

# Direxion Auspice Broad Commodity Strategy ETF (COM)



*Overall Morningstar Rating™ out of 96 US Fund Commodities Broad Basket funds based on risk adjusted returns as of 03/31/2025†.*

† ©2025 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. The Morningstar Rating™ for funds, or "star rating", is calculated for managed with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Direxion Auspice Broad Commodity Strategy ETF (COM) was rated against the following numbers of US Fund Commodities Broad Basket funds: 96 funds overall and in the last three years and 90 funds in the last five years. As of 03/31/2025, the fund received a 3-Star rating overall, a 4-Star rating for the 3-year period, and a 2-Star rating for the 5-year period.

# The Direxion Auspice Broad Commodity Strategy ETF (COM) seeks to offer a dynamic and disciplined solution to commodity investing.

*COM is a tactical, broad commodity strategy ETF that attempts to capture the majority of the commodity upside returns, while mitigating downside risk.*

## DIREXION

Direxion has been offering tactical trading tools and long-term investment solutions since 1997.

For financial advisors, individual investors, institutions, and active traders, Direxion specializes in providing solutions that seek to deliver:

- A means to pursue diversification, dampened volatility or excess returns
- Efficient access to non-correlated asset classes and strategies
- Flexibility to position portfolios opportunistically for near- and long-term market trends
- Liquid, cost effective access to sophisticated strategies

Our role is to complement your core investment strategies, not to replace them. We offer a variety of funds that allow you to seek opportunities in all market conditions, offering fresh solutions to challenge old standards.

## Why Commodities?

- Historically, commodities have provided additional risk-adjusted returns to a diversified portfolio
- Commodities generally maintain a relatively low correlation to stocks and bonds
- Can be used as an effective hedge against inflation
- Potential to generate independent source of returns, regardless of market environment

*Past performance does not guarantee future results.*

***Diversification does not protect against a loss or ensure a gain.***

# Commodities Over Time

As evidenced in the charts below, all commodities are not created equal. Each commodity has its own respective characteristics and ideal market conditions. The Auspice Broad Commodity Index, ABCERI, is a rules-based long/flat broad commodity index - aims to optimize its exposure across the space and limit risk by tactically allocating across 12 distinct commodities.

## COMMODITY ANNUALIZED RETURNS

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cotton 4.99%	Nat. Gas 59.35%	Copper 31.31%	Wheat 17.86%	Crude Oil 34.46%	Silver 47.7%	Gasoline 58.04%	H. Oil 44.59%	Sugar 28.04%	Gold 26.48%
Sugar 4.96%	H. Oil 51.64%	H. Oil 20.1%	Corn 6.91%	Gasoline 30.39%	Soybeans 39.48%	H. Oil 57.01%	Nat. Gas 19.97%	Gasoline 12.71%	Crude Oil 24.07%
Corn -9.63%	Crude Oil 45.03%	Gold 13.59%	Nat. Gas -0.44%	H. Oil 20.78%	Copper 25.77%	Crude Oil 55.01%	Corn 14.37%	Gold 12.50%	Silver 20.27%
Gold -10.44%	Gasoline 31.01%	Crude Oil 12.47%	ABCERI -0.98%	Gold 18.87%	Corn 24.82%	Nat. Gas 46.91%	Soybeans 14.34%	Crude Oil 5.92%	Sugar 7.19%
Silver -11.50%	Sugar 28.02%	Cotton 11.30%	Gold -2.14%	Silver 15.52%	Gold 24.59%	Cotton 44.14%	Gasoline 10.56%	Copper 3.36%	ABCERI 1.67%
ABCERI -13.45%	Copper 17.5%	Gasoline 7.68%	Soybeans -7.28%	Sugar 11.55%	Nat. Gas 15.99%	ABCERI 28.84%	Crude Oil 10.45%	Corn 0.85%	Copper 1.56%
Gasoline -13.93%	Silver 15.69%	Silver 7.05%	Cotton -8.18%	Wheat 11.03%	Sugar 15.42%	Copper 26.78%	ABCERI 8.68%	H. Oil 0.14%	Gasoline -2.00%
Soybeans -14.52%	Soybeans 14.38%	Wheat 4.66%	Silver -9.54%	Soybeans 6.86%	Wheat 14.63%	Corn 22.57%	Sugar 6.14%	Silver -1.10%	Cotton -8.79%
Nat. Gas -19.11%	Cotton 11.65%	Corn -0.36%	H. Oil -18.73%	Copper 6.32%	Cotton 13.14%	Sugar 21.89%	Wheat 2.76%	Soybeans -4.69%	H. Oil -15.20%
Wheat -20.31%	ABCERI 8.55%	Soybeans -4.49%	Copper -19.87%	Corn 3.4%	ABCERI 5.93%	Wheat 20.34%	Silver 2.29%	ABCERI -6.00%	Soybeans -24.80%
Copper -25.12%	Gold 8.46%	ABCERI -7.92%	Sugar -20.65%	ABCERI -3.06%	Gasoline -16.69%	Soybeans 1.03%	Gold -0.43%	Cotton -10.16%	Corn -28.81%
Crude Oil -30.47%	Corn -1.88%	Nat. Gas -20.70%	Crude Oil -24.84%	Cotton -4.36%	Crude Oil -20.54%	Gold -3.47%	Copper -14.58%	Wheat -42.99%	Wheat -40.92%
H. Oil -39.97%	Wheat -13.19%	Sugar -22.3%	Gasoline -26.29%	Nat. Gas -25.54%	H. Oil -27.02%	Silver -11.41%	Cotton -25.96%	Nat. Gas -94.37%	Nat. Gas -70.92%

Generic 1st futures, 12/31/2014 to 12/31/2024. Past performance does not guarantee future results.

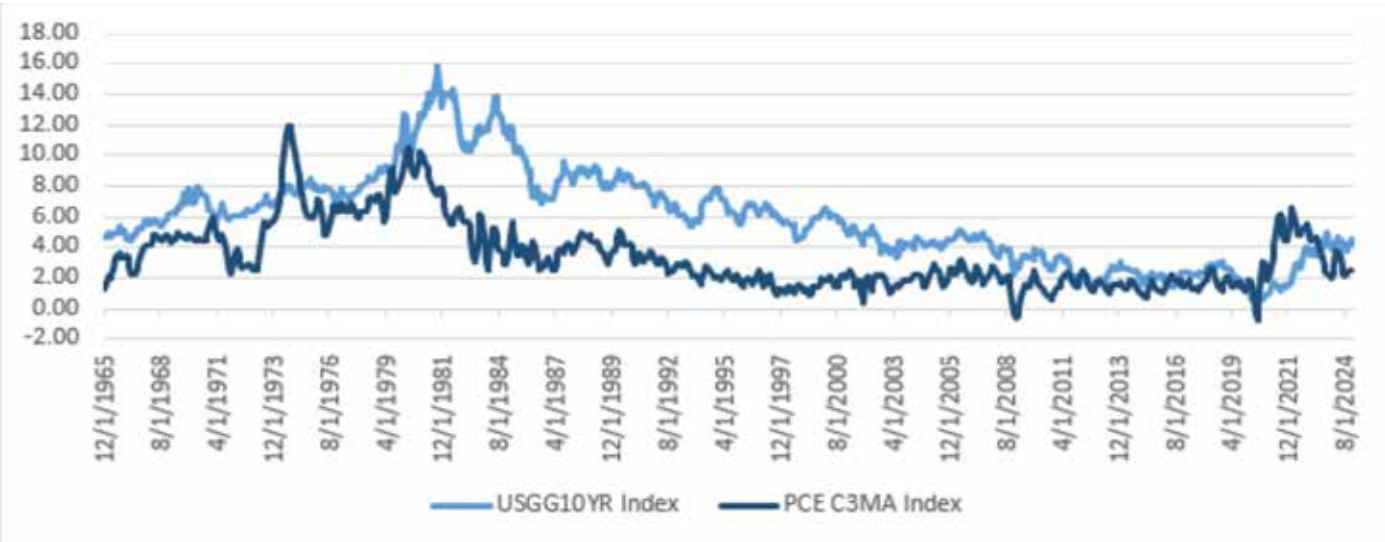
## CORRELATION OF COMMODITIES TO EACH OTHER

	Silver	Gold	Copper	Heating Oil	Sugar	Gas	Crude Oil	Corn	Soy	Wheat	Cotton	Natural Gas
Silver	1.00											
Gold	0.79	1.00										
Copper	0.39	0.23	1.00									
Heating Oil	0.17	0.10	0.25	1.00								
Sugar	0.11	0.08	0.13	0.22	1.00							
Gasoline	0.21	0.11	0.32	0.70	0.18	1.00						
Crude Oil	0.21	0.09	0.30	0.79	0.22	0.80	1.00					
Corn	0.11	0.04	0.18	0.17	0.21	0.15	0.13	1.00				
Soybeans	0.15	0.08	0.27	0.20	0.23	0.17	0.17	0.58	1.00			
Wheat	0.10	0.08	0.19	0.21	0.29	0.19	0.13	0.55	0.38	1.00		
Cotton	0.14	0.07	0.25	0.14	0.18	0.18	0.19	0.13	0.18	0.12	1.00	
Natural Gas	0.01	-0.02	0.08	0.17	0.06	0.13	0.12	0.01	0.06	0.06	0.15	1.00

Generic 1st futures, weekly, from 12/31/2014 to 12/31/2024.

# Long-Term US Treasury Rates and Inflation

The chart shows the U.S. 10 Year Treasury yields in relation to PCE, an inflation indicator, going back 50+ years. As you can see, there tends to be a strong correlation between rising inflation and higher Treasury Yields. In 80% of those calendar years, inflation and yields moved in tandem. Currently, inflation is hovering around 40+ year highs. Rising inflation has historically lead to higher commodity prices.



Source: Bloomberg. Data range: 12/31/1965-12/31/2024.  
Past performance is not indicative of future results. You cannot invest directly in an index.

**USGGC 10 Yr Index** – U.S. Generic Govt 10 Year Treasury

**PCE C3MA** – US Personal Consumption Expenditure Core Deflator – tracks overall price changes for goods and services purchased by consumers. Index is calculated by taking the 3 month average of the core PCE index and dividing it by the previous 2 month average and annualizing result

**Bond Yield** – Quarterly average of long-term U.S. Treasury rates. Inflation: annual percent changes in GDP deflator, annual percent changes in Core PCE deflator. Based on the 10 Year Treasury.

The correlation table below illustrates that over time commodities (represented by ABCERI) have shown a low correlation to both stocks and bonds as well as to other alternative strategies. Its low correlation to other investment classes makes commodities a potentially good diversifier within a portfolio.

## 10-YEAR CORRELATION INDEX COMPARISON

	Equities	Fixed Income	Managed Futures	REITs	Hedge Funds	Emerging	US Dollar	Natural Resources	MLP
Commodities	0.38	-0.06	0.08	0.27	0.49	0.49	-0.38	0.66	0.51

Source: Bloomberg, 12/31/2014 to 03/31/2025. The indexes represented above are defined below.  
Diversification does not guarantee protection against a loss or ensure a gain.

## Why Consider COM?

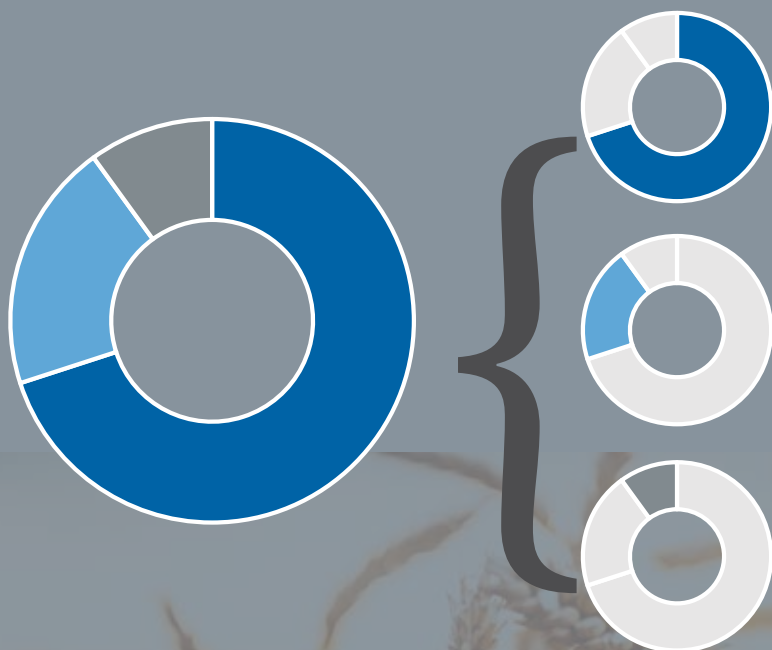
The Direxion Auspice Broad Commodity Strategy ETF (COM) seeks to track the Auspice Broad Commodity Index (ABCERI), a long/flat commodity index.

### THE AUSPICE BROAD COMMODITY INDEX (ABCERI) VS. LONG-ONLY COMMODITY INDEXES

	ABCERI	S&P GSCI <sup>5</sup>	BCOM <sup>6</sup>	DBC CI <sup>7</sup>
Annualized Return <sup>1</sup>	1.04%	-2.33%	-0.38%	0.92%
Annualized Std Dev <sup>2</sup>	8.33%	22.06%	14.31%	17.69%
Correlation <sup>3</sup>	1.00	0.58	0.68	0.66
Max Drawdown <sup>4</sup>	-33.38%	-75.91%	-54.57%	-57.00%

*Source: Bloomberg, as of 03/31/2025. This data begins on 09/30/2010, the inception of the Auspice Broad Commodity Index. The three indexes above are composite indexes of commodity sector returns representing unmanaged, unleveraged, long-only investment in commodity futures that are broadly diversified across the spectrum of commodities. The indexes are further defined on the back page. One cannot invest directly in an index. Past performance is not indicative of future results.*

### STRATEGY COMPONENTS



#### SYSTEMATIC LONG/FLAT POSITIONING

Long or flat positions based on a rules-based assessment of current momentum and trend in each individual commodity market.

#### DYNAMIC RISK MANAGEMENT

Individual positions are weighted and rebalanced based on the component's historical volatility seeking to maximize risk-adjusted returns.

#### CONTRACT ROLL OPTIMIZATION

Smart roll approach is designed to help provide adequate liquidity, minimal transaction costs and slippage, and optimal impact of contango/backwardation.

*Key Benefits of*  
**THE DIREXION AUSPICE BROAD COMMODITY  
STRATEGY ETF (COM)**

---

- Offering access to a broad basket of commodities through a tactical, rules-based index approach
- Historically low correlation to both stocks and bonds, as well as other alternative investments
- The potential to generate returns during inflationary periods
- Allowing investors to potentially take advantage of rising commodity prices, in addition to mitigating risk by going flat (cash) when individual commodities are experiencing downward trends
- Potentially providing commodity investment returns with lower risk characteristics than long-only commodity strategies
- Generates 1099 tax reporting – no K1

<sup>1</sup>Past performance does not guarantee future results. Index returns and correlations are historical and are not representative of any Fund performance. Total returns of the Index include reinvested dividends. One cannot invest directly in an index. <sup>2</sup>**Standard Deviation** is a measure of the dispersion of a set of data from its mean. <sup>3</sup>**Correlation** is a statistical measure of how two securities move in relation to each other. <sup>4</sup>**Maximum Drawdown** is the greatest percent decline from a previous high. <sup>5</sup>**S&P GSCI Excess Return Index (S&P GSCI)**, 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; <sup>6</sup>**Bloomberg Commodity Excess Return Index (BCOM)**, a broadly diversified index that allows investors to track 19 commodity futures through a single, simple measure, and <sup>7</sup>**Deutsche Banc Liquid Commodity Optimum Yield Index (DBC CI)**, an index composed of futures contracts on 14 of the most heavily-traded and important physical commodities in the world.

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

Shares of the Direxion Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Market Price returns are based upon the midpoint of the bid/ask spread at 4:00 pm EST (when NAV is normally calculated) and do not represent the returns you would receive if you traded shares at other times. Brokerage commissions will reduce returns. Fund returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV.

Futures may be affected by backwardation or contango. Backwardation is a market condition in which a futures price is lower in the distant delivery month than in the near delivery month. Contango is a market condition in which the futures price is higher in the distant delivery month than in the near delivery month. In cases of contango, the Fund's total return may be lower than might otherwise be the case because the Fund would be selling less expensive contracts and buying a more expensive ones.

**Direxion Shares Risks** - 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, but are not limited to, Index Correlation Risk, Derivatives Risk, Commodity-Linked Derivatives Risk, Futures Strategy Risk, Passive Investment and Index Performance 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 global pandemics, weather and other natural disasters, changes in supply and production, embargoes, tariffs and international economic, political and regulatory developments and changes in speculators' and/or investors' demand. 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.

Distributor: ALPS Distributors, Inc. 161 03312025 DXE000121

