

COM

Direxion Auspice Broad Commodity Strategy ETF

Fund Description

COM tracks a broad-market index consisting of 12 commodity futures contracts, weighted by historical volatility, which can toggle to cash based on momentum. The fund will also hold short-term fixed income securities as collateral.

FactSet Analyst Report

COM tracks a broad commodity index that considers 12 different commodity futures contracts in the agriculture, energy, and metals sectors. Futures positions are weighted by historical volatility and each position can be either long or flat (i.e. moved to cash) based on prevailing price trends in the contract. Contract tenor is determined by an optimized, rules-based process that selects contracts within the next 13-month period. The adviser also invests COMs collateral in T-bills, money market funds, cash, and other short-term, highly rated corporate and government debt. Rather than a commodity pool, the fund uses a Cayman structure (getting exposure through a wholly-owned Cayman Islands subsidiary). As such, taxable investors avoids a K-1 form at tax time. Prior to August 31, 2021, COM was thought of as an index-tracking fund with an active overlay.

