



BROAD COMMODITY INDEX

COMMENTARY
+ PROFILE

MAY 2024

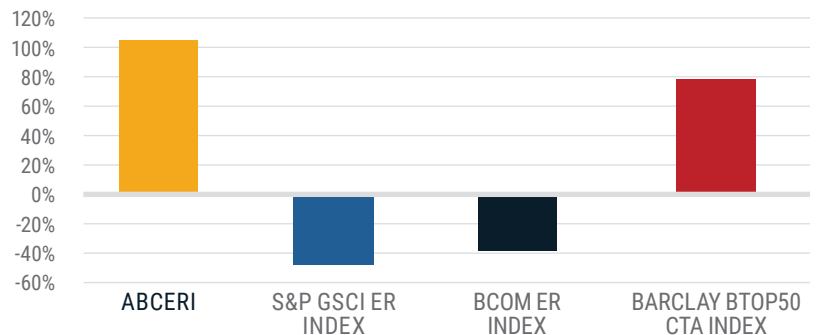
All performance data, portfolio information and pricing contained herein is as of May 31st, 2024.

AUSPICE Capital Advisors

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



CUMULATIVE PERFORMANCE (SINCE JANUARY 2007)



Correlation	0.63	0.75	0.35
	ABCERI	S&P GSCI ER INDEX	BCOM ER INDEX

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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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 02/29/2024†

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SUMMARY

Source of data is Bloomberg unless otherwise indicated.

May was a good month for commodities broadly but in typical fashion, it was driven by unique sub-sector performance. Again, the strongest sector was Metals while Energies continued its pull back.

The long-only commodity benchmarks moved in opposite directions: the Bloomberg Commodity Index (BCOM ER) was up 1.3% while the energy tilted Goldman Sachs Commodity Index (GSCI ER) lost 2.4%. This has both benchmarks positive for 2024 but further narrows the energy driven outperformance by GSCI per Table 1.

After a strong correction in April, the global stock rally that started late in 2023 continued. The S&P500 and Nasdaq gained 4.8% and 6.9% respectively while Canada's TSX60 added 2.4%. The global benchmark MSCI ACWI was up 4.1% yet Asian markets were mixed as Japan's Nikkei eked out a 0.2% gain while the China A50 lost 0.5%.

While US CPI retreated slightly from 3.5% to 3.4% (for the April reading see Chart 2), per the Financial Times "the US Federal Reserve warned it may have to keep rates higher for longer to tame price pressures". As such, the Fed held rates unchanged for the 6th time and effectively dashed hopes of central bank cuts in the first half of 2024. We believe the narrative from the US Fed appears to be more accepting of a structural shift in inflation to 3% (plus) as normal and the 2% target as less likely in the near term.

Rates fell slightly after April moved back to near October 2023 highs with the benchmark US 10-year Note moving from 4.7% to 4.5%. The US Dollar Index corrected 1.4% vis-à-vis global currencies with the Aussie Dollar gaining 2.4% alongside the British Pound and Euro adding 1.8% and 1.4% respectively. The Canadian Dollar added 0.9%.

RESULTS

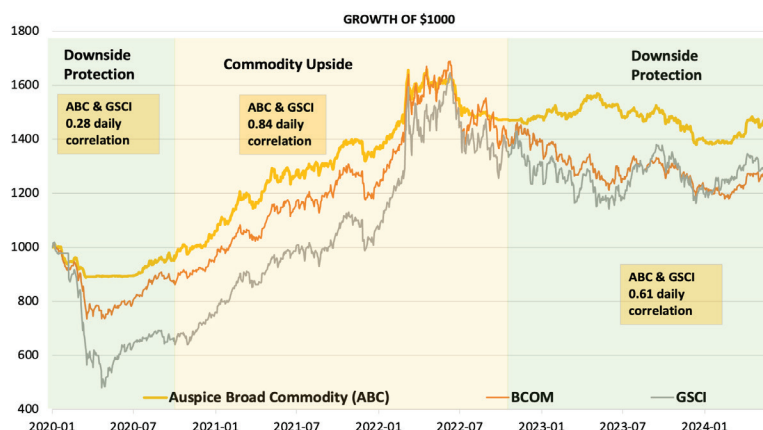
Per Table 1, Auspice Broad Commodity gained 1.2% in line with the long-only and similarly diverse Bloomberg Commodity index (BCOM) benchmark. Both outperformed the energy tilted GSCI.

In addition to outperforming the BCOM thus far in 2024, note Auspice Broad Commodity operates at a significantly lower volatility than the benchmarks and thus the true outperformance is illustrated when adjusted for risk in terms of volatility and drawdown. With a long-term volatility near 10% per Table 1, this represents a more "bond-like" volatility, far less than the BCOM or global equities (MSCI) at over 16%, and GSCI at 23%. In addition to outperformance on a 5-year basis, when we look longer representing a full cycle exposure- on a 10- and 15-year basis, Auspice Broad Commodity provides a positive result to the negative benchmark results. Since 2007, the annualized gain is positive versus benchmarks negative, and a spread of 7-8%.

The recent benefits of the active Auspice Broad Commodity strategy are illustrated in Chart 1: adding a layer of tactical trend-following and risk management has produced a strong result since the onset of COVID in 2020 in comparison to the passive commodity benchmarks. The chart shows a clear visual of the ABCERI index strategy protecting the downside in weakness yet participating on the upside while upholding performance in recent consolidation.

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CHART 1 COMMODITY & CRISIS ALPHA



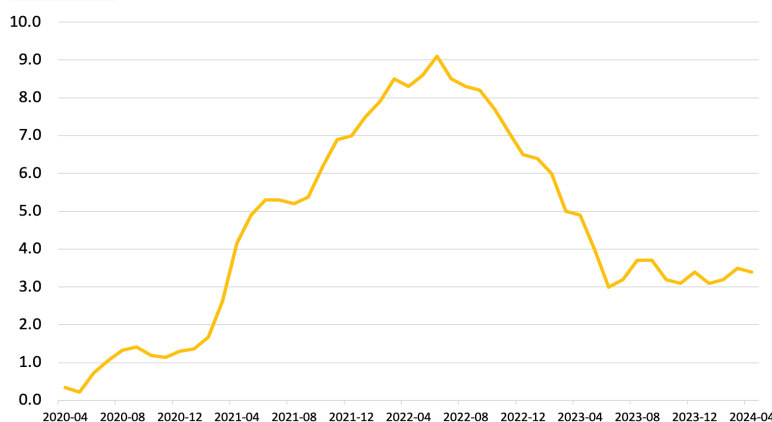
Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. You cannot invest directly in an index.

TABLE 1 ABSOLUTE PERFORMANCE

	ABCERI	BCOM ER INDEX	S&P GSCI ER INDEX	MSCI ACWI INDEX
1 Month	1.22%	1.30%	-2.35%	4.06%
2024 YTD	5.72%	4.41%	7.08%	8.88%
1 yr (Jun 23)	-3.31%	5.13%	12.16%	23.56%
3 yr (Jun 21)	17.29%	10.95%	33.82%	16.15%
5 yr (Jun 19)	53.16%	32.54%	37.29%	73.71%
10 yr (Jun 14)	15.53%	-23.04%	-37.12%	123.98%
15 yr (Jun 09)	42.02%	-17.56%	-26.05%	326.14%
Ann. Return (Jan 07)	4.20%	-2.72%	-3.65%	6.55%
Std Deviation	10.32%	16.35%	23.06%	16.50%
Sharpe Ratio	0.47	-0.08	-0.03	0.51
Sortino Ratio	0.77	-0.10	-0.04	0.74
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.

¹ Reference Link

RESULTS (CONTINUED)

ETFs that track ABCERI (NYSE “COM” and TSX “CCOM”) have benefitted by earning a cash return on over 90% of the ETF AUM. This is a structural edge in managing this portfolio using futures contracts. Year-to-date this has added over 2% of additional gains over the underlying ABCERI index (which does not include collateral cash return). COM and CCOM ended up 2.0% and 1.5% in May and are up 7.6% and 7.9% year-to-date.

OUTLOOK

In May JPMorgan CEO Jamie Dimon said he can’t see a way ahead for the U.S. economy that doesn’t end in stagflation – “extraordinary” government spending has him bracing for high inflation and unemployment².

Indeed, a structural shift upwards in CPI & PCE, both again elevated last month, is occurring alongside increasingly slowing growth and indebtedness. The percentage of people with delinquent credit card debt in the US for example reached the highest levels since 2008³.

While many expect interest rates to drop soon, we remind investors that historically four of the last five fed funds peaks have preceded recessions – the last two declines after interest rates pauses (2000 & 2006) led to S&P 500 selloffs of over 35%⁴. In both these instances, trend-following CTAs such as Auspice delivered strong offsetting performance.

Will this scenario occur again? Despite consolidation in commodity markets over the last year, in May, broadly we experienced a significant uptick in volatility and trends and a positive performance year-to-date. We see opportunity emerging in many commodity market trends. However, we caution investors from making concentrated bets as various themes capture headlines. See this month’s Auspice Blog for more⁵.

ATTRIBUTIONS AND TRADES

The Auspice Broad Commodity Index portfolio added one market and reduced one in May. The portfolio holds exposures across all sub-sectors: Energy, Metals and Ags. Per Chart 4, the attribution was strong in Metals with a correction in Energies, and we exited Heating Oil while Ags were up as we added Wheat.

The strategy continues to hold 6 of the 12 components or 50% of available components (see Chart 5) and remains able to add commodity markets broadly as individual market merit develops.

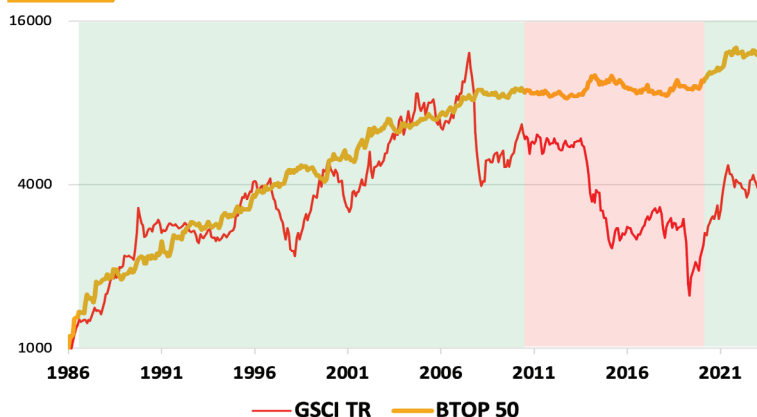
SECTOR HIGHLIGHTS

ENERGY After an extension to April’s weakness for Heating Oil, it was exited in mid-May. We continue to hold Crude Oil and Gasoline which moved down 5.4% and 9.8% as petroleum markets consolidated. Despite a headline producing rally in Natural Gas, gaining as much as 36% at one point before settling back at month end for a 17% gain, the strategy remains without an exposure in Natural Gas. This market has been weak for the better part of two years but is always one to watch for trend opportunity. The sector had a negative attribution to the portfolio.

METALS Metals led the portfolio performance with Silver leading the entire broad commodity sector as well as within both base industrial and precious metals. Silver added 14.2% while Gold and Copper advanced a similar 0.8%. We hold a full compliment of exposures including Gold, Silver and Copper.

AGRICULTURE After consolidating much of the year, Wheat broke out to the upside, rallying 12.5%, and we added it to the portfolio. We are watching Corn and Soybeans closely as they are displaying similar characteristics. On the other hand, Cotton and Sugar continue to trade lower, 2.9% and 5.7% respectively, and we remain without exposures.

CHART 3 GSCI COMMODITY & BTOP 50 CTA INDEXES



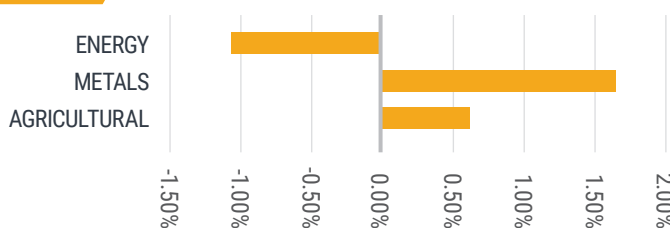
Source: Bloomberg and Auspice Investment Operations. You cannot invest directly in an index.

TABLE 2 CTA REGIME ANALYSIS

	1987-2010	2011-2019	2020-2024
Average CPI	2.9	1.8	4.4
Average VIX ¹	20.4	16.2	22.0
Ann. CTA Return	9.2%	0.2%	8.3%

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

CHART 4 INDEX RETURN ATTRIBUTION

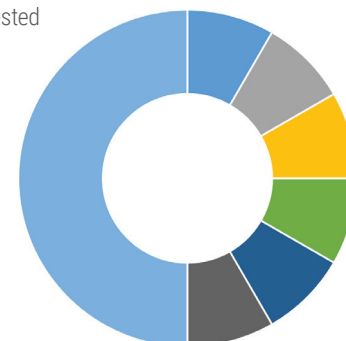


Source: Bloomberg and Auspice Investment Operations.

CHART 5 COMPONENT EXPOSURE: LONG / FLAT

ETFs that track ABCERI historically >90% invested in cash and earn a cash return, regardless of the number of active (long) positions.

- CASH
- CRUDE OIL
- GASOLINE
- GOLD
- SILVER
- COPPER
- WHEAT



Source: Auspice Investment Operations.

² Reference Link ³ Reference Link ⁴ Reference Link ⁵ Reference Link

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.

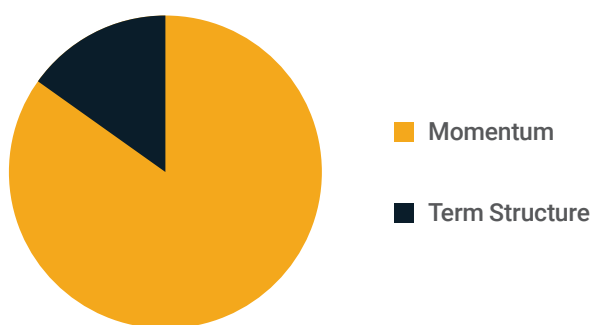
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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

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

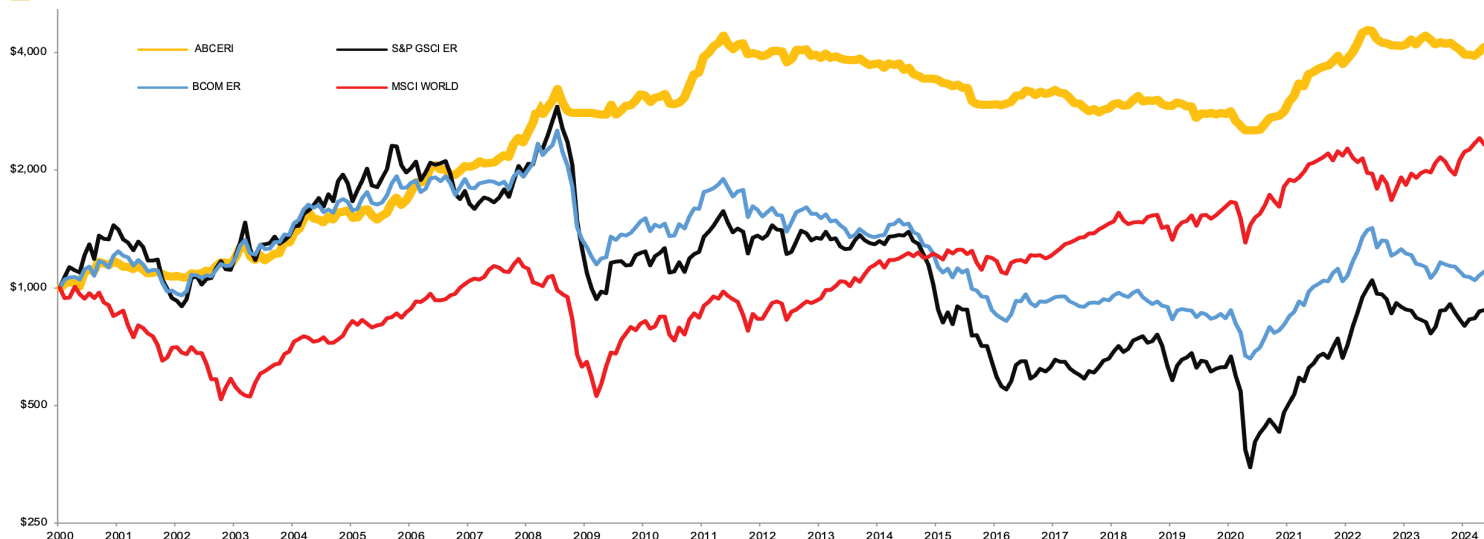
OTHER DETAILS

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
2024	0.03%	-0.57%	2.14%	2.80%	1.22%								5.72%
2023	2.78%	-2.85%	3.23%	2.07%	-2.31%	-2.87%	1.34%	-1.09%	0.61%	-2.04%	-1.85%	-2.89%	-6.00%
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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Some of the assumptions and opinions contained herein are the view or opinion of the firm and are based on management's analysis of the portfolio performance.

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.

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 (**BCOMER**), 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 equity 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 **FTSE China A50 Index** is a stock market index by the FTSE Group. The components were chosen from the Shanghai Stock Exchange and Shenzhen Stock Exchange, which issue A-shares. B-shares (shares for foreigners) are not included.

The DBIQ Diversified Agriculture Index Excess Return is a rules-based index composed of futures contracts on some of the most liquid and widely traded agricultural commodities.

The UN Food and Agriculture World Food Price Index (FAO Food Price Index) is a food price index by the Food and Agriculture Organization (FAO) of the United Nations. It records the development of world market prices of 55 agricultural commodities and foodstuffs.

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