



BROAD COMMODITY INDEX

COMMENTARY
+ PROFILE

JUNE 2024

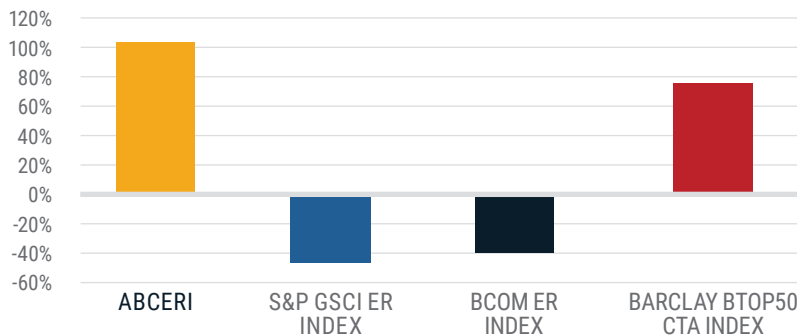
All performance data, portfolio information and pricing contained herein is as of June 30th, 2024.

AUSPICE Capital Advisors

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CUMULATIVE PERFORMANCE (SINCE JANUARY 2007)



Correlation	0.63	0.75	0.35
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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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5 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 06/30/2024†

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SUMMARY

Source of data is Bloomberg unless otherwise indicated.

June provided some strength in petroleum energy markets yet was challenging for most commodity sectors. While the diversity across and within sub-sectors often provides both up and down price action, the tilt was lower in June to end a positive first half of the year for the broad commodity sector as a whole.

The long-only commodity benchmarks again moved in opposite directions: the more diverse Bloomberg Commodity Index (BCOM ER) was down 1.9% for 2.4% in 2024 while the energy tilted Goldman Sachs Commodity Index (GSCI ER) added 1.0% for 8.2% per Table 1.

The stock rally that started late in 2023 continued yet it was not as “global” as recently experienced. While the S&P500 and Nasdaq gained 3.5% and 6.0% respectively and continued to lead based on a narrow AI and tech focus, Canada’s TSX60 and the Dow Jones Euro STOXX50 index lost 2.1% and 1.8%. The global benchmark MSCI ACWI was up 2.2% yet Asian markets were mixed as Japan’s Nikkei gained 2.9% while the China A50 lost 3.0% alongside the Hang Seng off 2.0%.

US CPI retreated slightly from 3.4% to 3.3% (for the May reading see Chart 2), yet the US Federal Reserve left rates unchanged (for a 7th time) at its June meeting and signalled the potential for just one rate cut in 2024¹. This was a departure from rates cuts in Canada and Europe yet highlights that the US economy is doing well with a strong labour market (which is indeed “cost-push” inflationary). To reiterate, 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 continued to soften slightly in June with the benchmark US 10-year Note moving from 4.5% to 4.4%. The US Dollar Index led global currency gains adding 1.3% vis-à-vis global currencies with the Japanese Yen falling 2.6% alongside the Euro off 1.3%. The Canadian Dollar softened modestly 0.5% while the Mexican Peso dropped a massive 7.1%.

RESULTS

Per Table 1, Auspice Broad Commodity Excess Return Index (ABCERI) lost 1.5% slightly outperforming the long-only and similarly diverse Bloomberg Commodity index (BCOM) benchmark. ABCERI outperformed the BCOM in H1 2024 while both lagged the energy tilted GSCI.

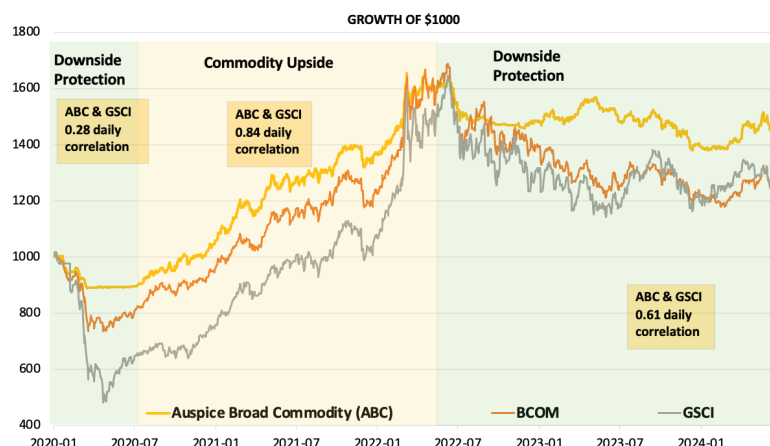
Per Chart 1, while commodities have broadly moderated since 2022, the benefits of the active and tactical trend-following strategy wrapped in risk management has produced a strong result since the onset of COVID in 2020 in comparison to the passive commodity benchmarks. Similar upside with downside protection while able to earn a cash return.

In addition to outperforming the BCOM thus far in 2024, note Auspice Broad Commodity operates at a significantly lower volatility than the benchmarks. With a long-term volatility near 10% per Table 1, the outperformance is highlighted when adjusted for risk in terms of volatility and drawdown. This represents a more “bond-like” volatility, far less than the BCOM or global equities (MSCI) at over 16%, and GSCI at 23%.

(CONTINUED NEXT PAGE)

¹ Reference Link

CHART 1 COMMODITY & CRISIS ALPHA



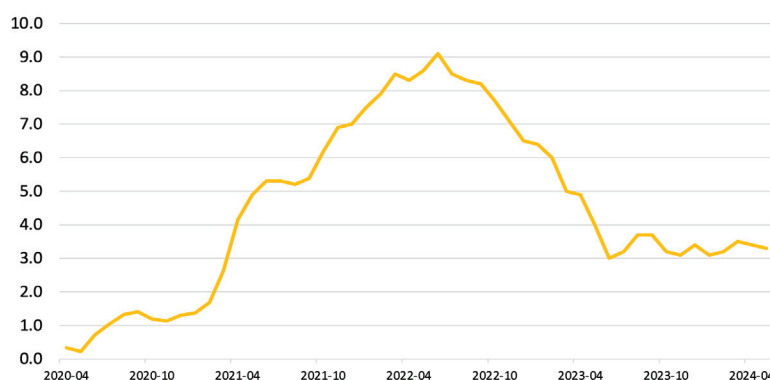
Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. You cannot invest directly in an index.

TABLE 1 ABSOLUTE PERFORMANCE

	ABCERI	BCOM ER INDEX	S&P GSCI ER INDEX	MSCI ACWI INDEX
1 Month	-1.46%	-1.94%	1.01%	2.23%
2024 YTD	4.17%	2.38%	8.16%	11.30%
1 yr (Jul 23)	-1.91%	-0.48%	9.01%	19.37%
3 yr (Jul 21)	13.42%	6.82%	29.61%	17.20%
5 yr (Jul 19)	47.21%	26.79%	33.02%	66.66%
10 yr (Jul 14)	12.69%	-24.98%	-37.80%	124.74%
15 yr (Jul 09)	48.09%	-17.58%	-25.72%	338.06%
Ann. Return (Jan 07)	4.09%	-2.82%	-3.58%	6.66%
Std Deviation	10.30%	16.32%	23.01%	16.47%
Sharpe Ratio	0.46	-0.09	-0.03	0.52
Sortino Ratio	0.75	-0.11	-0.04	0.75
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.

RESULTS (CONTINUED)

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%.

ETFs that track ABCERI (NYSE "COM" and TSX "CCOM") have benefited by earning a cash return on over 90% of the ETF AUM, 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 corrected 1.3% and 1.5% in June yet are up 6.2% and 6.3% year-to-date.

OUTLOOK

The second wave of inflation is becoming increasingly evident. US CPI peaked June 2022 at 9.1% year-over-year, and proceeded to decline for 12 months, crossing below the 4% level in June 2023. Over the ensuing 12 months inflation has ceased its downward course, rangebound between 3-4% with upward pressures mounting. This is consistent with the CPI average for the last 100 years at 3.0 and since 1970 at 4.0.

The floor in inflation comes as the Drewry World Container Index (global freight rates) has again started climbing upwards. Global freight rates surpassed \$3000 in June, the highest levels since 2022, with a similar trajectory as experienced in 2021 as inflation surged.

We believe a second wave in inflation is coming as we enter a historically volatile period for equities, with an average 25% increase in volatility (as represented by the VIX) from July to November during US election years² over the last century.

Alongside, stock market internals are increasingly weak: outside of the narrowed tech leadership in the US, half of the sectors are negative, with the others that are positive being largely defensive in nature (utilities and consumer staples for example). Leadership has thinned since March with each record high in the S&P500 consisting of fewer stocks reaching 52-week highs, and the S&P500 advance/decline line also peaking in May³.

ATTRIBUTIONS AND TRADES

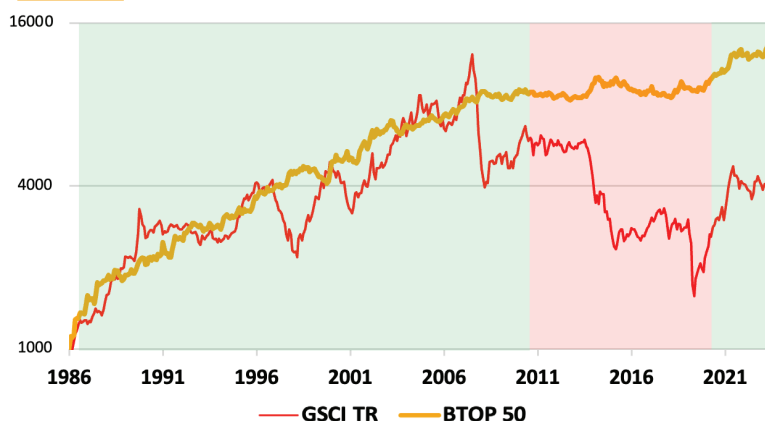
The Auspice Broad Commodity Index portfolio was unchanged in June. The portfolio holds exposures across all sub-sectors: Energy, Metals and Ags. Per Chart 4, the attribution was positive in Energies with a correction in Metals and Ags.

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. During the month, positions were reduced in a number of markets (detailed below).

SECTOR HIGHLIGHTS

ENERGY The petroleum side of energy was universally strong in June with WTI Crude Oil up 6.4% followed by Heating Oil and Gasoline up 5.6% and 4.2%. Natural Gas went the other way, off 2.4%. While we are on the sidelines in Heating Oil and Natural Gas, this sector led gains and remains volatile. A tactical and agile approach wrapped in disciplined risk management is one of the reasons the Auspice Broad Commodity strategy has outperformed with a significant enough weighting allocation the other.

CHART 3 GSCI COMMODITY & BTOP 50 CTA INDEXES



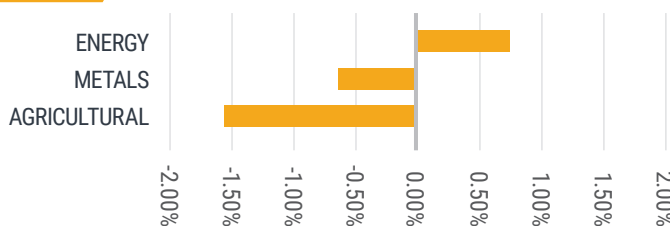
Source: Bloomberg and Auspice Investment Operations. You cannot invest directly in an index.

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	21.8
Ann. CTA Return	9.2%	0.2%	7.7%

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

CHART 4 INDEX RETURN ATTRIBUTION

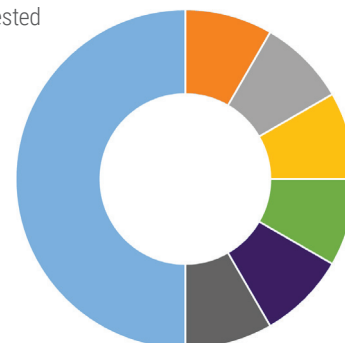


Source: Bloomberg and Auspice Investment Operations.

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.

METALS Metals corrected with both Silver and Copper off near 4% leading to risk reducing re-sizing for both markets. While Gold was more moderate falling only 0.3%, the sector had a negative attribution.

AGRICULTURE The Ag sector was down in June after Wheat corrected sharply, over 17% in June. We have reduced the exposure but remain long at this time. Sugar rallied 11.2% while Cotton fell 4.2% and we remain without exposures as these markets remain in downtrend.

² Reference Link ³ 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.

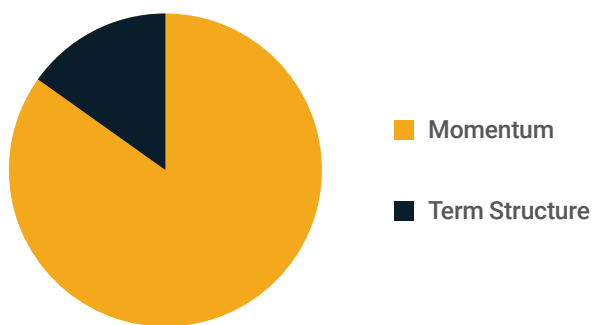
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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

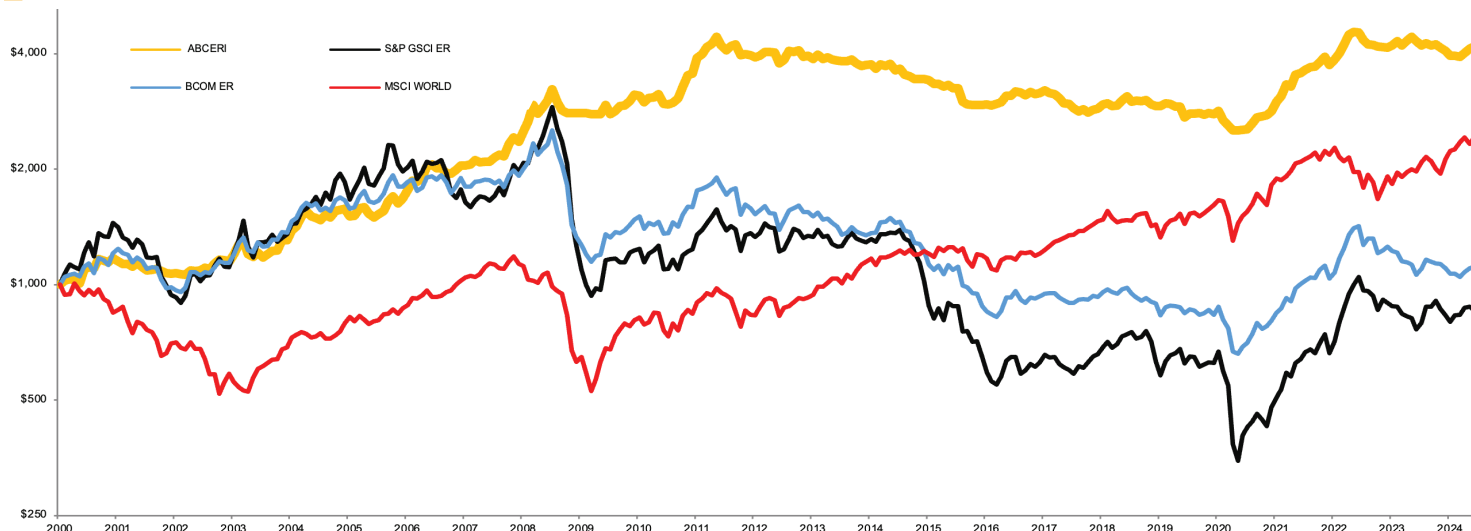
OTHER DETAILS

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%	-1.46%							4.17%
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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PERFORMANCE NOTES

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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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