%	1.90%	1.55%	0.38%	2.64%	3.41%	-4.62%	3.28%	**28.83%**
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

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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.

The **EURO STOXX 50** is a stock index of Eurozone stocks designed by STOXX, an index provider owned by Deutsche Börse Group. As of April 2021, the index is dominated by France and Germany.

The **Hang Seng Index** is a freefloat-adjusted market-capitalization-weighted stock-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.

The **China FTSE A50** Index is a stock market index by FTSE Group, the components were chosen from Shanghai Stock Exchange and Shenzhen Stock Exchange, which issue A-share; B-share were not included.

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.

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