



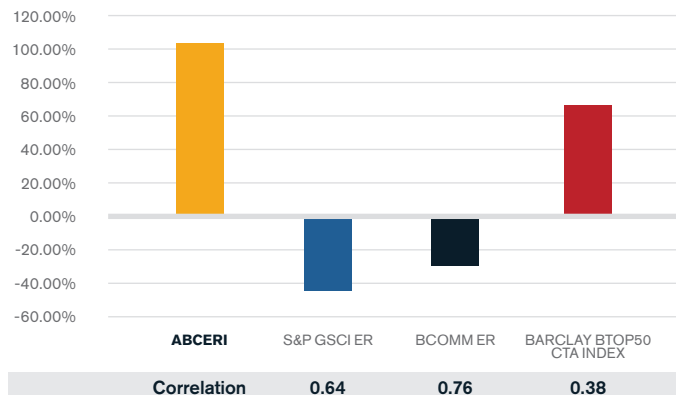
BROAD COMMODITY INDEX

COMMENTARY +
STRATEGY FACTS

NOVEMBER 2022



CUMULATIVE PERFORMANCE (SINCE JANUARY 2007)



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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 09/30/2022¹

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SUMMARY

The commodity market showed its unique diversity as both sub-sectors and their components went in different directions for a broadly neutral result. Within this, there were some significant moves, mostly to the upside, resulting in notable changes in trend. Generally, Metals were strong, Energies were weak, while Grains and Softs had moves either way.

The passive long-only benchmarks were mixed with the energy heavy GSCI falling 2.05% while the more diverse Bloomberg Commodity Index (BCOM) gained 2.38% highlighting the gains outside of energies.

Global equity markets rallied for a second month, this time including some of the lagging Asian markets. The NASDAQ and S&P500 gained 4.4% and 5.4% while the global benchmark MSCI ACWI added 7.8% to remain -15.0% on the year. Canada's S&P/TSX60 remains the best of the worst adding 5.3% for -3.7% in 2022 although this year's boost from the energy sector underperformed in November.

US CPI inflation again softened to 7.7% (from 8.2% YoY % growth October reported) per Chart 2, but central banks continued to hike rates. The US and UK both raised 0.75% in the early days of November as expected and ended the month with US Fed Chair Powell reiterating a hawkish stance. However, bond yields fell with the benchmark US 10-year note rate closing at 3.65% from 3.94% ending October. The US Dollar pulled back almost 5% and global currencies bounced almost universally led by the Yen, Euro and Aussie Dollar rallying over 7%, 5%, and 6% respectively.

RESULTS

After ending October with a neutral stance (no exposures) preserving the gains and earning a cash return on related products, the Auspice Broad Commodity index was down slightly (-0.25%) as it began re-positioning and adding exposures. Per Table 1, this result was right in the middle of the two notable long-only benchmarks for the month. When one looks at results longer than the last year, the outperformance becomes apparent and we believe this is what should be considered to participate in the commodity markets full-cycle in a risk responsible way. The 5-year result is stronger while the 10 and 15 year is positive (unlike the commodity benchmarks). Moreover, considering the much lower 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 recently while the comparables remain volatile and pulled back more sharply post Q1. The last 3 years have experienced strong rallies and aggressive sell-offs, yet the Auspice index shows excellent upside capture alongside the long-only benchmarks but with a fraction of the volatility and much smaller pullbacks. Since the beginning of 2020, the COVID pandemic and commodity rally post, the Auspice strategy has the highest return with the smallest pullback resulting in a more accretive addition to portfolio construction and more positive client experience in this diverse, volatile and opportune asset class.

Chart 1 COMMODITY UPSIDE, DOWNSIDE PROTECTION

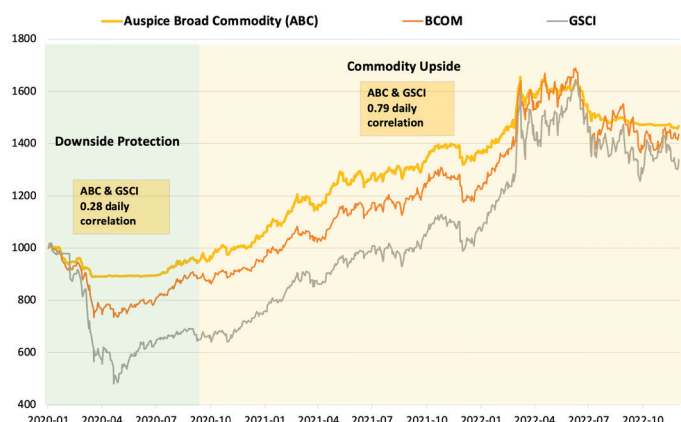
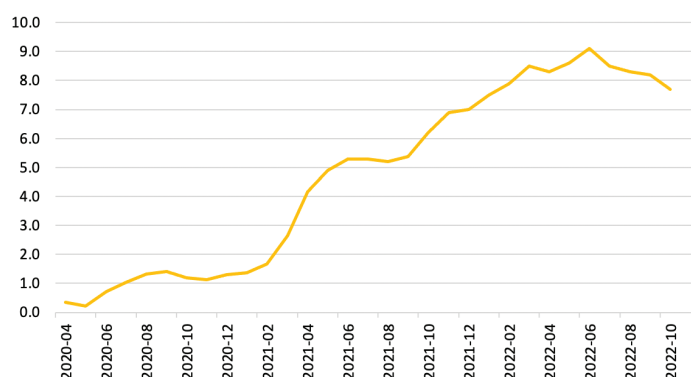


Table 1 ABSOLUTE PERFORMANCE

	ABCERI	BCOM ER	S&P GSCI ER	MSCI ACWI
1 Month	-0.25%	2.38%	-2.05%	7.76%
2022 YTD	7.43%	17.02%	25.62%	-15.02%
1 yr (Dec 21)	10.95%	21.14%	35.15%	-11.62%
3 yr (Dec 19)	49.19%	50.50%	43.06%	21.23%
5 yr (Dec 17)	44.65%	35.41%	35.90%	36.46%
10 yr (Dec 12)	5.14%	-18.73%	-33.27%	129.35%
15 yr (Dec 07)	76.07%	-34.52%	-54.50%	109.25%
Annualized (Jan 07)				
Return	4.57%	-2.24%	-3.72%	5.55%
Std Deviation	10.56%	16.82%	23.74%	16.69%
Sharpe Ratio	0.50	-0.04	-0.03	0.45
MAR Ratio	0.11	-0.03	-0.04	0.10
Worst Drawdown	-42.90%	-73.87%	-88.06%	-54.92%

Chart 2 CONSUMER PRICE INDEX (CPI) YOY % CHANGE



OUTLOOK

From a 30% rally in Iron Ore, an 11% rally in Copper, to a 13% rally in Silver, November saw strong rallies in many commodity markets. The re-emergence of longer-term commodity uptrends, something Auspice has been calling for, may be underway.

Equities, too, experienced strength in November, particularly in Asia and emerging markets. We are weary, however, of the sustainability of these trends. The treasury yield-curve inversion (US 2-year yield exceeded 10-year by more than 0.58%) reached a four-decade extreme in November, US inflation (CPI 7.7% for October) remains at levels not experienced since the early 1980s recession, and volatility (as measured by the VIX) has failed to return to the low pre-COVID levels.

This decade continues to look markedly different than last. Your portfolio potentially should too. See this month's blog for more.

ATTRIBUTIONS AND TRADES

The portfolio did not remain neutral for long, a rare event, adding back exposures during the month. Historically, out of these periods, the gains have been notable and are discussed in last month's (October) Auspice blog.

The strategy started adding Sugar, followed by Silver then Copper, indicating a potential shift back to the uptrend experienced broadly since July 2020. Per Chart 4, the attribution was slightly negative as we entered these positions.

The strategy is now holding 3 of the 12 components or 25% of available components (see Chart 5).

SECTOR HIGHLIGHTS

ENERGY

While Natural Gas rallied 3%, the petroleum markets softened universally led by WTI Crude off over 6%. The strategy remains without an exposure in the sector.

METALS

Metals were the strongest sector and the strategy added both precious and base (industrial) exposures in Silver and Copper. Overall, Metals were strong globally and trends appear to be changing more broadly.

AGRICULTURE

Grains also showed their diversity as Corn and Wheat fell while Soybeans gained 3.5%. We remain on the sidelines in Grains. Within Softs, Sugar reversed course gaining almost 10% and we entered a long trend exposure. Cotton also bounced back aggressively, over 20%, but remains in a more established downtrend currently.

Chart 3 GSCI COMMODITY & BTOP 50 CTA INDEXES

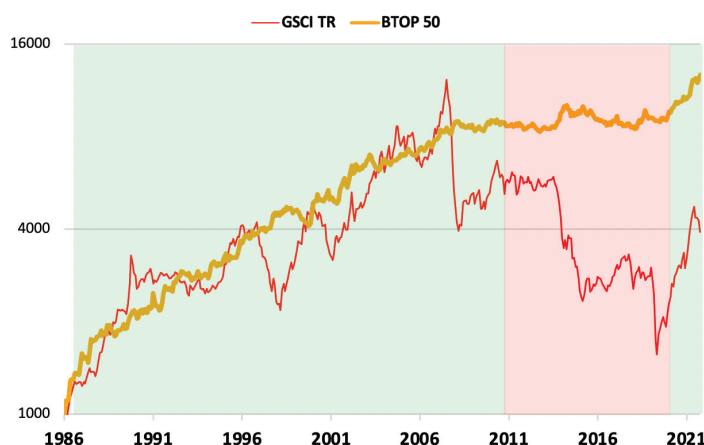


Table 2 CTA REGIME ANALYSIS

	1987-2010	2011-2019	2020-2022
Average CPI	2.9	1.8	4.5
Average VIX ¹	20.4	16.2	24.9
Ann. BTOP 50 CTA Return	9.17%	0.78%	10.00%

1 – VIX Data commences in 1990.

Chart 4 INDEX RETURN ATTRIBUTION

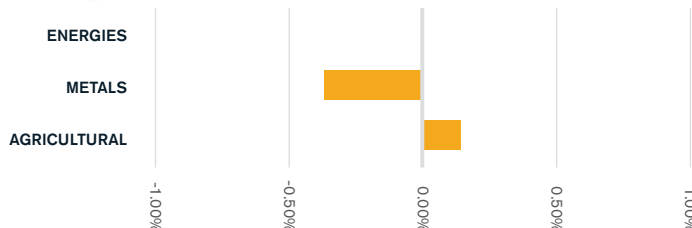
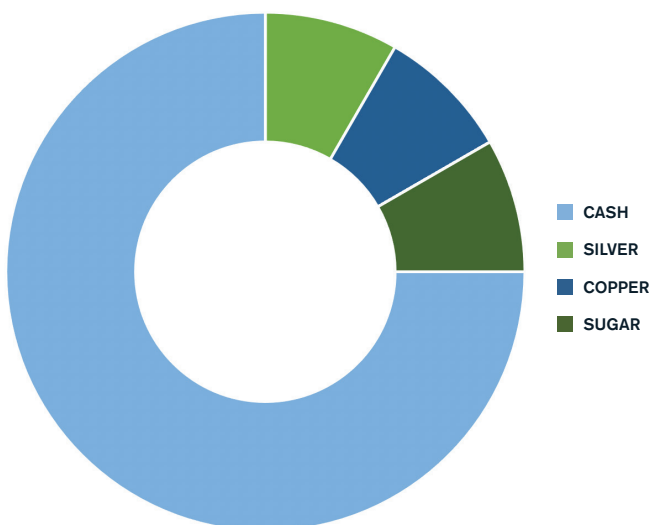


Chart 5 COMPONENT EXPOSURE: LONG / CASH



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.

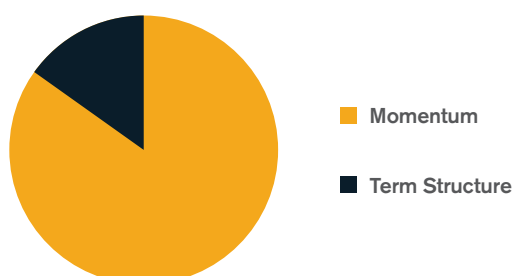
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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

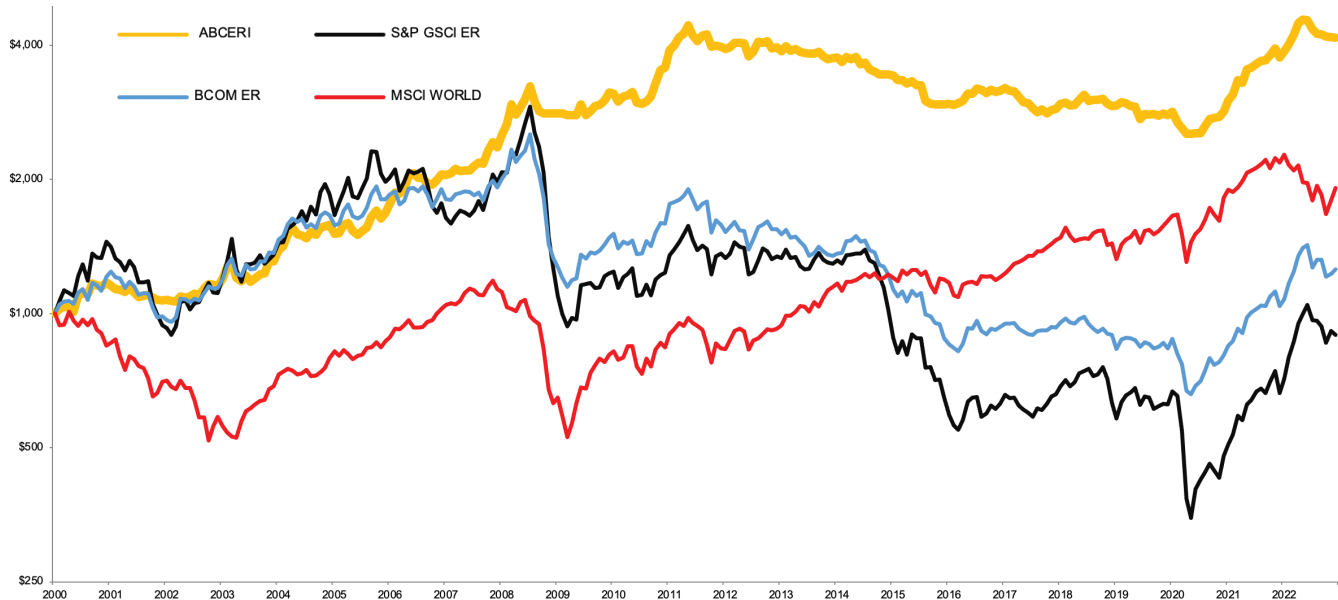
Licensing and/or sub-advisory of the strategy
Bespoke product design
ETFs: through partner firms
40 Act Mutual Funds: US investors through partner firms
Separately Managed Accounts

AUSPICE BROAD COMMODITY INDEX

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NOVEMBER 2022

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%	-0.25%		7.43%
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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