



BROAD COMMODITY INDEX

COMMENTARY
+ PROFILE

JULY 2024

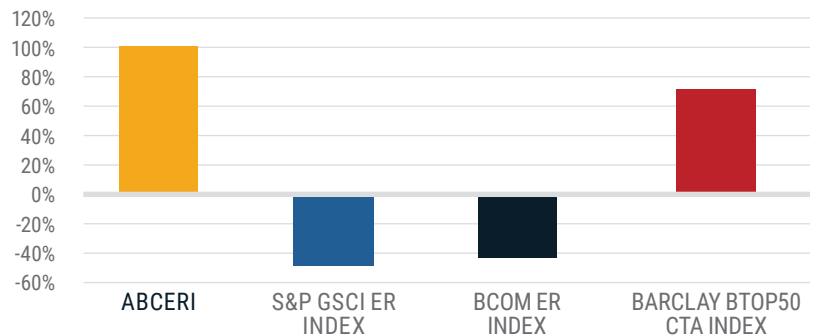
All performance data, portfolio information and pricing contained herein is as of July 31st, 2024.

AUSPICE Capital Advisors

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CUMULATIVE PERFORMANCE (SINCE JANUARY 2007)



Correlation	0.63	0.75	0.31
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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.

Commodities were generally soft across sectors with some outliers to offset the weakness. Gold gained 3.6%.

The long-only commodity benchmarks lost ground as the more diverse Bloomberg Commodity Index (BCOM ER) was down 4.5% while the energy tilted Goldman Sachs Commodity Index (GSCI ER) lost 4.0% to remain up 3.9% for the year per Table 1.

While most stock indices ended the month higher, it was volatile. Many markets corrected upwards of 4% intra-month highlighting the risk of underlying political and geo-political factors in an already typically volatile election year globally. While the S&P500 and global benchmark MSCI ACWI bounced back and ended up 1.1% and 1.6% respectively, the Nasdaq and Dow Jones Euro STOXX50 index didn't regain as much and lost 0.8% and 0.4%. Asian markets were also weak as Japan's Nikkei lost 1.2% while the China A50 lost 1.5% alongside the Hang Seng off over 2.0% again.

US CPI softened from 3.3% to 3.0% (for the June reading see Chart 2). This is right in line with the long-term CPI average over the last 100 years, since 1925 at 3.0. The US Federal Reserve left rates unchanged in July, as did the European Central Bank, (for an 8th time) at its month ending meeting but signalled the potential for a cut as soon as September. This would join recent rate cuts in Canada, Europe, and notably in China where the central bank reduced rates in July¹. 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 in July with the benchmark US 10-year Note moving from 4.4% to 4.1%. The US Dollar Index softened 1.6% vis-à-vis global currencies with the Japanese Yen gaining 6.4% alongside the Pound up 1.7%. The Canadian Dollar continued to weaken by 0.8%.

RESULTS

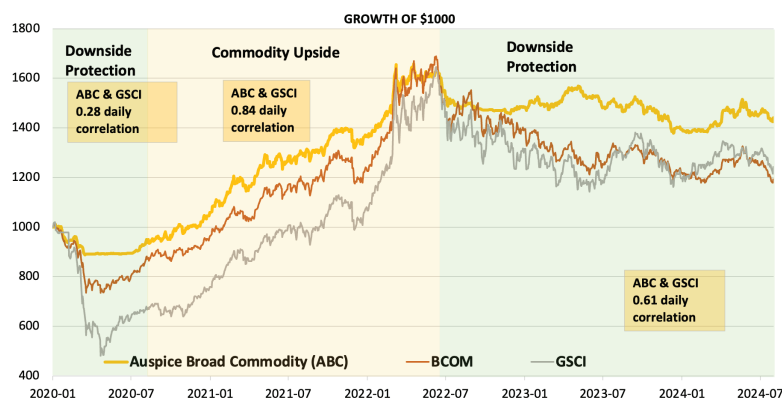
Per Table 1, Auspice Broad Commodity Excess Return Index (ABCERI) lost only 0.8% significantly outperforming both the long-only commodity benchmarks (BCOM and GSCI).

ETFs that track ABCERI (NYSE "COM" and TSX "CCOM") have benefitted 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 2.5% of additional gains over the underlying ABCERI index (which does not include collateral cash return). COM and CCOM corrected 0.1% and 0.2% in July yet are up 6.1% year-to-date.

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.

(CONTINUED NEXT PAGE)

CHART 1 COMMODITY & CRISIS ALPHA



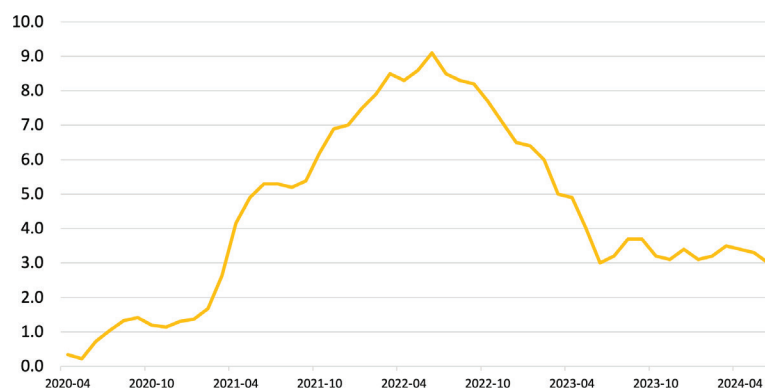
Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. You cannot invest directly in an index.

TABLE 1 ABSOLUTE PERFORMANCE

	ABCERI	BCOM ER INDEX	S&P GSCI ER INDEX	MSCI ACWI INDEX
1 Month	-0.78%	-4.50%	-3.99%	1.61%
2024 YTD	3.36%	-2.23%	3.85%	13.10%
1 yr (Aug 23)	-3.97%	-10.15%	-5.06%	17.02%
3 yr (Aug 21)	10.81%	0.18%	22.52%	18.27%
5 yr (Aug 19)	46.46%	22.14%	28.24%	68.86%
10 yr (Aug 14)	15.94%	-24.60%	-36.93%	131.17%
15 yr (Aug 09)	43.76%	-23.70%	-28.98%	309.12%
Ann. Return (Jan 07)	4.02%	-3.06%	-3.79%	6.72%
Std Deviation	10.28%	16.31%	22.97%	16.43%
Sharpe Ratio	0.45	-0.10	-0.04	0.52
Sortino Ratio	0.74	-0.13	-0.05	0.76
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)

In addition to outperforming the similarly diverse BCOM thus far in 2024, the 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%. 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 the benchmarks negative, with a significant annualized spread of 7-8%.

OUTLOOK

In three of five prior commodity bull markets, corresponding approximately with the 1970s, 1980s, and 2000s, the Goldman Sachs Commodity Benchmark (“GSCI TR”) delivered strong double digit annualized performance.

Each commodity bull market experienced one or two multiyear corrections prior to making new all-time highs. There were a total of four bull market corrections, with a maximum duration of 32 months (1970s), and average duration of 20 months. It has now been 26 months since the May 2022 commodity highs.

As the commodity consolidation matures, the equity rally is showing signs of exhaustion, notably with the Nasdaq experiencing an 8% intramonth correction in July.

For those looking to position into the summer and update longer term asset allocation, now may be an opportune time to add tactical commodity and CTA/managed futures strategies.

ATTRIBUTIONS AND TRADES

The Auspice Broad Commodity Index portfolio had one change in July, Wheat was exited. The portfolio holds exposures in two of the three sub-sectors: Energy and Metals, with no exposure in Ags. Per Chart 4, the attribution was positive in Metals with a correction in both Energies and Ags.

The strategy now holds 5 of the 12 components or 42% of available components (see Chart 5) and remains able to add commodity markets broadly as individual market merit develops.

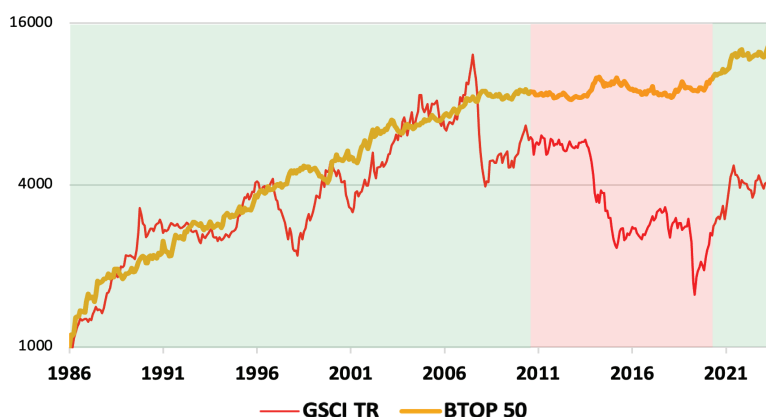
SECTOR HIGHLIGHTS

ENERGY Both the petroleum and natural gas side of energy were weak in July. Natural Gas was off over 22% while Heating Oil was down over 4% highlighting the long/flat approach and where we do not hold an exposure. Exposures held in WTI Crude Oil and Gasoline were both down, but not as much.

METALS Silver and Copper both weakened, 2.1% and 4.9% respectively, yet this was offset by Gold for a sector gain.

AGRICULTURE The Ag sector was largely weak, both Grains and Soft commodities. The strategy avoided much of this by being tactically on the sidelines. Wheat, recently the stronger market in the sector, sold off and we exited the exposure to protect downside capital.

CHART 3 GSCI COMMODITY & BTOP 50 CTA INDEXES



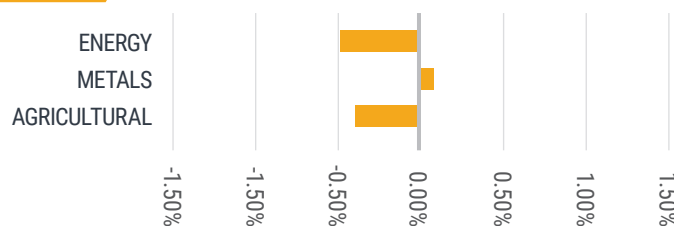
Source: Bloomberg and Auspice Investment Operations. You cannot invest directly in an index.

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	21.7
Ann. CTA Return	9.2%	0.2%	7.1%

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.



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.

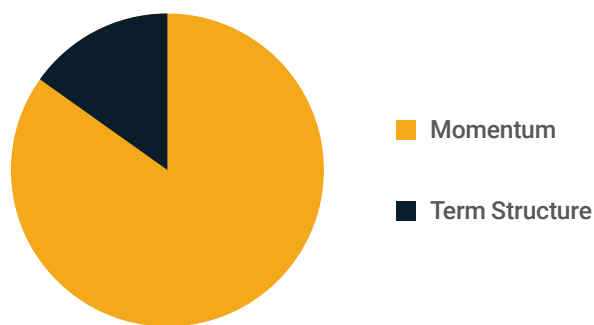
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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

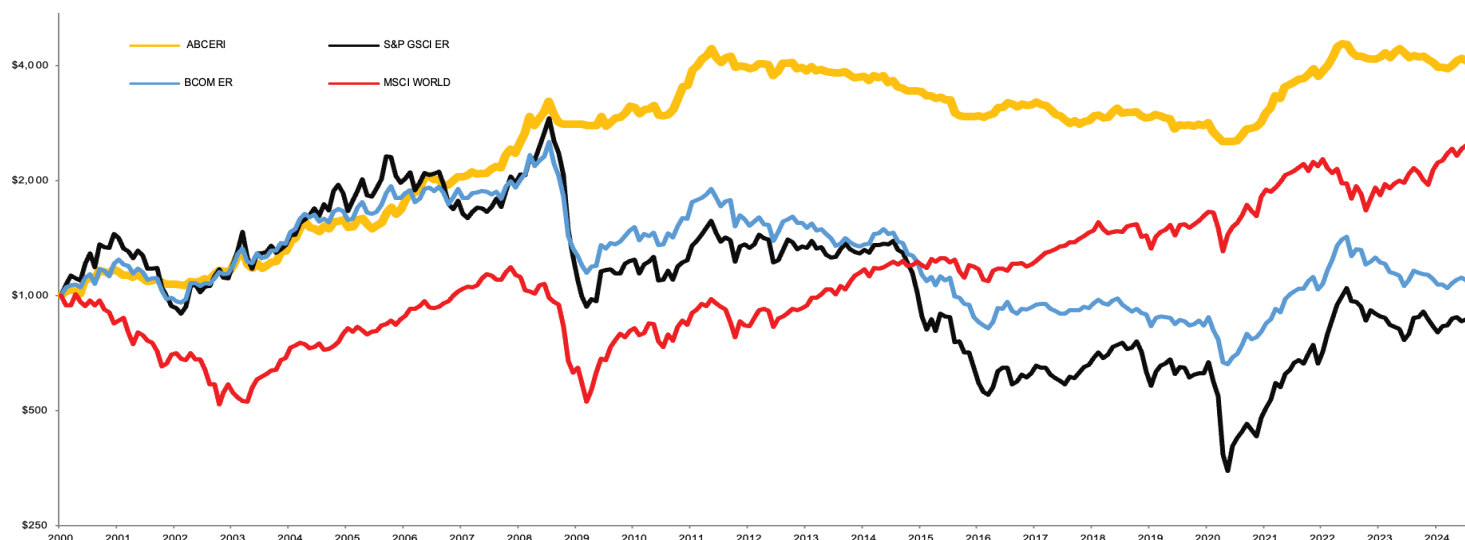
OTHER DETAILS

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%	-0.78%						3.36%
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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