AUSPICE

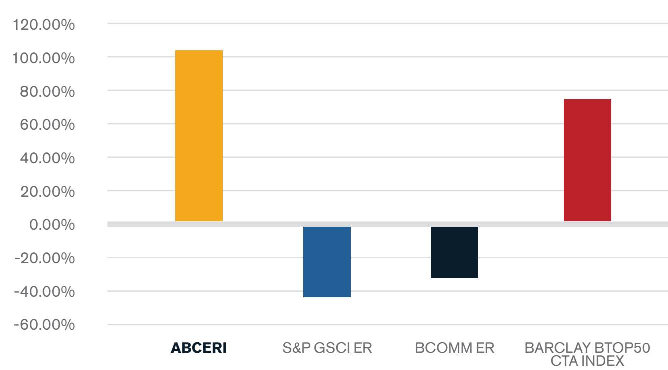
BROAD COMMODITY INDEX

COMMENTARY + STRATEGY FACTS

OCTOBER 2022

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007)



Correlation	0.64	0.77	0.39

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MORNINGSTAR ★★★★★

3 Year Morningstar Rating™ for Direxion Auspice Broad Commodity Strategy Fund ETF (COM), which tracks ABCERI. Overall Morningstar Rating™ out of 102 US Fund Commodities Broad Basket funds based on risk adjusted returns as of 09/30/2022†

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SUMMARY

The commodity market rallied led by petroleum energies while Natural Gas and Metals were largely weak alongside Soft commodities – pun coincidental. After topping in April/May, this is the first month of broad gains.

The passive long-only benchmarks gained with the energy heavy GSCI adding 6.37% while the more diverse Bloomberg Commodity Index (BCOM) gained 1.67% highlighting the energy concentrated rebound.

With the exception of Asia, global equity markets rallied. The NASDAQ and S&P500 gained 3.9% and 7.9% while the global benchmark MSCI ACWI added 6% for -21.2% on the year. Canada's S&P/TSX60 remains the best of the worst adding 5.4% for -8.6% in 2022 buoyed by the energy sector which rallied over 20% in October.

US CPI inflation again softened ever so slightly to 8.2% (YoY % growth September reported) per Chart 2, but central banks continued to hike sharply across the globe. The Bank of Canada raised 0.50% to 3.75% while the US and UK are expected to raise at least 0.75% in the early days of November. Bond yields continue to move up with the benchmark US 10-year note rate closing at 3.94% from 3.80% ending September. The US Dollar remains relatively strong losing a mere 0.60%, a nearly 17% gain this year.

RESULTS

After curtailing the pullback in commodities in recent months, the Auspice Broad Commodity index was down slightly as it shifts to a neutral stance, preserving the gains and earning a cash return on related products. Per Table 1, while underperforming the long only benchmarks this year, it should be highlighted that when one looks at results longer than the last year, the outperformance becomes apparent. This is what should be considered to participate in the commodity markets full-cycle. The 3 and 5-year result is stronger while the 10 and 15 year is positive unlike the commodity benchmarks. Moreover, at 10.6% volatility, the risk-adjusted and absolute results are exceptional in the category.

Per Chart 1, the recent results show the strategy flat-lining while the comparables remain volatile and pulled back post Q1. For the entire period, which illustrates the wild selloffs and gains over the last 3 years, the Auspice index shows excellent upside capture with a fraction of the volatility and much smaller pullbacks than comparable long-only indices. Since the beginning of 2020, the Auspice strategy has the highest return with the smallest pullback providing a far better portfolio result and client experience in this diverse, volatile and opportune asset class.

OUTLOOK

Given the downside momentum and losses for the year in equities, it would appear the "buy the dip" mentality that dominated the past decade has been replaced with "sell the rip" as experienced throughout the 1970s. Bonds continued to selloff much of the month and remain with a 4% gap to close between US CPI (8.2%) vs the US 10-year yield (3.94%).

(CONTINUED NEXT PAGE)

Chart 1 COMMODITY UPSIDE, DOWNSIDE PROTECTION

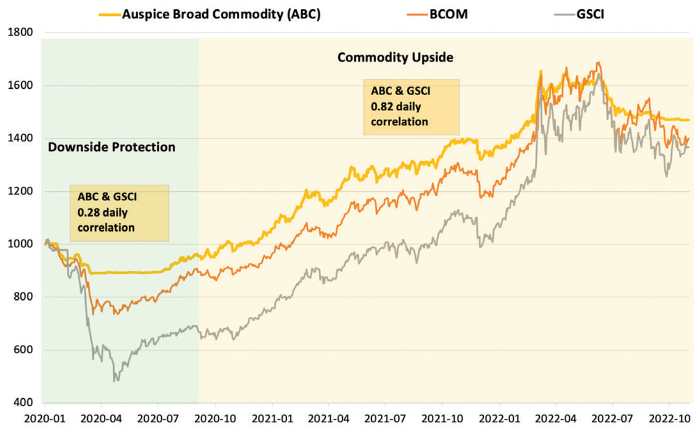
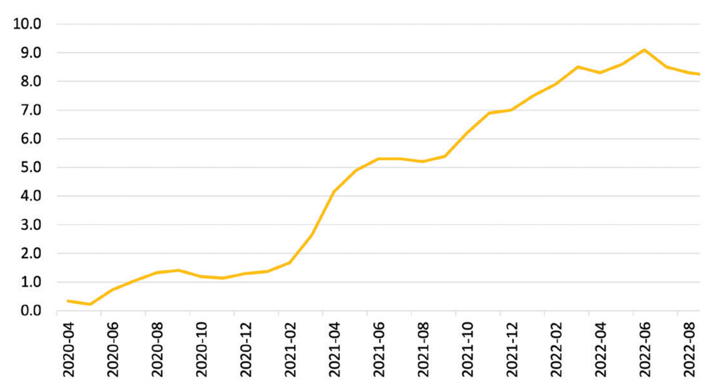


Table 1 ABSOLUTE PERFORMANCE

	ABCERI	BCOM ER	S&P GSCI ER	MSCI ACWI
1 Month	**-0.14%**	1.67%	6.37%	6.03%
2022 YTD	**7.70%**	14.30%	28.25%	-21.14%
1 yr (Nov 21)	**6.09%**	9.67%	23.04%	-19.96%
3 yr (Nov 19)	**48.51%**	43.06%	45.85%	15.25%
5 yr (Nov 17)	**45.63%**	31.52%	40.51%	29.09%
10 yr (Nov 12)	**6.08%**	-20.59%	-30.87%	115.56%
15 yr (Nov 07)	**72.24%**	-38.24%	-55.40%	85.60%
Annualized (Jan 07)				
Return	**4.61%**	-2.40%	-3.61%	5.08%
Std Deviation	**10.58%**	16.85%	23.80%	16.64%
Sharpe Ratio	**0.50**	-0.05	-0.02	0.43
MAR Ratio	**0.11**	-0.03	-0.04	0.09
Worst Drawdown	**-42.90%**	-73.87%	-88.06%	-54.92%

Chart 2 CONSUMER PRICE INDEX (CPI) YOY % CHANGE



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OUTLOOK (CONTINUED)

Confidence appears low given central bank hikes and recessionary threats that appear to be fuelling volatility in other areas (see commodities).

The benchmark commodity index GSCI TR continues to consolidate after a trough (May 2020) to peak (June 2022) 179% return that ended the previous decade's bear market trend.

Compared to the 587% cumulative return the GSCI TR experienced in the 1970s and the 7366% cumulative return (12% annualized return) over the last commodity supercycle 1970 to 2007, it is potentially early innings in this highly diversifying asset class. Given the recent pullback and consolidation, this could be an opportune time to add tactical commodity exposure. See this month's blog for more.

ATTRIBUTIONS AND TRADES

The portfolio continued to reduce exposure in October exiting the single remaining exposure in Natural Gas. This is rare, only occurring twice in the last 14 years and illustrates the ability of the strategy to go to cash to preserve gains and reduce risk when upside trends have been compromised – even if temporarily. As such, the loss was small per Chart 4. Out of these periods, the gains have been notable and are discussed in the monthly Auspice blog.

To be clear, the strategy is holding none of the 12 components or 0.0% of available components (see Chart 5).

SECTOR HIGHLIGHTS

ENERGY

While petroleum markets rallied, the strategy remains without an exposure. The remaining exposure in Natural Gas was exited as the market fell 12% by month end.

METALS

Metals were mixed with Gold and Copper falling while Silver bucked the trend. Overall, Metals were weak globally with only a few exceptions. We do not hold any exposures in the sector at this time.

AGRICULTURE

Grains also showed their diversity as Corn and Soybeans rallied while Wheat sold off over 4%. Within Softs, Sugar managed a small gain while Cotton fell over 15%. We do not hold any exposures in the sector at this time.

Chart 3 GSCI COMMODITY & BTOP 50 CTA INDEXES

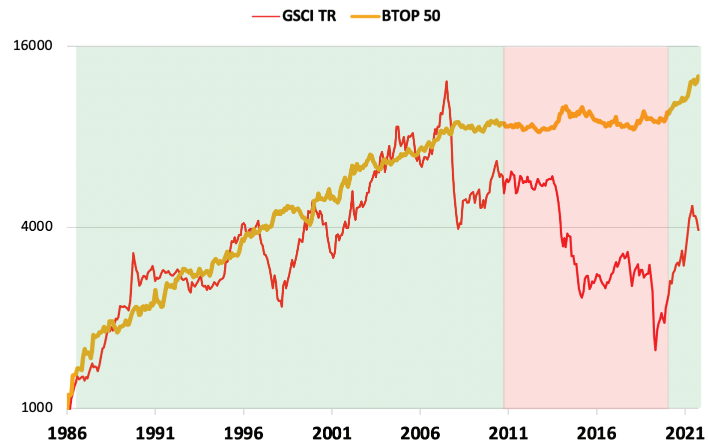


Table 2 CTA REGIME ANALYSIS

	1987-2010	2011-2019	2020-2022
Average CPI	2.9	1.8	4.3
Average VIX[1]	20.4	16.2	24.8
Ann. BTOP 50 CTA Return	9.17%	0.78%	12.48%

1 – VIX Data commences in 1990.

Chart 4 INDEX RETURN ATTRIBUTION

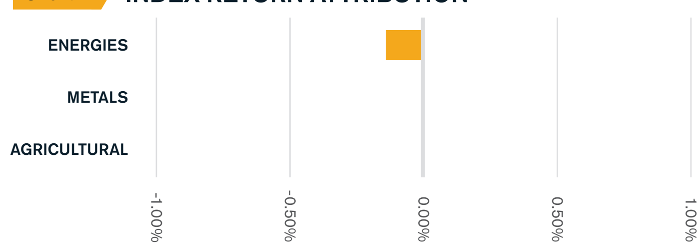
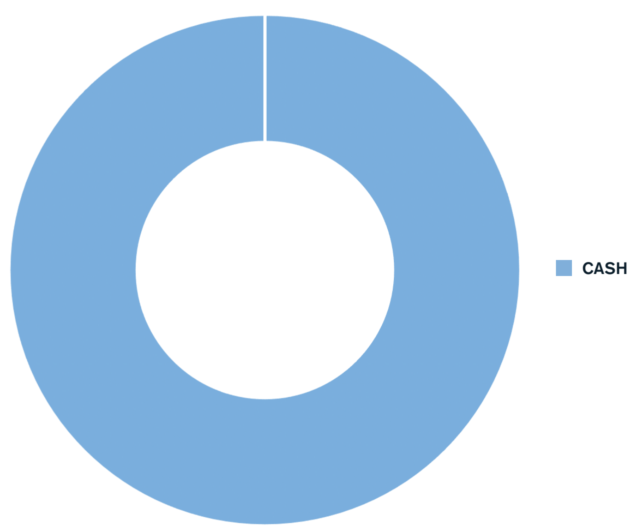


Chart 5 COMPONENT EXPOSURE: LONG / CASH



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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.

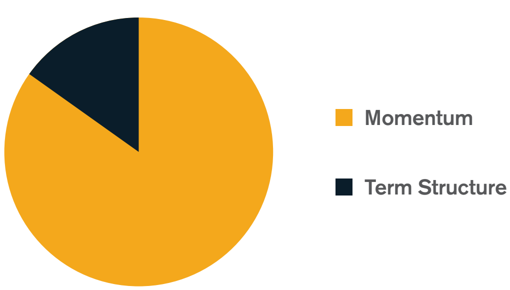
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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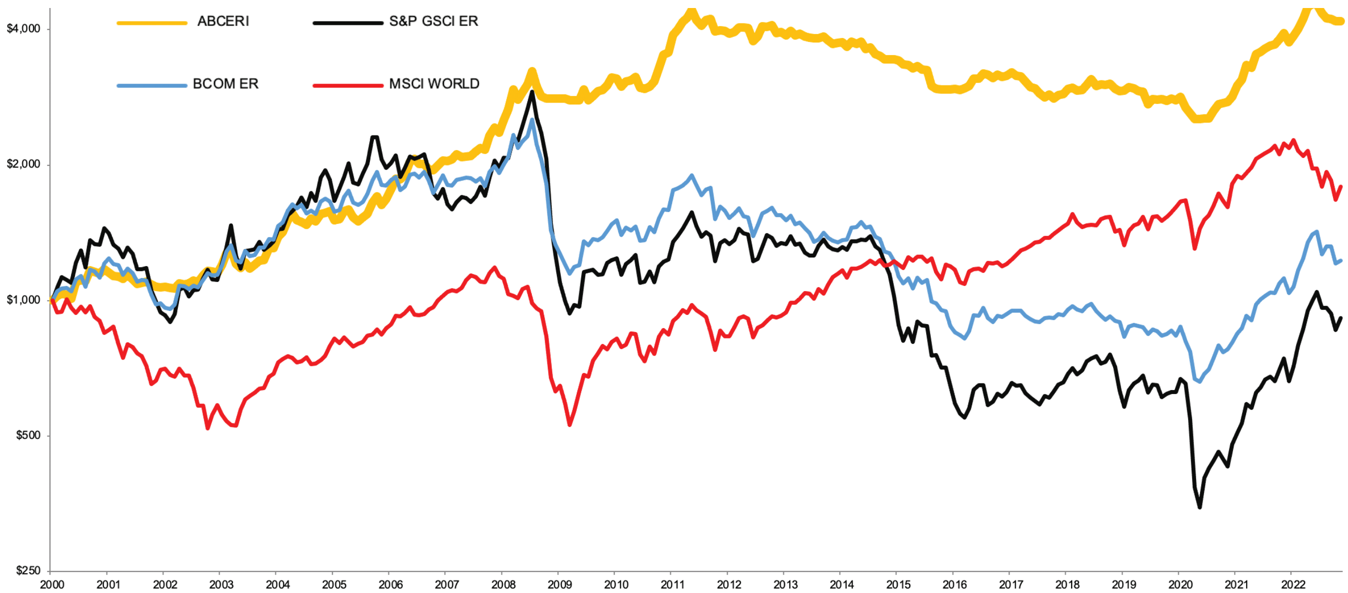
COMPARATIVE BROAD COMMODITY INDEX PERFORMANCE



MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2022	3.57%	5.21%	6.42%	1.60%	-0.19%	-4.61%	-2.46%	-0.26%	-1.18%	-0.14%			**7.70%**
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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