



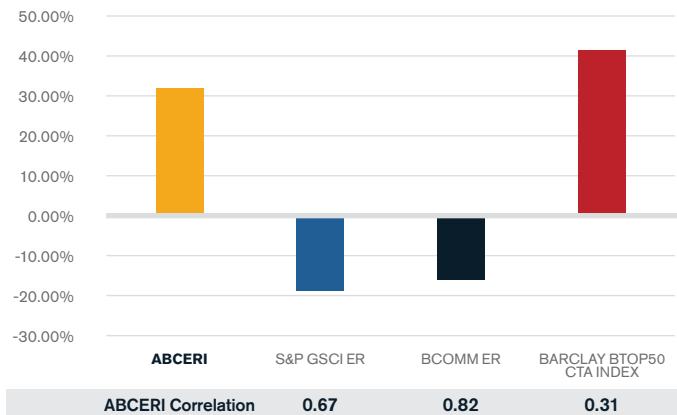
BROAD COMMODITY INDEX

COMMENTARY +
STRATEGY FACTS

JUNE 2022



CUMULATIVE PERFORMANCE (SINCE OCTOBER 2010*)



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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 102 US Fund Commodities Broad Basket funds based on risk adjusted returns as of 06/30/2022†

AUSPICE Capital Advisors

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

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SUMMARY

Commodities were exceptionally volatile in June with most significant moves to the downside. Metals led the weakness alongside Energies while Ags followed suit with sell-offs in both Grains and Soft Commodities.

The passive long-only benchmarks corrected sharply: the energy heavy GSCI fell 7.8% while the more diverse Bloomberg Commodity Index (BCOM) lost 10.9%. Despite the commodity weakness, the CPI inflation index resumed its ascent higher, moving to 8.6% (YoY % growth) per Chart 2.

After global equity markets bounced back late last month providing some optimism, the sell-off was fierce in June taking US benchmarks down sharply, the worst first-half in over 50 years. The NASDAQ and S&P500 dropped 8.7% and 8.4% for -29.5% and -20.6% year-to-date. The global benchmark MSCI ACWI didn't fair better falling 8.4% for -20.2% on the year. The only markets bucking the trend were in Asia including the Hang Seng and China A50 gaining but remain off on the year. Canada's S&P/TSX60 also had a challenging month off 8.6% but has not fallen as far, off 10.9% this year, aided by energy sector strength.

North American central banks continue to raise rates with the US Fed raising 75 basis points (to 1.75%), while Canada again charged ahead with a 50bp hike June 1st to 1.50%. Both central banks continue to assure further rate hikes are likely. Bond markets fell early in the month before bouncing most of the way back on the month. The benchmark US 10-year note ended nearly unchanged near 2.80%. As highlighted last month, currencies remain volatile with the US Dollar gaining 2.8% while most others fell.

RESULTS

Auspice Broad Commodity Index fell 4.61% to remain up 12.18% year-to-date. This is only the second sharp monthly decline and the fourth negative month in over two years. The strategy gains remain exceptional especially considering the 10-12% volatility level, far below that of equity and commodity benchmarks. Per Table 1, while ABCERI has not kept up to the long only indices in absolute terms in the last year, the outperformance remains apparent as soon as one looks longer term, and consistent with its far lower volatility target. While the 3- and 5-year numbers are higher than the BCOM benchmark, the Auspice result outperforms significantly on a 10- and 15-year basis and are positive versus negative for benchmarks. Chart 1 continues to show upside capture with a fraction of the volatility and smaller pullbacks, key to a far better portfolio result and investor experience (per Table 1, long term volatility at 10.66% versus 16.86% and 23.90% for BCOM and GSCI) in this valuable non-correlated asset class.

Chart 1 COMMODITY UPSIDE VS DOWNSIDE

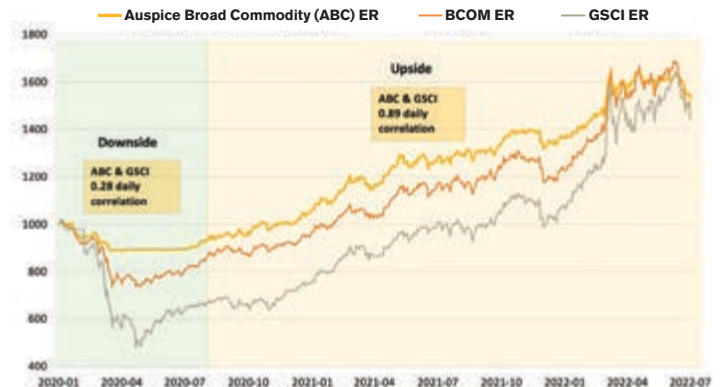


Table 1 CUMULATIVE PERFORMANCE

	COM	ABCERI	BCOM ER	S&P GSCI ER	MSCI ACWI
June	-4.73%	-4.61%	-10.88%	-7.76%	-8.43%
2022 YTD	11.78%	12.18%	18.03%	35.33%	-20.18%
1 yr (Jul 21)	18.94%	19.56%	23.81%	44.51%	-15.75%
3 yr (Jul 19)	55.16%	55.18%	46.95%	48.31%	19.81%
5 yr (Jul 17)	55.18%	50.33%	41.70%	64.45%	40.28%
10 yr (Jul 12)	-	12.56%	-13.57%	-21.98%	131.55%
Since Public (Oct 10)	-	32.47%	-16.57%	-18.98%	146.43%

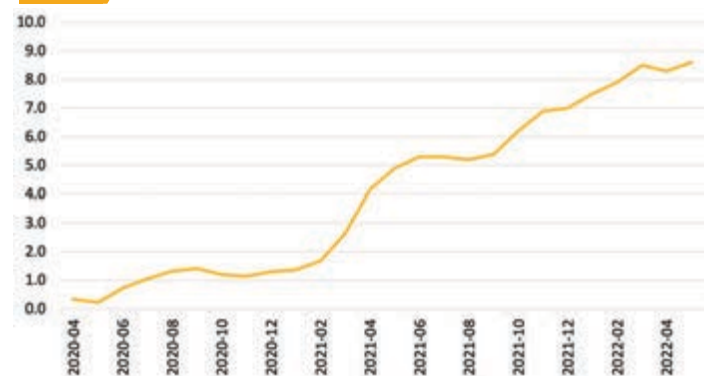
Table 2 PERFORMANCE

COM	Monthly	1M%	3M%	YTD%	1Y%	3Y%	5Y%	Since Inception
	NAV		-4.60	-3.37	11.83	18.85	15.66	9.21
Market Close		-4.73	-3.18	11.78	18.94	15.74	9.17	7.95

As of June 30, 2022 Inception Date 03/30/2017

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. For the most recent month-end performance go to Direxion.com

Chart 2 CONSUMER PRICE INDEX (CPI) YOY % CHANGE



Past performance is not indicative of future results. You cannot invest directly in an index.

OUTLOOK

The commodity rally, as depicted by the GSCI TR index in Chart 3, of 179% since May 2020 is one of the strongest commodity rallies in history. Significant in the short-term, this rally is less than 1/3 of the rally experienced in the 1970s when inflation last surged. Over this decade the GSCI TR returned a cumulative 587% (21.25% annualized) while the S&P 500 returned just 17% (1.60% annualized).

As communicated consistently over the last two years, we strongly believe we are in a new commodity supercycle alongside a potentially dismal environment for traditional stocks, bonds, and real estate. That said, the one-way commodity trade of the last two years won't last indefinitely, and we expect more volatility and trading opportunities in and out of markets going forward.

Risk management will likely play an increasingly important role. See this month's blog for more.

ATTRIBUTIONS AND TRADES

Losses were led by Ags where both Grains and Softs corrected sharply (see Chart 4). Energies were also weak contributing to the loss whereas the strategy holds no Metals exposure. This illustrates the tactical approach in terms of absolute positioning and the ability to go to cash while less visible is the risk reduction that has occurred in the last few months.

The strategy further reduced exposure exiting Cotton. The strategy remains long 8 of 12 components or 67% of available components (see Chart 5).

The top performing position was long Heating Oil which moved up against the sector trend. Negative attributions were led by Cotton, Sugar and Wheat.

SECTOR HIGHLIGHTS

ENERGY

The Energy sector correction was led by Natural Gas falling over 30%. Gasoline and WTI Crude Oil both fell approximately 5% while Heating Oil added some value from the long side rising 1%. We remain long the sector.

METALS

Metals continued to correct led by Copper falling over 13%. We do not hold any exposures in the sector.

AGRICULTURE

Both Softs and Grains were weak within the overall Ag sector. Losses were led by Cotton which was exited while we have held the remaining exposures across the sub-sectors.

Chart 3 GSCI COMMODITY & BTOP 50 CTA INDEXES



Table 3 CTA REGIME ANALYSIS

	1987-2010	2011-2019	2020-2022
Average CPI	2.9	1.8	3.9
Average VIX ¹	20.4	16.2	24.9
Ann. CTA Return	9.17%	0.78%	12.65%

¹ - VIX Data commences in 1990.

Chart 4 INDEX RETURN ATTRIBUTION

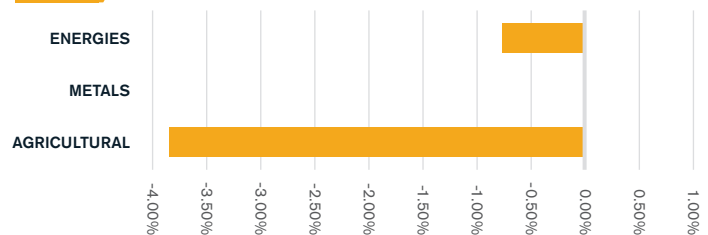
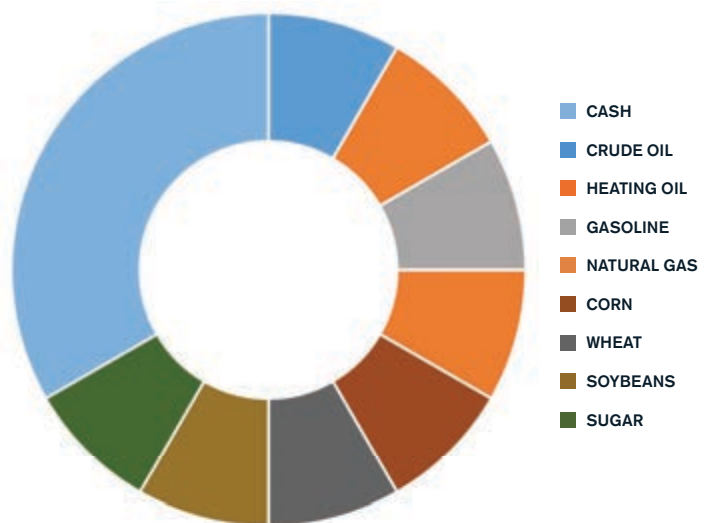


Chart 5 COMPONENT EXPOSURE: LONG / CASH



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.

STRATEGY DESCRIPTION

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

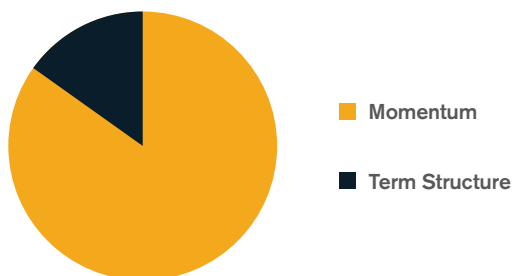
The index is tactical long strategy that focuses on Momentum and Term Structure to track either long or flat positions in a diversified portfolio of commodity futures which cover the energy, metal, and agricultural sectors. The index incorporates dynamic risk management and contract rolling methods.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

RETURN DRIVERS



AUSPICE BROAD COMMODITY INDEX
Long / flat approach that positions components long in uptrends and in cash in downtrends
Positions can be changed on an intra-month bases
Accounts for Short-term Price Trends
Practices a smart roll process that selects futures contracts with most beneficial roll yield
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

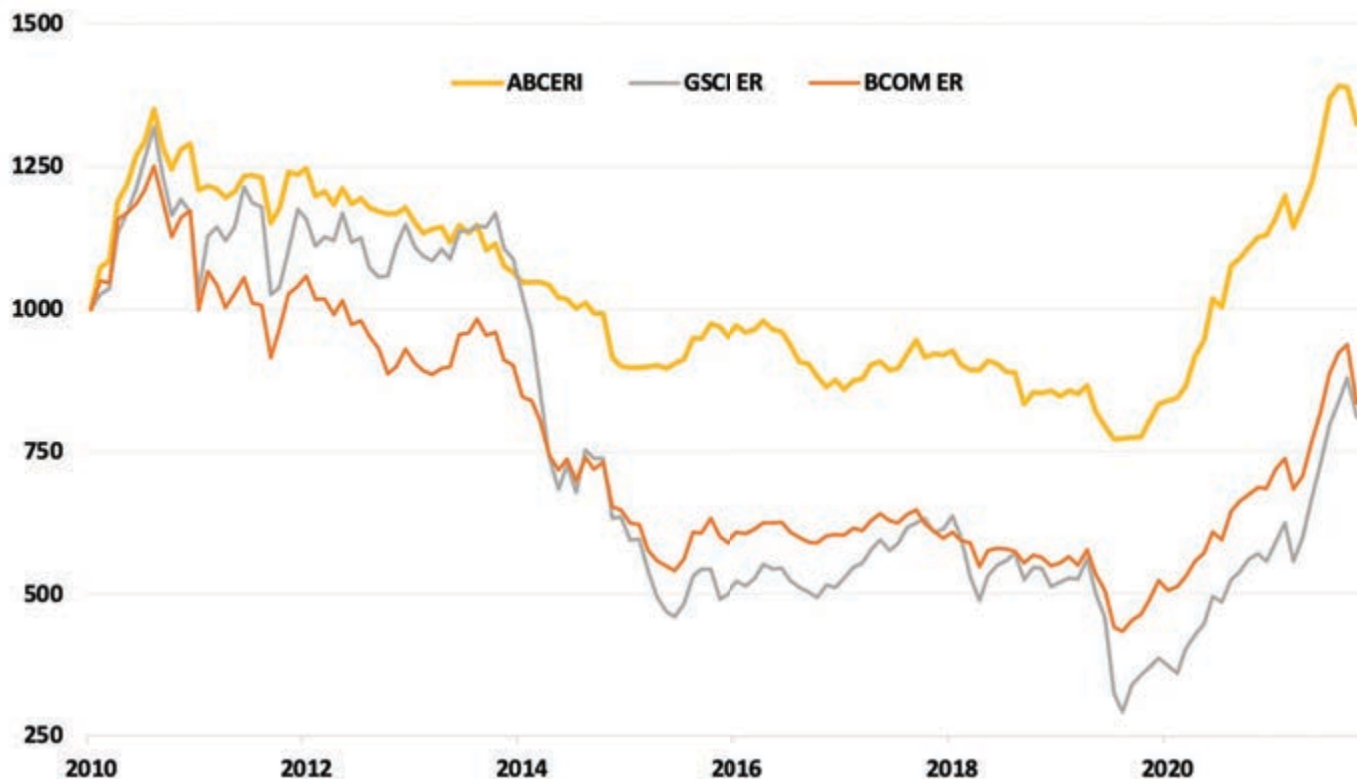
OTHER DETAILS

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 BENCHMARK PERFORMANCE**



▶ **MONTHLY PERFORMANCE TABLE***

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	RETURN
2022	3.57%	5.21%	6.42%	1.60%	-0.19%	-4.61%							12.18%
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										7.35%	1.02%	9.66%	18.92%

Past performance is not indicative of future results. You cannot invest directly in an index. Index performance does not represent actual fund or portfolio performance. A fund or portfolio may differ significantly from the securities included in the index. Index performance assumes reinvestment of dividends but does not reflect any management fees, transaction costs or other expenses that would be incurred by a portfolio or fund, or brokerage commissions on transactions in fund shares. Such fees, expenses and commissions could reduce returns.

The Direxion Auspice Broad Commodity Strategy ETF seeks investment results, before fees and expenses, that track the Auspice Broad Commodity Index. The fund's most recent month-end performance can be obtained by going to direxion.com. There is no guarantee the fund will meet its stated investment objectives.



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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 S&P GSCI TR Index in USD is widely recognized as the leading measure of general commodity price movements and inflation in the world economy and includes collateral return.

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 **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 **Nikkei 225**, or the Nikkei Stock Average, more commonly called the Nikkei or the Nikkei index, is a stock market index for the Tokyo Stock Exchange.

The FTSE **China 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.

The **Nasdaq** Composite Index is the market capitalization-weighted index of over 2,500 common equities listed on the Nasdaq stock exchange.

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.

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.

An investment in the Fund involves risk, including the possible loss of principal. The Fund is non-diversified and includes risks associated with concentration that results from the Fund's investments in a particular industry, sector, or geographic region which can result in increased volatility. The Fund's use of derivatives such as futures contracts and swaps are subject to market risks that may cause their price to fluctuate over time. Risks of the Fund include risks related to investments in commodity-linked derivatives and commodities, Futures Strategy Risk, Index Correlation Risk, Index Strategy Risk, Leverage Risk, Market Risk, Counterparty Risk, Cash Transaction Risk, Subsidiary Investment Risk, Interest Rate Risk, and Tax Risk. Please see the summary and full prospectuses for a more complete description of these and other risks of the Fund.

Exchange-traded commodity futures contracts generally are volatile and are not suitable for all investors. The value of a commodity-linked derivative investment typically is based upon the price movements of a physical commodity and may be affected by changes in overall market movements, volatility of the index, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments. Commodity-linked derivatives also may be subject to credit and interest rate risks that in general affect the value of debt securities. The Fund's investments in derivatives may pose risks in addition to, and greater than, those associated with directly investing in securities or other investments.

Risks associated with the use of futures contracts are (a) the imperfect correlation between the change in market value of the instruments held by the Fund and the price of the futures contract; (b) possible lack of a liquid secondary market for a futures contract and the resulting inability to close a futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the Index's inability to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors; (e) the possibility that the counterparty will default in the performance of its obligations; and (f) if the Fund has insufficient cash, it may have to sell securities or financial instruments from its portfolio to meet daily variation margin requirements, which may lead to the Fund selling securities or financial instruments at a time when it may be disadvantageous to do so.

Auspice Capital Advisors Ltd. is a registered Portfolio Manager/Investment Fund Manager in Canada and a registered Commodity Trading Advisor (CTA/CPO) and National Futures Association (NFA) member in the US.

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Direxion Auspice Broad Commodity Strategy ETF

An investor should carefully consider a Fund's investment objective, risks, charges, and expenses before investing. A Fund's prospectus and summary prospectus contain this and other information about the Direxion Shares. To obtain a Fund's prospectus and summary prospectus call 866-476-7523 or visit our website at direxion.com. A Fund's prospectus and summary prospectus should be read carefully before investing.

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