



BROAD COMMODITY INDEX

COMMENTARY
+ PROFILE

APRIL 2024

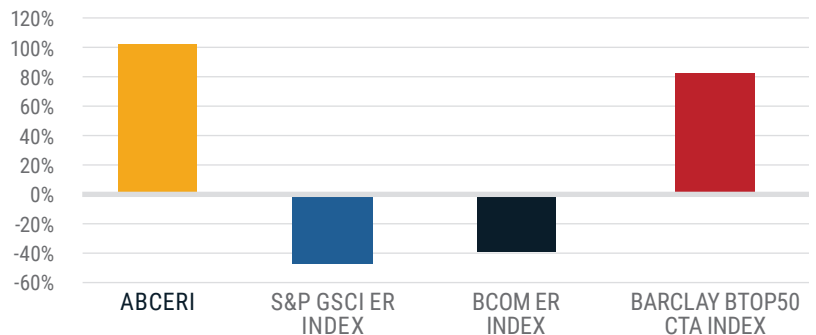
All performance data, portfolio information and pricing contained herein is as of April 30th, 2024.

AUSPICE Capital Advisors

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CUMULATIVE PERFORMANCE (SINCE JANUARY 2007)



Correlation	0.64	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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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.

April was a good month for commodities broadly but in typical fashion, it was driven by unique sub-sector performance. The strongest sector was Metals while Energies pulled back after an exceptionally strong Q1.

The long-only commodity benchmarks gained ground but in a disparate way: the Bloomberg Commodity Index (BCOM ER) was up 2.2% while the energy tilted Goldman Sachs Commodity Index (GSCI ER) only added 0.7%. This keeps both benchmarks positive for 2024 and narrows the energy driven outperformance by GSCI per Table 1.

The Global stock rally that started late in 2023 corrected sharply. The S&P500 and Nasdaq lost 4.2% and 4.4% respectively while Canada's TSX60 was only down 2.4% given resource strength. The global benchmark MSCI ACWI was down 3.3% yet Asian markets went in different directions as Japan's Nikkei lost 4.9% while the China A50 and Hang Seng made gains of 3.1% and 7.4% respectively - a little catch-up for years of underperformance.

April also brought another month of disappointing year-over-year inflation data as measured by US CPI, again gaining, this time from 3.2% to 3.5% (for the March reading see Chart 2). As such, the hopes of central bank cuts in the first part of 2024 are unlikely and the narrative appears to be more accepting of a structural shift to 3% (plus) as normal and the 2% target as less likely in the near term.

Rates rose to near October 2023 highs with the benchmark US 10-year Note moving from 4.2% to 4.7% consistent with the rising trend from 3.9% ending 2023. The US Dollar Index continued to rally gaining another 1.8% vis-à-vis global currencies with the Yen falling (another) 4.4% despite Japan's end to yield curve controls. The Canadian Dollar fell 1.6% while the Euro lost 1.1%.

RESULTS

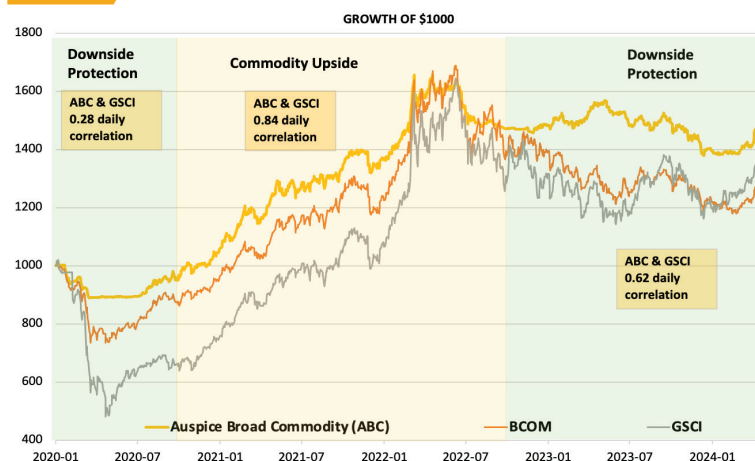
Per Table 1, Auspice Broad Commodity gained 2.8% outperforming the long-only benchmarks, both the similarly diverse Bloomberg Commodity index (BCOM) and the energy tilted GSCI. There was also noteworthy outperformance and diversification value from equity weakness as represented by the global benchmark MSCI ACWI.

Months like April illustrate the disciplined and patient approach taken by Auspice in the ABCERI can be highly effective. By participating in markets moving higher at considerable weighting and exiting those that are falling, the portfolio is able to provide similar upside gains to the long-only benchmarks when most markets are moving higher yet outperform when a tactical approach is warranted. This is often the case in a sector as diverse as commodities.

Furthermore, this allows us to operate at a far lower volatility than these 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%, this represents a more "bond-like" volatility, far less than BCOM or global equities (MSCI) at over 16%, and GSCI at 23%. Moreover, on a 10- and 15-year basis representing a full cycle exposure, 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%.

(CONTINUED NEXT PAGE)

CHART 1 COMMODITY & CRISIS ALPHA



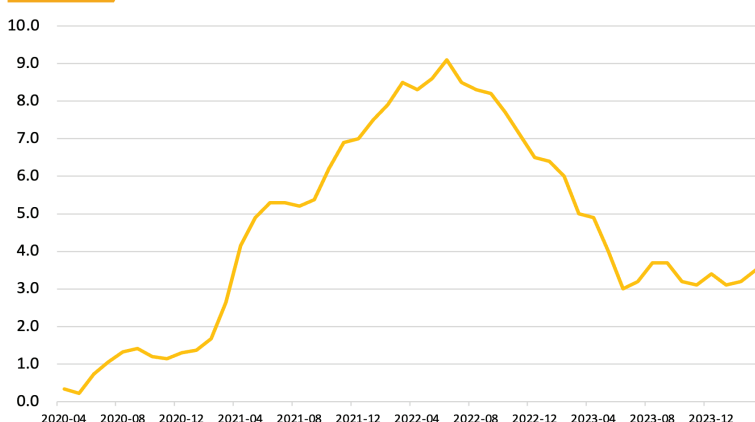
Source: Bloomberg and Auspice Investment Operations. Past performance is not indicative of future results. You cannot invest directly in an index.

TABLE 1 ABSOLUTE PERFORMANCE

	ABCERI	BCOM ER INDEX	S&P GSCI ER INDEX	MSCI ACWI INDEX
1 Month	2.80%	2.20%	0.67%	-3.30%
2024 YTD	4.44%	3.07%	9.65%	4.63%
1 yr (May 23)	-6.69%	-2.53%	7.33%	17.46%
3 yr (May 21)	17.18%	12.52%	40.49%	13.36%
5 yr (May 19)	41.80%	26.19%	28.78%	57.03%
10 yr (May 14)	9.81%	-26.21%	-35.72%	119.82%
15 yr (May 09)	48.41%	-8.05%	-9.40%	350.29%
Ann. Return (Jan 07)	4.15%	-2.81%	-3.54%	6.34%
Std Deviation	10.34%	16.38%	23.11%	16.52%
Sharpe Ratio	0.46	-0.08	-0.03	0.50
Sortino Ratio	0.76	-0.11	-0.04	0.72
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)

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.

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 1% of additional gains over the underlying ABCERI index (which does not include collateral cash return). COM and CCOM ended up 2.7% and 3.6% in April and are up 5.5% and 6.4% year-to-date.

OUTLOOK

Bullish commodity outlooks saw a notable increase last month, perhaps not surprisingly with coverage focused on headline oil and gold markets. What you may not have heard is that coffee, zinc, iron ore, and nickel, markets all traded at Auspice (flagship Auspice Diversified), posted some of the largest gains, each up double digits in April. As you may have heard from us many times, there's a lot more to commodities than oil and gold. We believe the commodities cycle is regaining momentum, and we are early in the opportunity.

The link between tech and commodities is strong and growing stronger and may be an important factor in the extension of the current commodity cycle that started in 2020 - cycles that typically last 10 years. This Auspice view was discussed and published recently in the Financial Post "Will the tech boom feed the commodity cycle"¹ ([here](#)) and in this month's [Auspice Blog](#).

Alongside, equities, notably growth and technology stocks, are showing signs of exhaustion, down in April following a strong Q1 2024. This comes ahead of the seasonally weak period in equities, commonly summarized as "sell in May, go away". The same cannot be said for non-correlated assets like commodities.

If you don't have a 5-10% allocation to tactical commodity or CTA strategies, now may be an opportune time to add exposure.

ATTRIBUTIONS AND TRADES

The Auspice Broad Commodity Index portfolio added one market and reduced one in April. The portfolio holds exposures across Energy and Metals sub-sectors while without an exposure in Ags. Per Chart 4, the attribution was strong in Metals with a small correction in Energies while Ags were down as we exited Cotton.

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.

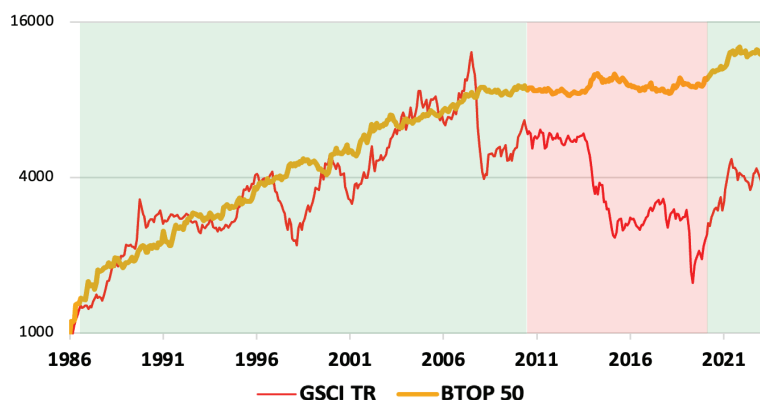
SECTOR HIGHLIGHTS

ENERGY We added Crude Oil to the portfolio on April 1st yet the petroleum energy markets corrected in April led by Heating Oil down 3.8%. The strategy remains without an exposure in Natural Gas which continued to drop albeit at a more moderate pace of 1.3% for the month. The sector had a very small negative attribution to the portfolio.

METALS Metals led the portfolio performance and gains were strong and widespread across both base industrial and precious metals. Copper advanced 13% followed by Silver adding 5.9%. We hold a full compliment of exposures including Gold, Silver and Copper.

AGRICULTURE After reducing the Cotton exposure in March it was exited in early April. This benefited the portfolio as Cotton fell 16% for the month alongside Sugar falling 12.6%. In Grains, Corn and Soybeans both sold off while Wheat rallied 4.6%. We remain on the sidelines across the highly diverse Ag sub-sector including both Grains and Soft commodities at this time.

CHART 3 GSCI COMMODITY & BTOP 50 CTA INDEXES



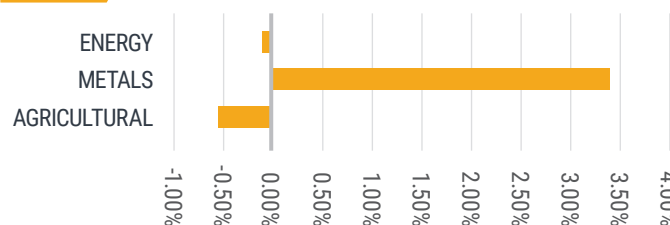
Source: Bloomberg and Auspice Investment Operations. You cannot invest directly in an index.

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	22.2
Ann. CTA Return	9.2%	0.8%	8.9%

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

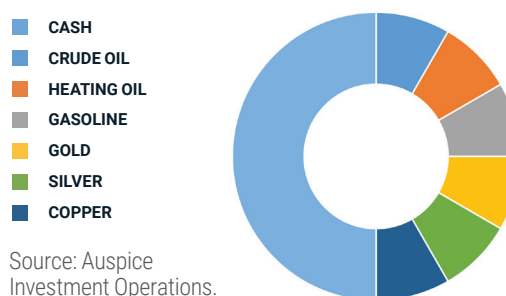
CHART 4 INDEX RETURN ATTRIBUTION



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.

¹ 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.

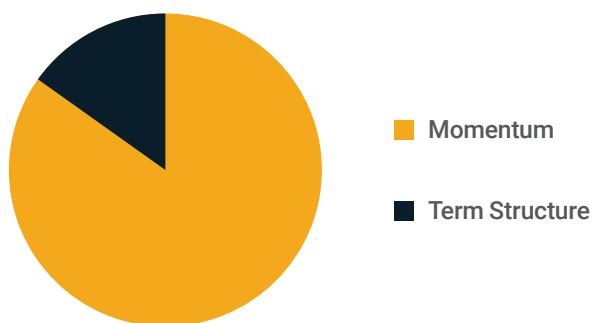
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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

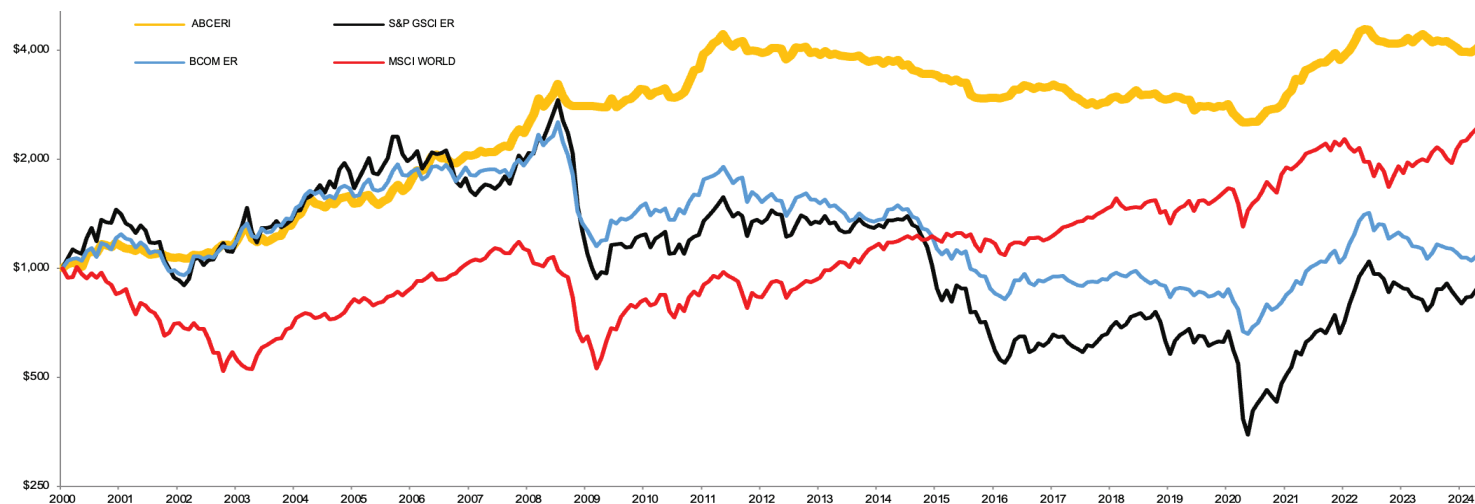
OTHER DETAILS

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%									4.44%
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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