AUSPICE

BROAD COMMODITY INDEX

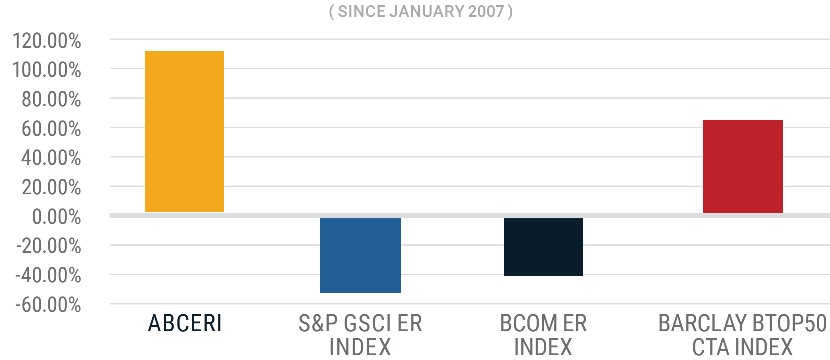
COMMENTARY + PROFILE

MAY 2023

All performance data, portfolio information and pricing contained herein is as of May 31st, 2023.

CUMULATIVE PERFORMANCE

(SINCE JANUARY 2007)



Correlation	0.64	0.76	0.35

Source: Bloomberg and Auspice Investment Operations. 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. You cannot invest directly in an index. Past performance is not indicative of future results.

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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 100 US Fund Commodities Broad Basket funds based on risk adjusted returns as of 04/30/2023†

AUSPICE **BROAD COMMODITY INDEX**

COMMENTARY + PROFILE

MAY 2023

SUMMARY

Source of data is Bloomberg unless otherwise indicated.

While the "risk-off" sentiment dominated performance across many global assets in May, results illustrated that it is not only asset class diversification that can provide differing results, but the tactical positioning within asset classes. This month it occurred outside of commodities in equities, a rare occurrence given the typical higher correlation within the asset class.

The long-only commodity benchmarks sold off aggressively, posting losses of over 6% with both the energy heavy GSCI and more diverse Bloomberg Commodity Index (BCOM) now off over 13% in 2023. Tactical approaches that embrace trend-following and risk management like ABCERI again performed better.

Beyond a few markets, most global benchmarks fell with some markets off sharply. While the tech heavy Nasdaq made a 5.8% gain to lead benchmarks globally over 20% for the year and the S&P500 eked out a 0.25% gain for the month, many markets struggled. The global benchmark MSCI ACWI lost 1.1%, while the TSX60 lost 5.5% and the Hang Seng dropped over 8%.

US CPI inflation softened to 4.9% (from 5.0% in March) per Chart 2. We note that the rate of decline has slowed and as such, speculation around rate cuts has subsided and central banks have continued to raise rates, albeit at a more muted pace. Despite the headline inflation softening slightly, we continue to observe persistent signs of commodity pressure showing up as "Agflation" as discussed in last month's blog with Corn and Cotton making gains despite overall market weakness. Both the US Fed and the Bank of England raised rates 0.25% in early May. Bond yields rose slightly with the benchmark US 10-year note rate closing at 3.64% from 3.43% as it looks like the US government will reach a debt ceiling deal and avoid default.

The US dollar gained 2.8% vis-à-vis global currencies with the Euro and Yen both losing over 2% while the commodity tilted Canadian and Aussie dollars also weakened.

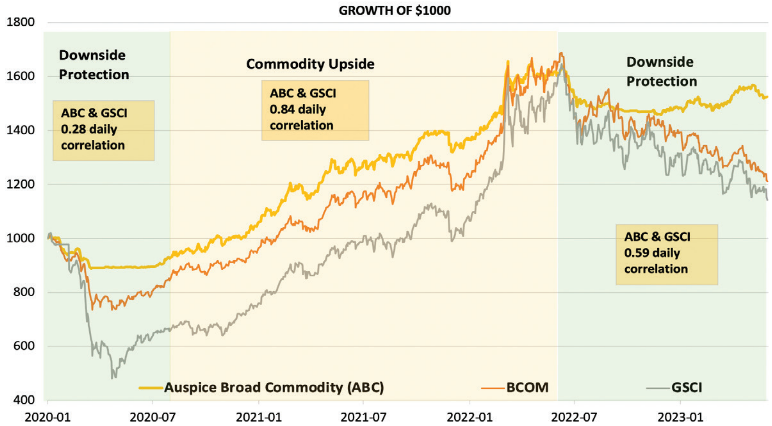
RESULTS

Per Table 1, Auspice Broad Commodity lost 2.31%, greatly limiting the broad market correction and again adding to the year-to-date outperformance over the benchmarks, BCOM and GSCI. ABCERI is positive 2.78% in 2023 while benchmarks both added to losses for a significant 16% spread. Per Table 1, ABCERI has outperformed on most timeframes on absolute and risk-adjusted terms even though the strategy operates at a fraction of the risk in terms of volatility and drawdown.

Chart 1 provides a clear visual of the strategy results through both periods of commodity weakness and strength. Since pulling back in Q2 2022, the Auspice index has trended higher while benchmarks continued to slide. This is clear to see in the first five months of 2023 when the strategy has outperformed by participating tactically in markets moving higher, exiting markets that have turned lower, and remaining on the sidelines in markets that are weakening.

For portfolio managers and asset allocators, the Auspice strategy not only has provided better absolute and risk-adjusted results but has resulted in a more accretive addition and experience for client portfolios.

CHART 1 COMMODITY & CRISIS ALPHA



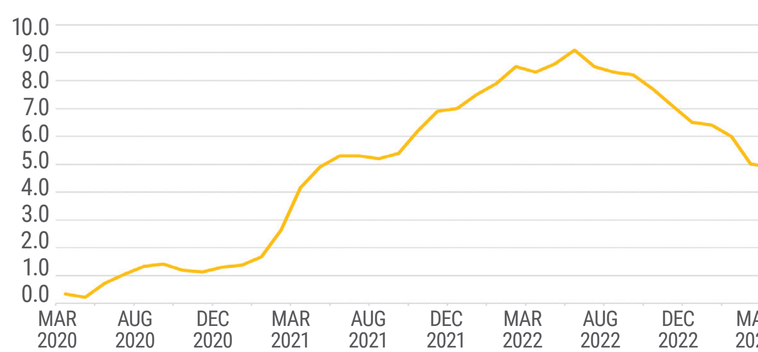
Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. You cannot invest directly in an index.

TABLE 1 ABSOLUTE PERFORMANCE

	ABCERI	BCOM ER INDEX	S&P GSCI ER INDEX	MSCI ACWI INDEX
1 Month	**-2.31%**	-6.08%	-6.55%	-1.07%
2023 YTD	**2.78%**	-13.16%	-13.21%	7.68%
1 yr (Jun 22)	**-5.02%**	-25.41%	-26.97%	0.85%
3 yr (Jun 20)	**70.57%**	54.19%	89.03%	33.35%
5 yr (Jun 18)	**39.56%**	7.99%	2.77%	38.77%
10 yr (Jun 13)	**12.64%**	-25.01%	-39.28%	112.20%
15 yr (Jun 08)	**43.22%**	-54.21%	-71.36%	125.00%
Ann. Return (Jan 07)	**4.67%**	-3.18%	-4.54%	5.60%
Std Deviation	**10.50%**	16.68%	23.46%	16.60%
Sharpe Ratio	**0.51**	-0.10	-0.07	0.45
MAR Ratio	**0.11**	-0.04	-0.05	0.10
Worst Drawdown	**-42.90%**	-73.87%	-88.06%	-54.92%

Source: Bloomberg and Auspice Investment Operations. 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. You cannot invest directly in an index. Past performance is not indicative of future results.

CHART 2 CONSUMER PRICE INDEX (CPI) YOY% CHANGE



Source: Bloomberg and Auspice Investment Operations.

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OUTLOOK

During the inflationary environment of the 1970s, commodities, as represented by the Goldman Sachs Commodity Index ("GSCI TR"), delivered a cumulative 586.56% return versus just 17.25% for the S&P500. Alongside strong commodity returns, there was also significant volatility throughout the decade with commodity pullbacks of -77.38%, -43.65%, and -40.76%.

We are increasingly bullish on long term commodity fundamentals however retracements, particularly after a strong commodity market since H2 2020, are to be expected. The current consolidation and retracement in many (but not all) commodities, now fourteen months long, could prove an opportune time to add exposure.

With respect to equities, we are less optimistic. If there is one single tenet of investing to follow, it is "Don't Fight the Fed". The market has arguably been trying to, and not believing Central Bankers who are insisting they won't drop rates any time soon.

The narrow breadth of strength and leadership in equities is also of concern to us. From a technical perspective, markets are strongest when rallies are broad based and weakest when they are driven by a handful of blue-chip stocks. The leadership of just a handful of tech stocks in 2023 should be viewed with caution in our opinion.

See this month's blog for more.

ATTRIBUTIONS AND TRADES

The Auspice Broad Commodity Index exited two markets in May: Copper and Soybeans. The portfolio still holds exposures in Metals and Ags while remaining without any Energy exposure. Per Chart 4, the attribution was negative led by weakness in Ags and Metals.

The strategy is now holding 3 of the 12 components or 25% of available components (see Chart 5) and able to add significantly to the commodity markets broadly as individual market merit develops.

SECTOR HIGHLIGHTS

ENERGY

Weakness was universal across both natural gas and petroleum markets with WTI Crude oil dropping over 11% and Gasoline losing 16.5%. The strategy remains without exposure in the sector.

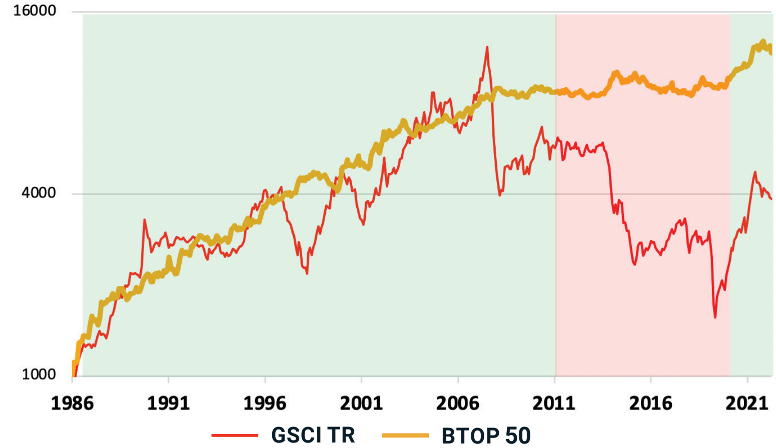
METALS

Metals corrected with weakness in both base and precious metals. Copper fell 6.5% and was exited. Gold and Silver remain in the portfolio.

AGRICULTURE

Corn and Cotton were commodity outperformers on the month, adding 1.5% and 3.3% respectively, highlighting the Agflation aspects we discussed in last month's blog. Soybeans dropped over 8% and the position was exited while Sugar was held but with reduced exposure.

CHART 3 GSCI COMMODITY & BTOP 50 CTA INDEXES



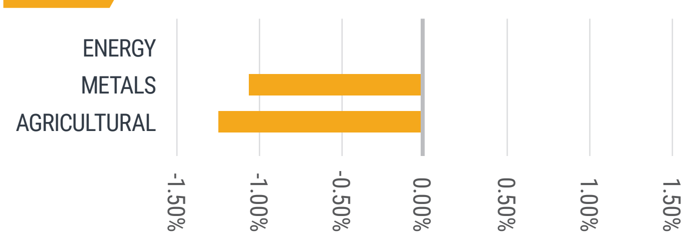
Source: Bloomberg and Auspice Investment Operations.
You cannot invest directly in an index.

TABLE 2 CTA REGIME ANALYSIS

	1987-2010	2011-2019	2020-2023
Average CPI	2.9	1.8	4.7
Average VIX[1]	20.4	16.2	24.5
Ann. CTA Return	9.17%	0.78%	7.78%

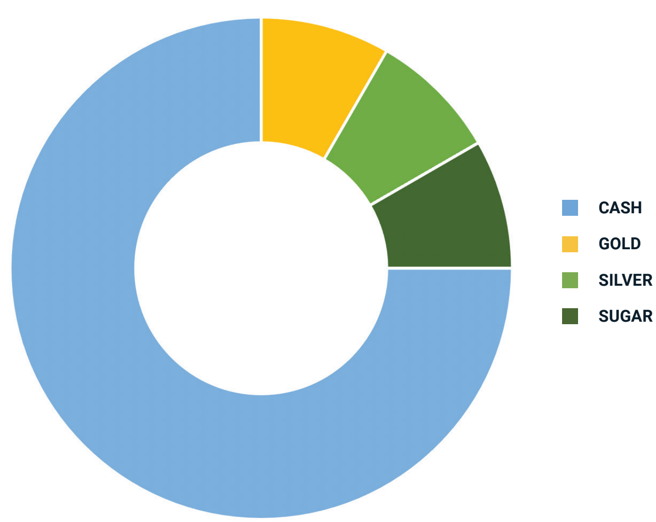
1 - VIX Data commences in 1990. Source: Bloomberg and Auspice Investment Operations. You cannot invest directly in an index.

CHART 4 INDEX RETURN ATTRIBUTION



Source: Bloomberg and Auspice Investment Operations.

CHART 5 COMPONENT EXPOSURE: LONG / CASH



Source: Auspice Investment Operations.

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.

WHY AUSPICE INDICES

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

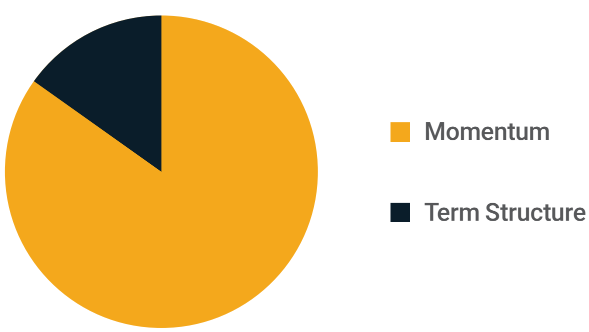
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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



Source: Auspice Investment Operations.

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

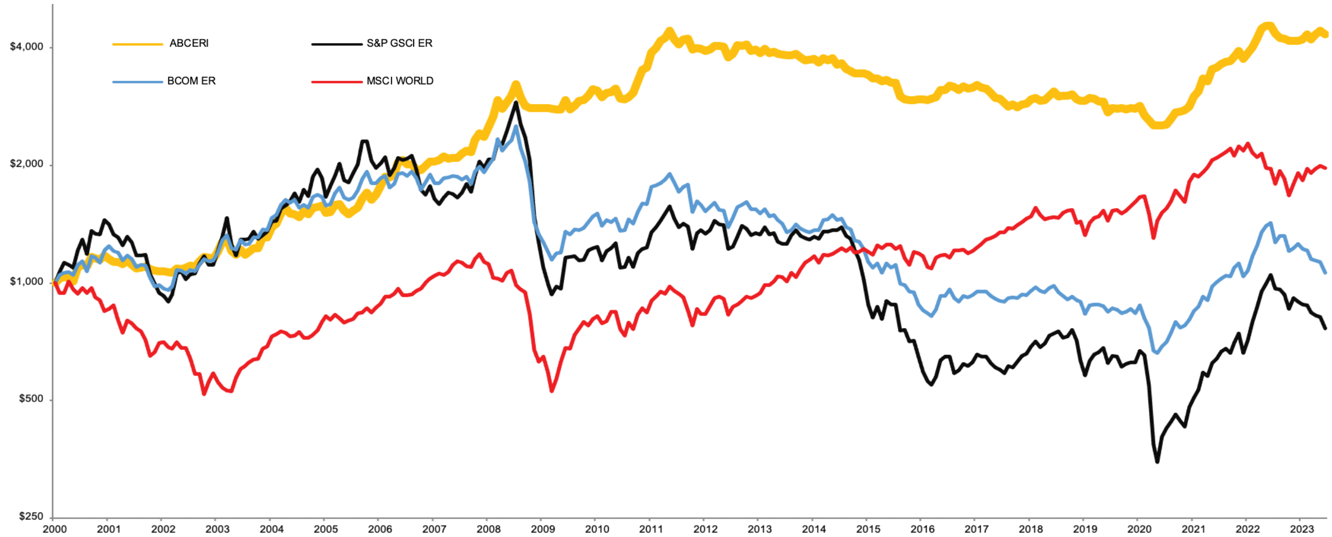
OTHER DETAILS

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

COMPARATIVE BROAD COMMODITY INDEX PERFORMANCE



Source: Bloomberg and Auspice Investment Operations. 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. You cannot invest directly in an index. Past performance is not indicative of future results.

MONTHLY PERFORMANCE TABLE*

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2023	2.78%	-2.85%	3.23%	2.07%	-2.31%								**2.78%**
2022	3.57%	5.21%	6.42%	1.60%	-0.19%	-4.61%	-2.46%	-0.26%	-1.18%	-0.14%	-0.25%	1.16%	**8.68%**
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.

Source: Bloomberg and Auspice Investment Operations. 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. You cannot invest directly in an index. Past performance is not indicative of future results.

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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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